EBUSCO HOLDING N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under Dutch law, with its statutory seat in Deurne, the Netherlands)

Offering of up to 15,348,838 ordinary shares and admission to listing and trading of all ordinary shares on Euronext in Amsterdam

This prospectus (the **Prospectus**) has been prepared in connection with: (i) the admission to listing and trading of all ordinary shares, with a nominal value of €0.01 each, in the capital of Ebusco Holding N.V. (the **Company**) (**Ordinary Shares**) on Euronext in Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**); and (ii) the offering by the Company of up to 15,348,838 newly issued Ordinary Shares (the **Offer Shares**, which term includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)). The Company is offering such number of Offer Shares as will raise gross proceeds of approximately €300 million. Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range (all as defined below) the Offer Shares will constitute not more than 23.7% of the Ordinary Shares. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 25.4% of the Ordinary Shares. See "*The Offering*".

The Offering consists solely of private placements to certain institutional investors in various jurisdictions, including the Netherlands. The Offer Shares are being offered and sold within the United States of America (the **United States**) to persons reasonably believed to be qualified institutional buyers (**QIBs**) within the meaning of Rule 144A (**Rule 144A**) under the US Securities Act of 1933, as amended (the **US Securities Act**), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws and outside the United States, in accordance with Regulation S under the US Securities Act (**Regulation S**). There will be no public offering in any jurisdiction.

The Ordinary Shares are currently not admitted to listing and trading on any stock exchange. Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam, under the symbol "EBUS". Subject to acceleration or extension of the timetable for the Offering, trading on an "as if and when-issued" basis in the Offer Shares on Euronext Amsterdam is expected to commence on or about 22 October 2021 (the **First Trading Date**).

Investing in the Offer Shares involves risks. See"*Risk Factors*" for a description of the risk factors that should be carefully considered before investing in the Offer Shares.

The price per Offer Share (the Offer Price) is expected to be in the range of €21.50 to €24.50 (inclusive) (the Offer Price Range).

The Offering will take place from 08:00 Central European Time (**CET**) on 18 October 2021 until 14:00 CET on 21 October 2021(the **Offer Period**), subject to acceleration or extension of the timetable for the Offering. The Offer Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, in agreement with the Joint Global Coordinators (as defined below), after the end of the Offer Period on the basis of the book-building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact numbers of Offer Shares to be sold will be stated in a pricing statement (the **Pricing Statement**) that will be filed with the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), and announced through a press release published and placed on the Company's website (www.ebusco.com).

The Company, after consultation with the Joint Global Coordinators, reserves the right to change the Offer Price Range and/or increase or decrease the maximum number of Offer Shares prior to the allocation of the Offer Shares (the **Allocation**). Any increase of the top end of the Offer Price Range, or the determination of an Offer Price above the Offer Price Range, on the last day of the Offer Period will result in the Offer Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release that will be posted on the Company's website (www.ebusco.com).

ING Bank N.V. (**ING**), J.P. Morgan AG (**JP Morgan**) and Morgan Stanley Europe SE (**Morgan Stanley**) are acting as joint global coordinators (in such and any other capacity, the **Joint Global Coordinators**) and, together with Barclays Bank Ireland PLC (**Barclays**) and Jefferies International Limited (**JIL**) and Jefferies GmbH (together with JIL, **Jefferies**) as joint bookrunners for the Offering (the **Joint Bookrunners**). Cöoperatieve Rabobank U.A. (**Rabobank**) is acting as the co-lead manager for the Offering (the **Co-Lead Manager**, and together with the Joint Bookrunners, the **Underwriters**).

The Company has granted JP Morgan, in its capacity as stabilisation manager (the **Stabilisation Manager**) (on behalf of the Underwriters), an option (the **Over-Allotment Option**) pursuant to which the Stabilisation Manager (on behalf of the Underwriters) may require the Company to issue at the Offer Price up to 1,395,349 additional Ordinary Shares (the **Over-Allotment Shares**), comprising up to 10% of the total number of Offer Shares sold in the Offering, assuming an Offer Price at the bottom of the Offer Price Range, to cover short positions resulting from any over-allotments or stabilisation transactions, if any, made in connection with the Offering. The Over-Allotment Option is exercisable in whole or in part by the Stabilisation Manager (on behalf of the Underwriters) for 30 calendar days after the First Trading Date.

ING Corporate Investments Participaties B.V. (**ING Participaties**), Teslin Capital Management B.V. in its capacity of fund manager of Teslin Participaties Coöperatief U.A. (**Teslin**) and Alychlo NV (**Alychlo** and together with ING Participaties and Teslin, the **Anchor Investors**) have agreed to purchase Offer Shares at the Offer Price on the Settlement Date as part of the Offering, subject, for Teslin and Alychlo, to certain conditions (the **Anchor Investments**). ING Participaties will participate in the Offering for the amount of €32.5 million. For further information on the Anchor Investments, see "*The Offering—Anchor Investments*". The Anchor Investors may also subscribe for additional Offer Shares in the Offering. Allocation of any such additional Offer Shares shall be determined by the Company, after consultation with the Joint Global Coordinators, as described in "*The Offering–Allocation*".

The Offer Shares will be delivered in book-entry form through the book-entry system of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland (**Euroclear Nederland**).

Subject to acceleration or extension of the timetable for the Offering, payment (in euros) for, and delivery of, the Offer Shares (**Settlement**) is expected to take place on or about 26 October 2021 (the **Settlement Date**). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any transactions in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, ING as listing and paying agent (the **Listing and Paying Agent**), the Underwriters and Euronext Amsterdam N.V. do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

The Company (at the date of this Prospectus a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*)) will be converted into a public limited liability company (*naamloze vennootschap*) and will be renamed to Ebusco Holding N.V., immediately prior to Settlement.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, offers, issuances and sales of the Offer Shares may lawfully be made. The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws or and to certain persons outside the United States in reliance on Regulation S. There will be no public offer of the Offer Shares in the United States. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Rule 144A. Each purchaser of, and subscriber for, Offer Shares, in making a purchase or subscription, will be deemed to have made the acknowledgements, representations and agreements as set out in "*Selling and Transfer Restrictions*". Prospective investors in the Offer Shares should carefully read the restrictions described under "*Important Information*" and "*Selling and Transfer Restrictions*". Neither the Company nor any Underwriter is taking any action to permit a public offering of the Offer Shares in any jurisdiction.

This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union (the **Prospectus Regulation**). This Prospectus has been approved as a prospectus for the purposes of the Prospectus Regulation by, and filed with, the AFM, as competent authority under the Prospectus Regulation. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and the Company. Investors should make their own assessment as to the suitability of investing in the Offer Shares.

Joint Global Coordinators and Joint Bookrunners

ING **JP Morgan** **Morgan Stanley**

Joint Bookrunners

Barclays **Jefferies**

Co-Lead Manager
Rabobank

This Prospectus is dated 18 October 2021

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SUMMARY

Introduction and Warnings

This summary should be read as an introduction to the prospectus (the **Prospectus**) prepared in connection with the offering (the **Offering**) by Ebusco Holding N.V. (the **Company**) of newly issued Ordinary Shares (as defined below) (the **Offer Shares**, which term includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)) and the admission to listing and trading of all the ordinary shares in the capital of the Company with a nominal value of €0.01 each (the **Ordinary Shares**) on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**).

The Company's statutory seat (*statutaire zetel*) is in Deurne, the Netherlands, and its registered office is at Vuurijzer 23, unit C, 5753 SV Deurne, the Netherlands. The Company is registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 75407922. The Company's telephone number is +31 (0)88 1100 200. The Company's Legal Entity Identifier (**LEI**) is 894500WSIBBFFKHL6B32. The Ordinary Shares' International Security Identification Number (**ISIN**) is NL0015000CZ2.

This Prospectus was approved as a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations, the **Prospectus Regulation**) by, and filed with, the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as a competent authority under the Prospectus Regulation, on 18 October 2021. The AFM's registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands, and its telephone number is +31 (0)20 797 2000.

Any decision to invest in any Offer Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under national law of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference in it before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.

Key Information on the Company

Who is the issuer of the Ordinary Shares?

Domicile and Legal Form. Ebusco Holding N.V. (which at the date of the Prospectus is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) named Ebusco Holding B.V.) with its statutory seat (*statutaire zetel*) in Deurne, the Netherlands, and operating under the law of the Netherlands. The Company is expected to be converted into a public company with limited liability (*naamloze vennootschap*) with its statutory seat (*statutaire zetel*) in Deurne, the Netherlands, and to be renamed to Ebusco Holdings N.V. immediately prior to Settlement (as defined below). The Company's LEI is 894500WSIBBFFKHL6B32.

Principal Activities. The Company, together with its subsidiaries (together, the **Group**), is a developer, manufacturer and distributor of zero emission buses (meaning a road vehicle that emits no pollution from its exhaust) and charging systems as well as a supplier of ancillary services to the electric vehicle ecosystem.

Share Capital. As at the date of this Prospectus, the Company's issued share capital amounts to €450,020, divided into 33,750,000 ordinary shares A, 11,249,000 ordinary shares B, 1,000 non-voting cumulative preference shares A, 1,000 non-voting cumulative preference shares B and 1,000 non-voting cumulative preference shares C, each with a nominal value of €0.01, all of which shares are fully paid-up and have been created under, and are subject to, Dutch law.

With effect as of the Settlement Date (i) the non-voting cumulative preference shares A, the non-voting cumulative preference shares B and the non-voting cumulative preference shares C will be cancelled pursuant to a shareholders resolution and (ii) the ordinary shares A and the ordinary shares B will be converted into 44,999,000 Shares, with a nominal value of €0.01 each, pursuant to a deed of amendment of the articles of association. With effect as of the Settlement Date, the Company's authorised share capital will amount to €2,200,000 divided into 220,000,000 Ordinary Shares with a nominal value of €0.01 each. With effect as of the Settlement Date, the issued share capital will amount to €449,990 comprising of 44,999,000 Ordinary Shares.

Holdings Immediately Prior to and after Settlement. The Company is offering such number of Offer Shares as will raise gross proceeds of approximately €300 million. Assuming no exercise of the Over-Allotment Option, the maximum number of Offer Shares issued and an Offer Price at the bottom of the Offer Price Range (as defined below), the Offer Shares will constitute not more than 23.7% of the issued share capital of the Company immediately after Settlement. Assuming the Over-Allotment Option is fully exercised, the maximum number of Offer Shares issued and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 25.4% of the issued share capital of the Company immediately after Settlement.

Immediately prior to Settlement, assuming an Offer Price at the mid-point of the Offer Price Range, Van der Valk Investments B.V. (**Van der Valk**) will hold 13,722,842 Ordinary Shares which comprises 30.5% of the share capital, ING Corporate Investments Participaties B.V. (**ING Participaties**) will hold 10,747,068 Ordinary Shares which comprises 23.9% of the share capital, Peter Bijvelds Holding Erp B.V. (**Peter Bijvelds Holding**, and together with Van der Valk and

ING Participaties, the **Existing Shareholders**) will hold 20,529,090 Ordinary Shares which comprises 45.6% of the share capital.

Of the Existing Shareholders, ING Participaties has committed to participate in the Offering for the amount of €32.5 million. Consequently, immediately after Settlement, assuming no exercise of the Over-Allotment Option, an Offer Price at the mid-point of the Offer Price Range and that none of the other Existing Shareholders purchases Ordinary Shares in the Offering, Van der Valk will hold 13,722,842 Ordinary Shares comprising 23.6% of the share capital (disregarding for these purposes that Van der Valk will lend Ordinary Shares to the Stabilisation Manager under a stock loan agreement), ING Participaties will hold 12,160,111 Ordinary Shares comprising 21.0% of the share capital and Peter Bijvelds Holding will hold 20,529,090 Ordinary Shares comprising 35.4% of the share capital. Immediately after Settlement, assuming full exercise of the Over-Allotment Option and an Offer Price at the mid-point of the Offer Price Range, Van der Valk will hold 13,722,842 Ordinary Shares comprising 23.1% of the share capital (disregarding for these purposes that Van der Valk will lend Ordinary Shares to the Stabilisation Manager under a stock loan agreement), ING Participaties will hold 12,160,111 Ordinary Shares comprising 20.5% of the share capital, Peter Bijvelds Holding will hold 20,529,090 Ordinary Shares comprising 34.6% of the share capital and Teslin Capital Management B.V. in its capacity of fund manager of Teslin Participaties Coöperatief U.A. (**Teslin**) will hold 2,967,342 Ordinary Shares comprising 5.0% of the share capital.

Management Team. Peter Bijvelds is the Group's Chief Executive Officer and a member of the management board (*bestuur*) of the Company (the **Management Board**) and the Management Team (as defined below). Paul van Beers is the Group's Chief Financial Officer and a member of the Management Board and the Management Team. Bob Fleuren is the Group's Chief Operating Officer and Programme Management Officer and a member of the Management Board and the Management Team. Will Bierens is the Group's Chief Performance Officer and a non-statutory member of the Management Team. Tjaard Sijpkes is the Group's Chief Technology Officer and a non-statutory member of the Management Team. Judith Beurskens is the Group's HR Manager and a non-statutory member of the Management Team.

Independent Auditor. Ernst & Young Accountants LLP is the independent auditor of the Company.

What is the key financial information regarding the Company?

Selected Financial Information. The selected consolidated financial information of the Company, as at and for the years ended 31 December 2018, 2019 and 2020 and as at and for the six months ended 30 June 2020 and 2021 set out below, has been derived from and should be read together with the Financial Statements and the Interim Financial Statements, respectively, included elsewhere in the Prospectus. The Financial Statements have been prepared in accordance with IFRS (as defined below) and the Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

Selected Consolidated Statement of Profit or Loss and other Comprehensive Income Information.

	Year ended 31 December			**Six months ended 30 June**	
	2020	**2019**	**2018**	**2021**	**2020**
	(€ thousands)				
	(audited)			*(unaudited)*	
Revenue	99,994	48,924	21,357	5,172	16,220
Cost of materials	(60,337)	(32,139)	(13,983)	(4,888)	(9,220)
Employee benefit expenses	(5,286)	(3,603)	(1,898)	(4,903)	(2,062)
Amortisation and depreciation expenses	(3,359)	(3,312)	(2,397)	(2,514)	(1,650)
Other operational expenses	(7,236)	(4,407)	(2,258)	(4,718)	(2,720)
Operational expenses	**(76,218)**	**(43,461)**	**(20,536)**	**(17,086)**	**(15,652)**
Operating profit/(loss)	**23,776**	**5,463**	**821**	**(11,914)**	**568**
Finance expenses, net	(1,289)	(1,213)	(668)	(2,530)	(688)
Share of result of an associate	(112)	(89)	(26)	7,427	(56)
Profit/(loss) before tax	**22,375**	**4,161**	**127**	**(7,017)**	**(176)**
Income tax credit/(expense)	(5,716)	(1,051)	(157)	1,228	45
Profit/(loss) for the period	**16,659**	**3,110**	**(30)**	**(5,789)**	**(131)**
Profit/(Loss) for the period attributable to equity holders of the Group	**16,659**	**3,110**	**(30)**	**(5,568)**	**(131)**
Loss for the period attributable to Non-controlling interest	**-**	**-**	**-**	**(221)**	**-**
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Net gain/(loss) on cash flow hedges	(639)	454	557	612	(94)
Tax effect of changes in cash flow hedges	160	(114)	(140)	(153)	24
Net change in costs of hedging	64	(102)	5	28	337
Tax effect of change in costs of hedging	(17)	26	(1)	(7)	(84)
Other comprehensive income	**(432)**	**264**	**421**	**480**	**183**

Total comprehensive income (loss) for the year attributable to: equity holders of the Group ...	**16,227**	**3,374**	**391**	**(5,088)**	**52**
Total comprehensive loss for the period attributable to: equity holders of the Group ...	**-**	**-**	**-**	**(5,088)**	**52**
Non-controlling interest	**-**	**-**	**-**	**(221)**	**-**
Basic earnings per share (in euro) for profit attributable to shareholders of the Group.......	**694**	**130**	**(1)**	**(124)**	**(5)**
Diluted earnings per share (in euro) for profit attributable to shareholders of the Group.......	**680**	**127**	**(1)**	**(124)**	**(5)**

Selected Consolidated Statement of Financial Position Information.

	As at 31 December			**As at 30 June**
	2020	**2019**	**2018**	**2021**
	(€ thousands)			
	(audited)			*(unaudited)*
Assets				
Total non-current assets	10,198	8,972	12,814	57,054
Total current assets	94,261	26,299	18,453	49,636
Total assets...	104,459	35,271	31,267	106,690
Equity				
Total equity...	28,042	11,937	8,748	26,189
Non-current liabilities				
Total non-current liabilities..	14,256	6,302	6,157	14,560
Current liabilities				
Total current liabilities..	62,161	17,032	16,362	65,941
Total liabilities..	76,417	23,334	22,519	80,501
Total liabilities and equity...	104,459	35,271	31,267	106,690

Selected Consolidated Cash Flow Statement Information.

	Year ended December 31			**Six months ended 30 June**	
	2020	**2019**	**2018**	**2021**	**2020**
	(€ thousands)				
	(audited)			*(unaudited)*	
Net cash flows from operating activities	(11,427)	(4,959)	3,121	8,995	379
Net cash flows from investment activities...........	(3,994)	(194)	(2,247)	(17,927)	(561)
Net cash flows from financing activities	39,473	(1,337)	6,693	(12,492)	(1,104)
(Decrease)/Increase in cash and cash equivalents	24,052	(6,490)	7,567	(21,424)	(1,286)
Cash and cash equivalents at the start of the period	2,810	9,300	1,733	26,862	2,810
Cash and cash equivalents at the end of the period	26,862	2,810	9,300	5,438	1,524

Qualified Opinion and Other Key Financial Information. The independent auditor's report on the Financial Statements is qualified and includes emphasis of matter paragraphs.
Basis for Qualified Opinion. The basis for the qualified opinion is the fact that the Company's auditors, due to the appointment as auditor of the Company on 22 November 2019, were not able to attend the physical observation of the inventories in the year 2018. As a result, the Company's auditors were unable to determine whether any adjustments were necessary with respect to the results for the years ended 31 December 2018 and 31 December 2019 and the opening balances

of retained earnings for the year ended 31 December 2020, as well as the retained earnings as at 31 December 2018 and 31 December 2019.

Emphasis of Matter Paragraphs Independent Auditor's Report. The independent auditor's report also includes an emphasis of matter paragraph relating to the special purpose nature of the Financial Statements and the restriction on use thereof as included in Note 1 of the Financial Statements. The special purpose consolidated financial statements do not represent Ebusco Holding B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including these in the prospectus. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. The independent auditor's report further includes an emphasis of matter with respect to the Company's financing as included in Note 3 of the Financial Statements stating that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement.

Emphasis of Matter Paragraphs Independent Auditor's Review Report. The independent auditor's review report on the Interim Financial Statements includes an emphasis of matter paragraph stating that the condensed consolidated interim financial information for the period from 1 January 2020 to 30 June 2020 has not been audited nor reviewed, and includes an emphasis of matter paragraph with respect to the Company's financing as included in Note 2 of the Interim Financial Statements stating that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement.

What are the key risks that are specific to the Company?

Any investment in the Offer Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Group and the Ordinary Shares.

The following is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. In making the selection, the Group 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 Group'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 materialise:

- 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.
- The Covid-19 pandemic and resulting economic conditions and other consequences have and may continue to impact the Group.
- A number of the components used in the Group's zero emission buses are sourced to comply with "buy local" regulations and may lead to additional expenses or may become difficult to continue to use as the Group expands internationally.
- Increases in costs, disruptions, failure or non-performance by the Group's third-party suppliers may materially adversely affect the Group's business and profitability.
- 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.
- Advances in alternatives technologies may materially adversely affect the demand for the Group's zero emission buses or result in additional expenses for the Group.
- If the Group fails to make the right investment decisions in its technologies and services, strategic partnerships or collaborations with suppliers, its business, financial condition, results of operations or prospects could be materially adversely affected.
- The Group's success depends on its ability to retain, attract and hire individuals for its Management Board and other highly skilled personnel.
- The Group will need additional funding in order to fully implement its proposed international operations and if it were unable to secure additional funding, its business operations, including the international expansion strategy could be materially adversely affected.
- The Group's plans to scale up its production and operate plants are still evolving and may lead to increased costs, delays or reduced production of its zero emission buses that may materially adversely affect its business.
- A number of the Group's contracts for its zero emission buses are secured through a competitive tender process or requests for bids or quotations which entail significant costs if not managed effectively and could negatively impact the ability the Group to compete effectively.
- If the Group is unable to manage the rapid growth that it has experienced in recent periods, its business, financial condition, results of operations or prospects could be materially adversely affected.
- The Group may not be able to execute its international roll-out plan which could require the Group to raise additional capital.

Key Information on the Ordinary Shares

What are the main features of the Ordinary Shares?

Type, Class and ISIN. The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of €0.01 each. The Ordinary Shares are denominated in and will trade in euros on Euronext Amsterdam. The Ordinary Shares' ISIN is NL0015000CZ2.

Rights attached to the Ordinary Shares. The Ordinary Shares will rank *pari passu* with each other and Shareholders will be entitled to dividends and other distributions declared and paid on them, if any. Each Ordinary Share carries distribution rights and entitles its holder the right to attend and to cast one vote at the general meeting (*algemene vergadering*) of the Company. There are no restrictions on voting rights attaching to the Ordinary Shares. Each holder of Ordinary Shares shall, subject to exceptions, have a pre-emptive right in respect of the Ordinary Shares to be issued in proportion to the aggregate nominal amount of Ordinary Shares already held by it. Such a pre-emptive right may, however, be restricted or excluded by the Management Board, subject to the approval of the Supervisory Board, if the Management Board has been designated by the General Meeting as the authorised body to do so. If the Management Board has not been authorised to restrict or exclude pre-emptive rights, the General Meeting has the power to limit or exclude pre-emptive rights. It is expected that the General Meeting will designate the Management Board as the body authorised to restrict or exclude pre-emptive rights accruing to Shareholders in relation to the issue of or granting of rights to subscribe for Ordinary Shares, subject to the approval of the Supervisory Board, for a period of 18 months following the Settlement Date.

Dissolution and Liquidation. If the Company is dissolved or liquidated, the Company's assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors, in that order. The balance of the assets of the Company remaining after all liabilities and the costs of liquidation have been paid shall be distributed to the Shareholders in proportion to the nominal amount of each Shareholder's holding in Ordinary Shares.

Restrictions on Free Transferability of the Ordinary Shares. There are no restrictions under the Company's Articles of Association (as defined below), including as they will be in effect following amendment effective as of the Settlement Date (immediately prior to Settlement), or under Dutch law that limit the right of shareholders to hold Ordinary Shares. The transfer of Ordinary Shares to persons who are located or resident in, citizens of, or have a registered address in jurisdictions other than the Netherlands may, however, be subject to specific regulations or restrictions according to their securities laws.

Dividend Policy. The Company anticipates that for the foreseeable future it will retain all its future earnings for use in the development of its business and for general corporate purposes.

Where will the Ordinary Shares be traded?

Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam, under the symbol "EBUS". Trading on an "as-if-and-when-issued" basis in the Ordinary Shares on Euronext Amsterdam is expected to commence on or about 22 October 2021 (the **First Trading Date**). Prior to being admitted to trading on Euronext Amsterdam, there has been no public trading market for the Ordinary Shares.

What are the key risks that are specific to the Ordinary Shares?

The main risks relating to the Offering and the Ordinary Shares include:

- after Settlement, the Existing Shareholders will be able to exert substantial influence on the Company, and their interests could differ from those of the Company's other shareholders; and
- there is currently no public trading market for the Ordinary Shares on Euronext Amsterdam; consequently, there is a risk that an active and liquid market for the Ordinary Shares will not develop and that the price of the Ordinary Shares may be volatile.

Key Information on the Offering and the Admission

Under which conditions and timetable can I invest in the Ordinary Shares?

Offering. The Company is offering up to 13,953,489 Offer Shares (excluding the Over-allotment Shares). The Company has granted JP Morgan, in its capacity as Stabilisation Manager (as defined below), on behalf of the Underwriters (as defined below), an option (the **Over-Allotment Option**), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Stabilisation Manager (on behalf of the Underwriters) may require the Company to issue up to 1,395,349 additional Ordinary Shares, comprising up to 10% of the total number of Offer Shares sold in the Offering, assuming an Offer Price at the bottom of the Offer Price Range, to cover short positions resulting from any over-allotments or stabilisation transactions, if any, made in connection with the Offering. Assuming no exercise of the Over-Allotment Option, the maximum number of Offer Shares and an Offer Price at the bottom of the Offer Price Range (all as defined below), the Offer Shares will constitute not more than 23.7% of the issued share capital of the Company immediately after Settlement. Assuming the Over-Allotment Option is fully exercised, the maximum number of Offer Shares and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 25.4% of the issued share capital of the Company immediately after Settlement.

Jurisdictions. The Offering consists solely of private placements to certain institutional investors in various jurisdictions, including the Netherlands. The Offer Shares are being offered and sold within the United States of America (the **United States** or **US**) to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A (**Rule 144A**) under the US Securities Act of 1933, as amended (the **US Securities Act**), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state and other securities laws, and outside the United States in accordance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. There will be no public offering in any jurisdiction.

Timetable. Subject to acceleration or extension of the timetable by the Company, in consultation with the Joint Global Coordinators for, or withdrawal of, the Offering, the timetable below lists the expected key dates for the Offering.

Event	Date (2021) (Time (CET))
Start of offer period (the **Offer Period**)	18 October 2021 (8:00)
End of Offer Period	21 October 2021 (14:00)
Expected Pricing..	21 October 2021
Publication of results of the Offering and expected Allocation	22 October 2021
Commencement of trading on an "as-if-and-when-issued" basis on Euronext Amsterdam	22 October 2021 (9:00)
Settlement (payment and delivery)	26 October 2021 (9:00)

The Company, in consultation with the Joint Global Coordinators, reserves the right to accelerate or extend the Offer Period. In the event of an acceleration or extension of the Offer Period, pricing, allotment, admission and first trading of the Offer Shares in the Offering may be advanced or extended accordingly.

Offer Price, Offer Price Range and number of Offer Shares. The Offer Price is expected to be in the range of €21.50 to €24.50 (inclusive) per Offer Share (the **Offer Price Range**). The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is indicative and may be changed. The maximum number of Offer Shares may be increased or decreased prior to the allocation of the Offer Shares. The Offer Price and the exact number of Offer Shares will be determined after the end of the Offer Period by the Company, in agreement with the Joint Global Coordinators and on the basis of a book-building process, and will be stated in a pricing statement that will be published through a press release that will also be posted on the Company's website (www.ebusco.com) and filed with the AFM.

Allocation. Allocation of the Offer Shares is expected to take place after the closing of the Offer Period on or about 22 October 2021, subject to acceleration or extension of the timetable for the Offering. Full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may purchase or subscribe for and multiple applications to purchase, or subscribe for, Offer Shares are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied for.

Payment and Delivery. Payment (in euros) for and delivery of the Offer Shares (**Settlement**) will take place on the date of settlement, which is expected to be 26 October 2021 (the **Settlement Date**). Taxes and expenses, if any, must be borne by the investor. Investors must pay the Offer Price in immediately available funds in full in euros on or before the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, first trading, and payment and delivery). The Offer Shares will be delivered in book-entry form through the facilities of Netherlands Central Institute for Giro Securities Transactions (**Euroclear Nederland**). If Settlement does not take place on the Settlement Date as planned, or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any transactions in Offer Shares prior to Settlement are at the sole risk of the parties concerned.

Anchor Investors. ING Corporate Investment Participaties (**ING Participaties**), Teslin Capital Management B.V. in its capacity of fund manager of Teslin Participaties Coöperatief U.A. (**Teslin**) and Alychlo NV (**Alychlo**) (together, the **Anchor Investors**) have agreed to purchase Offer Shares at the Offer Price on the Settlement Date as part of the Offering, subject, for Teslin and Alychlo, to certain conditions (the **Anchor Investments**). ING Participaties will participate in the Offering for the amount of €32.5 million. If the Settlement Date has not occurred on or before 30 October 2021, each Anchor Investor is entitled to terminate its Anchor Investment. The Anchor Investors may also subscribe for additional Offer Shares in the Offering. Allocation of any such additional Offer Shares shall be determined by the Company, after consultation with the Joint Global Coordinators, as described under "*—Allocation*" above.

Joint Global Coordinators. ING Bank N.V. (ING), J.P. Morgan AG (JP Morgan) and Morgan Stanley Europe SE (**Morgan Stanley**) are the joint global coordinators for the Offering (the **Joint Global Coordinators**).

Joint Bookrunners. Barclays Bank Ireland PLC, Jefferies International Limited and Jefferies GmbH are the Joint Bookrunners for the Offering together with the Joint Global Coordinators (the **Joint Bookrunners**).

Co-Lead Manager. Coöperatieve Rabobank U.A. is the Co-Lead Manager for the Offering (the **Co-Lead Manager**).

Listing Agent and Paying Agent. ING is the listing and paying agent with respect to the admission to listing and trading of the Ordinary Shares on Euronext Amsterdam.

Stabilisation Manager. JP Morgan is the stabilisation manager for the Offering (the **Stabilisation Manager**).

Dilution. The issuance of the Offer Shares will result in a maximum dilution of voting interest for the Shareholders of 25.4% assuming an Offer Price at the bottom end of the Offer Price Range and full exercise of the Over-Allotment Option.

Estimated Expenses. Assuming no exercise of the Over-Allotment Option, the expenses, commissions and taxes related to the Offering payable by the Company are estimated at approximately €17 million.

Who is the offeror and/or the person asking for Admission?

The Company is offering the Offer Shares. The Company is expected to be converted into a public company with limited liability (*naamloze vennootschap*) with its statutory seat (*statutaire zetel*) in Deurne, the Netherlands, and to be renamed to Ebusco Holding N.V. immediately prior to Settlement. The Company's LEI is 894500WSIBBFFKHL6B32 and its trade register number is 75407922. The Company operates under the laws of the Netherlands.

Why is the Prospectus being produced?

Reasons for the Offering. The Company believes that the offering of the Offer Shares under the Offering will facilitate the execution of its international expansion strategy and listing and trading of the Ordinary Shares on Euronext Amsterdam will further enhance the Company's profile and brand recognition with, *inter alia*, investors, business partners, clients and employees. In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders.

Net Proceeds. The Company expects the net proceeds from the Offering (assuming no exercise of the Over-allotment Option), after deduction of expenses, commissions and taxes (estimated to amount to approximately €17 million), to amount to approximately €283 million. The Company intends to use the expected net proceeds of the issue of the Offer Shares mainly to facilitate execution of its international expansion strategy through 2023, including capital expenditures for: scale-up of existing and construction of new production facilities; general maintenance and further general capital expenditures; demo buses; prototype buses; and to enter and penetrate into the Chinese market with a selected partner. The Company also intends to use expected net proceeds for capital expenditures during that period for further roll-out of the Group's Energy Storage System and repayment and refinancing of credits and loans. Furthermore, since the initial phase of the Group's international expansion strategy does not require all of the net proceeds immediately for its planned capital expenditures, the Group also anticipates that it will temporarily use a small portion of the net proceeds intended for capital expenditure to fund its net working capital requirements for the production of its Ebusco 3.0 buses in the initial six to nine months following the Offering, which net proceeds will be available to be utilised by the Group in line with its capital expenditure plans outlined above once its customers pay for such buses.

Underwriting Agreement. The Company and the Underwriters entered into an underwriting agreement on 18 October 2021 with respect to the Offering and sale of the Offer Shares (the **Underwriting Agreement**). The Underwriting Agreement is conditional on the entry into a pricing agreement between the Company and the Underwriters setting the Offer Price and the final number of Offer Shares. On the terms, and subject to the conditions, of the Underwriting Agreement, the Company has agreed to issue the Offer Shares at the Offer Price to subscribers procured by the Underwriters and the Underwriters have agreed to use reasonable endeavours to procure subscribers for the Offer Shares and to themselves, severally but not jointly, subscribe for the Offer Shares at the Offer Price, to the extent they fail to procure such subscribers.

Most Material Conflicts of Interest Pertaining to the Offering and the Admission. Certain of the Underwriters and/or their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company (or any parties related to the Company) for which they have received or may in the future receive customary compensation, fees and/or commission. Additionally, the Underwriters and/or their affiliates, including their respective parent companies, may, in the ordinary course of their business, hold the Company's securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company. Potential conflicts of interests may exist in relation to: (i) ING as a result of its indirect shareholding in the Company through ING Participaties; (ii) ING and Coöperatieve Rabobank U.A. as a result of them acting as lenders under a €80 million facilities agreement between (among others) themselves and the Company; (iii) ING as a result of its subsidiary ING Corporate Investments Mezzanine Fonds B.V. acting as lender under a €32.5 million credit facility of the Company and (iv) the participation of ING Participaties in the Offering for an amount of €32.5 million.

RISK FACTORS

Before investing in the Offer Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on the Group's (as defined below) business, financial condition, results of operations or prospects. The price of the Ordinary Shares could decline and an investor might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication: of the likelihood of the risks actually materialising, of the potential significance of the risks, or of the scope of any potential negative impact on the Group's business, financial condition, results of operations or prospects. The risk factors below have been divided into categories and some risk factors could belong in more than one category. However, each risk factor is presented within the most appropriate category and prospective investors should carefully consider all of the risk factors set out in this section.

Furthermore, although the management board (bestuur) of the Company (the ***Management Board****) and the Company believe that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry and the Offer Shares, they are not the only risks and uncertainties relating to the Group and the Offer Shares. Other risks, events, facts or circumstances not presently known to the Group or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations or prospects.*

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any Offer Shares. Furthermore, before making an investment decision with respect to any Offer Shares, prospective investors should consult their own professional adviser and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of their personal circumstances.

As used herein, a reference to the Group refers to the Company as well as to its businesses which are held as consolidated subsidiaries and equity-method non-consolidated subsidiaries, associated companies and joint ventures, as the context requires.

Risks Relating to the Company's Business

(1) The Group faces intense and increasing competition in the transit bus market and may not be able to compete successfully against new and established competitors, which could materially adversely affect the Group's business, revenue growth and market share.

Both the transit bus market generally and the battery electric bus segment of this market in particular are highly competitive, and the Group competes for sales with suppliers of internal combustion engine buses, battery electric buses, and other forms of zero emission buses (meaning road vehicles that emit no pollution from its exhaust), like hydrogen fuel cell powered buses. Many of the Group'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 Group 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, the Group'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. Additionally, many of these competitors have more experience with the procurement process of public transit authorities (the **PTAs**).

The Group expects competition for battery electric and other zero emission buses to intensify as suppliers put more focus on this segment given expected increases in demand and increasing regulatory support for zero emission and alternative fuel buses or other forms of transport and as new entrants enter the transit bus market, particularly those that target the battery electric bus segment. This could lead to increased price competition in the battery electric bus segment. Since price is one of the factors that make up the total cost of ownership, if the Group's competitors lower their prices, this could lead to them having a more competitive total cost of ownership compared to the Group's total cost of ownership for its zero emission buses, which could harm the Group's business, decreasing its competitive advantage and/or resulting in fewer of the Group's buses sold, as well as its operating results, or prospects as the Group could feel pressure to decrease the price of its zero emission buses, reducing its overall profitability.

Other factors affecting competition include product quality and features, environmental impact, innovation and development time, reliability, safety, fuel economy, and customer service as each of these factors are often part of the considerations that PTAs, public transit operators (the **PTOs**) or other customers use to evaluate which and what type of bus to purchase. While the Management Board believes that the Group currently has a competitive advantage in relation to the total cost of ownership of a transit bus with its newest zero emission bus, the Ebusco 3.0 (due largely to the Ebusco 3.0's lightweight composite body technology), pricing, fuel economy and maintenance costs are also factors that impact a bus's total cost of ownership. Existing and potential competitors may be able to develop buses and provide services that drive down the total cost of ownership of their transit buses due to their price, features, environmental impact or innovation. Alternatively, they may be able to develop products or services that are better able to compete on the basis of other factors that are equal or superior to those offered by the Group or which achieve greater market acceptance. However, while the Group's existing and potential customers often use the total cost of ownership to make purchasing decisions, other customers, particularly those in markets, such as Latin America, without as much access to finance or with less favourable finance options, may place more importance on the price of a bus, which could hinder the Group's ability to expand or compete in these markets. Furthermore, PTAs or PTOs may favour local competitors, irrespective of total cost of ownership and some of the Group's competitors may aggressively discount their products and services in order to compete on price and gain market share, which could result in pricing pressures, reduced profit margins, lost market share, or a failure to grow market share by the Group. This could impact the Group's ability to compete successfully and may materially adversely affect the Group's business, financial condition, operating results or prospects.

(2) The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects.

The Covid-19 pandemic has impacted worldwide economic activity since early 2020. Government regulations and shifting social behaviours have limited or closed non-essential transportation, government functions, business activities and person-to-person interactions and resulted in many employees working from home. In some cases, the relaxation of such trends has been followed by actual or contemplated returns to stringent restrictions on gatherings or commerce, including in parts of Europe, where the Group's primary operations are currently located. These trends have resulted in a reduced number of travellers, which in turn has resulted in a reduced amount of income generated by PTAs or PTOs, who in response issued fewer requests for tenders, bids or quotations for new buses in 2020 and the first half of 2021. The Group received 39 orders for its zero emissions buses in 2020, which was 121 fewer orders than in 2019, stemming from a decline in tenders as a result of the Covid-

19 pandemic when compared to the previous year, which is expected to negatively impact the Group's revenue for 2021. The Group has continued to see an impact on orders and tender opportunities during 2021 compared to 2019 as a result of uncertainty relating to public transit needs as a result of Covid-19, particularly during the first four months of the year. While the vaccines and accompanying government vaccination programmes have indicated positive signs towards recovery, it is difficult to predict the extent of the impact of the Covid-19 pandemic, and whether more stringent restrictions on commerce or non-essential interactions will be imposed, including as a result of new strains or variants of the virus.

In response to the Covid-19 pandemic and accompanying regulations, the Group implemented a work-from-home policy for its employees that were not physically required to be on-site and increased cleaning and provided additional cleaning supplies for employees and personnel in all of its facilities in line with government recommended policies for cleaning hands and surfaces. The Group may continue to be required to take further actions that alter its operations as regulations and laws require.

The slowdown in activity also impacted the Group's need for staffing. As a result of the Covid-19 pandemic, in 2020 the Group was granted €1.2 million (of which €0.9 million has been received) in government support for the wages of its employees from the Temporary Emergency Bridging Measure for Sustained Employment in the Netherlands (*Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud*) during the first registration period in the beginning of the year ended 31 December 2020.

The Group's third-party suppliers have temporarily had to suspend operations for short periods of time as a result of measures implemented by governments in response to the Covid-19 pandemic which have caused disruptions and delays to the Group's production and delivery schedules. Its suppliers have also experienced challenges on ramping up and re-establishing production capacity in connection with the prolonged Covid-19 impact, resulting in prolonged supply chain challenges for the Group. For example, when the virus first emerged in China, the Group experienced disruptions at the Group's third-party supplier in China that assembles its zero emission buses, Xiamen Fengtai Bus and Coach International Co. Ltd, part of the Weichai Holdings Group Co., Ltd (**Weichai**). The Group and some of its third-party suppliers shifted production to Europe, which was later affected and resulted in further delays to development, production and assembly of the Group's zero emission buses when the virus began to affect Europe. From time to time since the start of the Covid-19 pandemic, some of the Group's third-party suppliers operated at reduced capacity or not at all because of the shortage of available employees due to quarantine restrictions, social-distancing requirements, illness or the restrictions on travel that prevented some of the Group's employees and third-party suppliers from visiting facilities. Some of the latest such restrictions were introduced in September 2021, with certain of the Group's suppliers, including the one that assembles the Group's zero emission buses, impacted by renewed lockdown measures in China that further constrained the Group's supply chain and production. As a result, the percentage of buses completed and delivered to customers in 2021 has delayed the ability to recognise previously anticipated revenue in 2021, and is expected to continue to adversely affect the Group's financial results for the remainder of the year 2021 and into 2022. While the Group's PTO customers have generally waived penalty payments for delayed production of the Group's zero emission buses due to the Covid-19 pandemic, there is no guarantee that such penalties will continue to be waived.

The Group's production delays have been exacerbated by delays in deliveries and/or the unavailability of certain components and parts, including semiconductors, dashboards and axles. Currently, there is a global semiconductor shortage as a result of reduced production following the closure of manufacturing facilities during the initial phase of lockdowns imposed by governments across the world in response to the Covid-19 pandemic, and the markedly increased demand for semiconductors by the consumer electronics industry during the pandemic. The Group recently experienced shortages from its existing semiconductor supplier and was required to switch to another supplier. While the Group has a sufficient supply of semiconductors for its anticipated production volumes in the near term, it may be unable to maintain its arrangements with suppliers or to obtain the volume of semiconductors it will need in the future should the global shortage for semiconductors continue or other supply shortages ensue. The

Group's axle shortages have resulted from supply chain disruptions linked to scaled back production by its suppliers in connection with Covid-19 and the inability to replenish spare components due to supply chain shortages. These shortages have prevented the completion of production or shipment of certain zero emission buses originally expected to be shipped in the fourth quarter of 2021. See also "*–The Group's business and profitability may be materially adversely affected by increases in costs, disruptions, failure or non-performance of the Group's third-party suppliers*" for more details.

Although the Group has been able to continue progressing other aspects of its zero emission bus production, the foregoing supplier shortages have resulted, in mid September 2021, in the Group having to reduce the estimated number of zero emission buses with respect to which it had previously anticipated it would recognise revenue in 2021 Consequently, the Group anticipates revenue in 2021 will be approximately one-fifth to one-quarter of its revenue of €100.0 million in the year ended 31 December 2020. If the supply and/or production issues experienced by the Group in 2021 continue during the remainder of the year or in 2022, the Group's ability to complete its anticipated production and delivery of zero emission buses would be adversely affected, which could have a material adverse effect on its business, financial condition, results of operations or prospects. In addition, if the delays result in the Group being unable to deliver buses in accordance with its contractual obligations, the Group could be liable for penalties payable to its customers. See "*–The Group's business and profitability may be materially adversely affected by supply chain disruptions or supply shortages*" for a discussion of how such penalties could impact the Group's result of operations.

Macroeconomic conditions and changes in levels of end user demand for public transit and customer spending on public transit in the future may further adversely affect the transit bus market more generally, including the battery electric bus segment from which the Group operates. For example, some customers have postponed deliveries and delayed requests for new procurement contracts and proposals as governments address ongoing and future costs and concerns associated with the Covid-19 pandemic and seek to evaluate end user demand for public transit in light of changing social behaviour, working arrangements and commutes expected following the Covid-19 pandemic. Other customers have reduced spending on capital investments and scaled back public transit operations entirely as they consider whether the Covid-19 pandemic will affect the number of passengers using public transport in the future. While the Group has not yet experienced any cancellation of existing orders, the Covid-19 pandemic has resulted in cancelled or delayed tender processes, reducing opportunities for the Group to generate new orders. If there is lower demand for public transportation in the future, and a corresponding decrease in zero emission bus purchases, the Group's business, financial condition, results of operations or prospects could be materially adversely affected.

(3) In order to compete effectively the Group sources a number of the components in its zero emission buses in a manner to comply with applicable "buy local" regulations which could lead to additional expenses or may become increasingly difficult to manage as the Group expands its operations internationally.

The Group currently sources much of its supplies for its zero emission buses from Europe to be compliant with "buy local" regulations or priorities applicable to the procurement policies of many PTAs, PTOs or other customers. The Group currently contemplates continuing to use European components in its zero emission buses that will be assembled in its plants to be opened in Australia, the United States and China. To the extent necessary to be competitive in these markets, or to comply with any applicable regulations, the Group may need to adapt some of its components to meet "buy local" requirements. This could lead to additional expense for the Group as a local component may be more expensive or could lead to an increase of costs due to any additional design adaption required to integrate the component with the other components of the bus and any related assembly costs, which may impact the Group's ability to compete successfully. See "*–The Group faces intense and increasing competition in the transit bus market and may not be able to compete successfully against new and established competitors, which could materially adversely affect the Group's business, revenue growth* *and market share*." for more details regarding the risks to the Group's business should it not be able to compete successfully.

In addition, changing a component to a locally sourced component may also require a change in bus design and/or additional regulatory approvals. It is also possible that in the Group's existing or international expansion markets its competitors may manufacture or assemble comparable or competitive products in more cost-effective jurisdictions or use components manufactured in more cost-effective jurisdictions and import their buses at lower prices to the geographic markets in which the Group sells or intends to sell its zero emission buses. This competition could cause the Group to lose market share or compel the Group to reduce prices to remain competitive, which could result in reduced sales, revenue and profitability and impact the total cost of ownership of the Group's zero emission buses. This could impact the Group's ability to compete successfully and may materially adversely affect the Group's business, financial condition, operating results or prospects.

(4) The Group's business and profitability may be materially adversely affected by increases in costs, disruptions, failure or non-performance of the Group's third-party suppliers

The Group's zero emission buses contain numerous components that are purchased from a limited number of third-party suppliers, including Chinese company Contemporary Amperex Technology Co., Ltd. (**CATL**) and US company Gotion, Inc. (**Gotion**) which manufacture and supply the Group's lithium iron phosphate (**LFP**) batteries. The Group also relies on a third-party supplier in China, Weichai, for the assembly of its existing zero emission buses and a supplier in Europe for the carbon fibre for its composite body. This could expose the Group to potential third-party risks of price increases, disruptions, failure to deliver components as specified, non-performance or other factors beyond the Group's third-party suppliers' control. The unavailability of any component or supplier at acceptable prices or at all could result in manufacturing or assembly delays and product design changes, and the Group may incur penalties from its customers. See "*–The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects*" for a discussion of the manner supplier constraints connected to the prolonged Covid-19 crisis impacted the Group's production schedule in September 2021. As there are a limited number of third-party suppliers for a number of the components used by the Group in its zero emission buses, should the demand for production increase across the market, third-party suppliers may be unable to meet the needs of customers, including the Group. In addition, as the Group increases its volume of zero emission buses, its supply needs will increase and could become increasingly difficult to meet.

With respect to the batteries purchased by the Group for its products, CATL and Gotion each work with the Group to customise and adapt the batteries to the Group's bus design. The Group's electrical systems and software have also been customised for each of their batteries. As a result, if the Group were required to replace either or both of its third-party battery suppliers, the Group may have to incur a substantial amount of expense to find a new battery supplier and update other components or systems of its zero emission buses to work with a different battery. This could also lead to significant delays in delivering the Group's products as related components are redesigned or modified.

(5) The Group's business and profitability may be materially adversely affected by supply chain disruptions or supply shortages

The Group is exposed to the risk of supply disruptions and shortages, including due to epidemics or pandemics of diseases, 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. 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, see "*–The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the*

Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects", for the risks this creates for the Group. See "*–The Group could be materially adversely affected by macroeconomic conditions in the markets in which it operates*" for more details regarding the risks associated with the economic conditions in which the Group operates. Further supply chain disruptions and/or shortages can directly impact the Group's ability to produce and/or ship its zero emission buses, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In order to optimise the development, manufacturing and assembly of its zero emission buses, the Group must manage its supply chain with third parties for its bus components and technology as well as the delivery of the zero emission buses. In some instances, such as delays due to extended shipping routes due to blockages in traditional routes, disruption in the supply chain can be caused by factors outside of the control of the Group or its third-party suppliers. Fragmentation in the supply chain and/or any changes in the regulatory laws or political situation in the countries that the Group or its third-party suppliers operate in or must transport its products or supplies to or from could further complicate supply chain disruption risks and result in delays in deliveries.

Where a third-party supplier is unable to deliver components as specified, the Group may be unable to obtain such components in a timely manner and such supply chain disruption may cause the Group to experience delays in completing an order, thereby incurring penalties. If the amount the Group is required to pay in penalties exceeds the cost of components that caused the delay or exceeds the amount of the order, the Group could incur a loss under the relevant contract. In addition, where a third party is unable to deliver components as specified, the Group may be forced to recall or remedy malfunctioned components, which could subject the Group to reputational harm and additional expenses. See "*–The Group's business and prospects depend on its brand, image and reputation. Failure to maintain its brand, image or reputation could materially and adversely affect the Group's business, financial condition, results of operations or prospects*" for more risks associated with any reputational harm to the Group.

(6) Developments or advances in alternative technologies, including but not limited to hydrogen, or improvements in the internal combustion engine, may materially adversely affect the demand for the Group's zero emission buses, result in additional expenses for the Group or affect the competitiveness of the total cost of ownership of the Group's zero emission buses compared to its competitors and the Group's business, financial condition, results of operations or prospects could be materially adversely affected.

The Group may be unable to keep up with the changes in zero emission technology or other alternative fuel sources and, as a result, its competitiveness may suffer. Developments or advances in alternative technologies, such as hydrogen fuel cells, advanced diesel, ethanol, or compressed natural gas, or improvements in the fuel economy of the internal combustion engine or other technological advances that would make such alternative technologies more competitive against or attractive than the Group's zero emission buses, could result in the Group's competitors having zero emission or other buses with a lower total cost of ownership than those of the Group's zero emission buses, which could materially adversely affect the Group's business or prospects.

Even if the Group is able to keep pace with changes in technology and develop new products and services, the Group is subject to the risk that its prior models, products, services and designs will become obsolete more quickly than expected, resulting in a lower return on investments made in research and development of the Group's products or, in some cases, the Group may be required to write off any materials or components already purchased that can no longer be used due to changing technologies. Inability of the Group to keep pace with changes in technology or early obsoletion of its existing technology would affect the total cost of ownership of its zero emission buses as the total time that the Group's zero emission buses are used by clients may be materially adversely affected (which impacts the total cost of ownership) or it could increase the maintenance costs if the Group can upgrade the technology (which would also increase the total cost of ownership, unless such upgrades were provided at the Company's own expense). Any failure of the Group to successfully react to changes in existing technologies, any adverse impact on demand for the Group's products as a result of alternative technologies, or to manage expenses arising from developments or advances in alternative technologies, could impact the total cost of ownership for the Group's zero emission buses, materially harm its competitive position and growth prospects and may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(7) The Group spends a significant amount on research and development and invests time and resources into strategic partnerships and collaborations with its suppliers. If the Group fails to make the right investment decisions in its technologies and services, strategic partnerships or collaborations with suppliers, its business, financial condition, results of operations or prospects could be materially adversely affected.

Electrification of commercial vehicles like the Group's zero emission buses is a relatively new field and one which continues to evolve. As more companies invest in the transit bus market, alternative modes of transportation or adjacent markets, and new technologies are developed, the Group and its technologies may be unable to keep up with such advances and, as a result, the Group's competitiveness may suffer. Since technologies change, the Group has spent and expects to continue to spend significant resources in ongoing research and development, including by upgrading or adapting its products and services, collaborating on research and forming strategic partnerships with research institutions, industrial partners and suppliers.

As part of its research and development investments, the Group has formed strategic partnerships with private and public institutions and some of these arrangements are evidenced by memorandums of understanding, non-binding letters of intent, or early stage agreements that are used for design and development purposes, which could be terminated or may not materialise into next-stage contracts or long-term contract partnership arrangements or otherwise result in innovation. If the Group is unable to maintain such arrangements and agreements, contribute to innovation through these arrangements and agreements or if such arrangements and agreements contain other restrictions from or limitations on developing zero emission buses and other relevant technology with other strategic partners, the Group could be negatively impacted.

Furthermore, the Group's research and development efforts, its strategic partnerships and collaboration with its suppliers help the Group to develop competitive technology. For example, the Group's long-range electric batteries, designed for overnight charging, are a key component of its zero emission buses that the Management Board believes provides the Group with a competitive advantage. These batteries include many individual battery cells that function together to create the Group's long-range electric batteries. With the research and development efforts of the Group and its strategic partnerships and suppliers, the Group is able to develop battery cells and various related components to continue to develop the range of its buses or charge efficiency and maintain the competitive advantage that the Management Board believes its batteries provide. Should the Group fail to maintain its research and development efforts or fail to maintain the relationships with its strategic partners or suppliers, the Group's competitive advantage could be materially and adversely affected.

The Group invests a significant amount of resources internally and in collaboration with its third-party battery suppliers and strategic partners to reduce the total cost of ownership of its buses, provide longer range zero emission buses and provide products or services the Group believes will enhances its competitiveness. However, the Group's research and development efforts may not be sufficient or could involve substantial costs and delays and prove ineffective investments. The Group has invested a significant amount of time and resources to develop its lightweight composite body design for the Ebusco 3.0 and its overnight charging system for its zero emission buses but these may not appeal to, be purchased or adopted by customers at the rates anticipated. If the Group's existing technologies are not widely purchased or adopted, or if the Group selects and invests in technological innovations, standards or features that are not widely purchased or adopted by customers within the transit bus market in the future, the Group may not recover its investments in these technologies and may be at a competitive disadvantage. Furthermore, while the Group uses non-disclosure agreements and other means to protect trade secrets and intellectual property developed with strategic partners, collaborators or suppliers, should these inadequately protect any technology developed or should any of these third parties use knowledge gained in these partnerships to prepare similar technology, the Group could lose important technology or competitive advantages which could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

(8) The Group's success depends, in part, on its ability to retain its Management Board and other key managers. If the Group is unable to retain its Management Board and other key managers, its ability to compete may be harmed.

The Group's success depends, in part, on its ability to retain its key personnel. The Group is highly dependent on the services of its Management Board and other key managers (including Peter Bijvelds, its founder and Chief Executive Officer (**CEO**)). The unexpected loss of or failure to retain one or more Managing Directors and other key managers could materially adversely affect its business. The Group does not currently maintain any key person life insurance policies with respect to Mr Bijvelds or any other member of its Management Board and other key managers. If Managing Directors, other key managers or other key personnel were to discontinue their service to the Group due to death, disability or any other reason, the Group would be significantly disadvantaged in the event that it was unable to appoint or hire suitable replacements in a timely manner. These challenges could be increased while the Covid-19 pandemic continues to impact travel, since this can make it more difficult for the Group to assess and evaluate potential employees.

Any loss of Managing Directors and other key managers or failure by the Management Board and other key managers to perform as expected may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(9) The Group's success depends, in part, on its ability to retain, attract and hire highly skilled personnel. If the Group is unable to retain, attract or hire highly skilled personnel, its ability to compete may be harmed.

The Group'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 the Group is one of the early producers of zero emission buses within Europe, the Group has a number of experienced employees who have worked on the development of the Group's technology for several years. If such employees were to begin working for a competitor, the Group could find it difficult and costly to enforce agreements in place that are intended to protect the intellectual property used by the Group and prevent it from being used by a competitor. Furthermore, as the demand for zero emission vehicles like the Group's electric buses continues to increase, the competition for experienced employees with skill sets needed for the Group's business increases. It may be increasingly difficult to hire new employees since a number of skilled personnel sought by the Group may be subject to non-compete agreements with their past employers, which could make it more difficult to hire new employees or may lead to delays in hiring. The Group has in the past and may in the future raise the wages or salaries of its workers to compete for talent, which could negatively impact the Group's margins.

The Group's future success also depends on its ability to identify, hire, attract and train new employees, particularly where the Group may establish new plants or other operations as part of its international expansion strategy, as well as to support that strategy. In particular, to compete successfully in the competitive tender process, the Group needs to have sufficient numbers of tender and sales personnel who are able to negotiate with various PTOs and secure tenders for the Group. See "*–The Group secures a number of its customer contracts for its zero emission buses through competitive tender processes or through requests for bids or quotations, which can entail significant costs and if not managed effectively could negatively impact the ability of the Group to compete effectively*" for more information regarding the competitive tender process. The Group's ability to compete for tenders has in the past been adversely affected by a shortage of such personnel, and the Group is actively recruiting additional personnel to fill these roles. Should the Group be unable to attract, hire and retain such personnel, its ability to successfully compete in the tender process may be adversely affected.

Any failure of the Group to attract, hire and retain other key employees and highly skilled personnel, may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(10) The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.

The net proceeds of the Offering are anticipated to fund the Group's international expansion strategy through 2023 (the **initial phase of the Group's international expansion strategy**). The completion of the initial phase of the Group's international expansion strategy is subject to a number of risks described elsewhere herein, including having to secure further funding in addition to the net proceeds of the Offering. The Group's business plan assumes it will require a further estimated €100.0 million in the medium term for capital expenditure to fully implement its international expansion strategy, which the Group will need to raise through other equity, equity-linked or debt financing, which may not be available at all or not available on favourable terms at the time the Group requires such funds. See "*– The Group may be unable to complete the projects in its international roll-out plan, including the opening of new plants, on time or to budget, or at all, which could require the Group to raise additional capital*" for the funding risks associated with the Group's international expansion strategy. The Group would face additional challenges to securing these additional funds if any of the funding risks associated with its international expansion strategy or if those risks related to funding it normal operations were realised, as described in "*The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful.*", "*The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects.",* "*The Group may be unable to complete the projects in its international roll-out plan, including the opening of new plants, on time or to budget, or at all, which could require the Group to raise additional capital.*", *"If the Group is unable to obtain letters of credit, bid bonds or performance bonds required by customers or suppliers, the Group's ability to obtain future contracts could be negatively affected.*" and "*The Group's failure to comply with the covenants contained in its Facilities Agreement and similar financing agreements could result in a default thereunder, triggering cross-defaults and rendering such financings unavailable to the Group, could make it more difficult for the Group to acquire other financing at a reasonable cost or at all and could have a material adverse effect on the Group's liquidity, results of operations, financial condition and prospects.*".

In the event the Group is unable to raise additional funds, it would not be able to fully implement its international expansion strategy outlined in the Prospectus and this would negatively impact the Group's ability to meet its medium-term objectives. The Group's ability to meet its medium-term objectives are dependent on a number of other factors which are described in "*The Group's medium-term objectives and the assumptions and judgements underlying these objectives and other forward-*

looking performance measures may prove inaccurate, and as a result the Group may not achieve its targeted financial results.".

Furthermore, since the initial phase of the Group's international expansion strategy does not require all of the net proceeds immediately for its planned capital expenditures, the Group also anticipates that it will temporarily use a small portion of the net proceeds intended for capital expenditure for the international expansion strategy to fund its net working capital requirements for the production of its Ebusco 3.0 buses in the initial six to nine months following the Offering, which net proceeds will be available to be utilised by the Group in line with its capital expenditure plans described in the use of proceeds once its customers pay for such buses. In the event that customes do not pay for the buses produced on time or at all, this would impact the capital expenditure available to use for the initial phase of the Group's international expansion strategy.

Furthermore, the Group also expects it will be required to secure additional funding to meet its anticipated net working capital requirements at the end of the medium-term period to support its medium-term objectives. See "*Operating and Financial Review—Liquidity and Capital Resources—Net Working Capital*" for additional information about the Group's expectations regarding the funding of its net working capital over the medium-term.

The Group may be unable to raise additional funding to fully implement the Group's international expansion strategy or for additional net working capital requirements or it may be more costly to raise additional funding that it currently anticipates or in the time anticipated. Any inability to raise additional funds to fully implement the Group's international expansion strategy or for additional net working capital requirements, or delays or greater expenses in securing any such funding, could materially adversely affect the Group's ability to operate its business, delay the production of its vehicles, reduce the scale of the Group's international expansion or negatively impact the Group's ability to meet its medium-term objectives, which would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(11) The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects.

The Group plans to significantly increase manufacturing, production and assembly capacity in a short amount of time to meet the Group'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 finaning to complete its international expansion strategy beyond 2023 (as described above in "*The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives*.), recruiting and training new staff while maintaining the Group's desired quality levels, sourcing appropriate plants or lands for plants and obtaining any regulatory authorisations required, implementing the Group's supply chain management technologies and manufacturing and quality control processes across multiple plants, and the Group's suppliers' ability to support the Group's needs.

The Group'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. Currently, nearly all of the Group's production of its zero emission buses is through its third-party suppliers. However, the Group intends to assemble its Ebusco 3.0 buses at its own plants, enabling the Group to support its scale-up efforts in existing and its international expansion markets, such as Australia, the United States and China. For example, by the end of 2021, the Group plans to begin assembling, marketing and servicing its Ebusco 3.0 within the European Union, starting first with its manufacturing and assembly plant in the Netherlands. The Group also currently has a sales and marketing office in Australia, but intends to expand its assembly operations in Australia for the APAC region during 2022. The Group also intends to introduce a CKD Plant (as defined below) in the United States in the short-term, to produce its Ebusco 3.0 buses for the US and Canadian markets by 2023. It also plans to introduce an OEM in the medium-term. See "*–The Group's success depends, in part, on its ability to retain its Management Board and other key managers. If the Group is unable to retain its Management Board and other key managers, its ability to compete may be harmed*" for more details regarding how the Group's international expansion operations will depend on the Group's ability to attract, hire and retain key personnel and related risks should it not be able to do so and "*–The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful*." for more details regarding the risks related to the Group's current and any potential international operations.

The Group's establishment and reliance on its own plants will be subject to risks, including that the Group:

- may not be able to find skilled labourers and other plant managers required to operate plants in the desired locations or jurisdictions;
- may require a larger than anticipated factory footprint, which would increase the Group's costs of setting up plants and significantly delay production of its zero emission buses to be assembled at such plants;
- may not be able to reach its rate of production targets within its plants;
- may not be able to identify properties meeting the requirements for its plants with respect to size, shape, power supply and strength of construction, which could increase its costs of setting up the plants and significantly delay production of its zero emission buses to be assembled at such plants;
- may not be able to build the expected number of plants, which could reduce its production capacity and have a material adverse impact on its international expansion strategy and its ability to offer zero emission buses that meet "buy local" requirements;
- may experience changes in its manufacturing and assembly technology that may result in additional expense for the Group and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects; and
- may experience higher local wages and supplier costs than expected, resulting in higher operating costs and reducing its ability to be profitable.

Any inability to scale up its production, or delays in scaling up its production, could materially adversely affect the Group's ability to operate its business and delay productions of its vehicles.

(12) The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful.

Currently, the Group primarily operates out of the Netherlands and has some limited international operations. The Group intends to further expand its operations internationally as part of its strategy (the

international expansion strategy) and establish new customer and business relationships. As the Group implements its international expansion strategy it will continue to face and may be subject to legal, political and regulatory requirements as well as social and economic conditions that may be very different from those affecting it in its current operations.

As part of the Group's international expansion strategy, it has hired sales directors in Australia, the Netherlands, France, the United States and China and intends to open plants to assemble the Ebusco 3.0 in various jurisdictions across Europe, Australia and North America, will expand its sales and marketing of its Ebusco 3.0 and 2.2 zero emission buses and will deploy maintenance and other services for these vehicles in new jurisdictions. See "*–The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*" and "*The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects.*" for more details regarding the Group's international expansion strategy and related risks. This aspect of the Group's international expansion strategy is expected to cause the Group to face additional regulatory and operational challenges that come from international expansion. For example, though the Group has plans to expand internationally, the Group's zero emission buses will need to receive relevant regulatory approval in each relevant jurisdiction. A fundamental aspect of the Group's international expansion strategy is to begin selling its Ebusco 2.2 in new markets, including Australia, and its Ebusco 3.0 in new markets including the United States and China. However, while the Group has considered the regulatory requirements to allow its zero emission buses to be licensed in the relevant markets, the Group has not begun the regulatory approval process for these markets, which are expected to take approximately one year for each market, and there is no guarantee that such approvals will be received to this timetable or at all. See "*–The Group's zero emission buses must comply with permitting, licencing, approvals and certification requirements in each of the jurisdictions in which it has operations. The revocation, cancellation, non-renewal of or any claims of non-compliance with any of these could materially adversely affect the Group's business and operations*" for more details regarding the risks should the Group not receive regulatory approval according to its timetable or at all.

In addition to complying with local safety and regulatory standards, the Group's current and future international operations must also comply with any anti-corruption, anti-money laundering and sanctions laws, including the Foreign Corrupt Practices Act of 1977, as amended, and similar laws associated with its activities. Any failure to comply with any local safety and regulatory standards or anti-corruption, anti-money laundering or sanctions laws could subject the Group to penalties and other adverse consequences.

In addition to these risks, the Group may face a number of other risks associated with international business activities and its strategy that may increase its costs, impact its ability to sell its zero emission buses and require significant management attention. These risks include, but are not limited to:

- conforming the Group's zero emission buses to various international regulatory and safety requirements as well as building the charging systems and other electric infrastructure;
- difficulty in establishing, staffing and managing foreign operations;
- challenges in attracting international customers;
- preferences of foreign nations for domestically manufactured or assembled products, which may not be met by the Group's current suppliers' capabilities or the Group's local plant assembly model;

- the Group's ability to enforce contractual rights;
- restrictions on trade and any imposition of customs duties, or further modifications to international trade policy that may be applicable to the Group;
- transfer pricing risks;
- increased competition from local zero emission bus suppliers;
- the Group's ability to raise additional funding as needed to implement its international expansion strategy, which is expected to only be funded through 2023 from the net proceeds of the Offering; and
- higher cost of doing business internationally.

As a result of these risks, the Group's existing international operations and any potential future international expansion effort that the Group may undertake may not be successful and may incur significant operational costs. The Group's failure to manage these risks and challenges successfully could have a material adverse effect on its business, financial condition, results of operations or prospects.

(13) The Group secures a number of its customer contracts for its zero emission buses through competitive tender processes or through requests for bids or quotations, which can entail significant costs and if not managed effectively could negatively impact the ability of the Group to compete effectively.

The Group competes with both traditional bus suppliers and other zero emission bus suppliers in competitive procurement processes for government contracts with PTAs or through requests for bids or quotations with PTOs who were awarded a concession through a competitive tender process.

The competitive tender process exposes the Group to a number of challenges, including the need to expend internal resources and incur costs in preparation for tenders. Due to variations in the tender processes across the Group's target markets, the Group may incur substantial costs and expend additional resources to work in a variety of markets. In addition, the Group has in the past and may in the future not be able to pursue certain tender opportunities due to internal staffing constraints and capacity to pursue such competitive tender processes. See "*–The Group's success depends, in part, on its ability to retain its Management Board and other key managers. If the Group is unable to retain its Management Board and other key managers, its ability to compete may be harmed*" for more information regarding the importance of the Group's ability to retain, attract and hire additional tender and sales personnel.

The challenges of the competitive tender process are enhanced when the Group is bidding for contracts in new markets where it does not have experience in the relevant competitive tender process or where the Group may be subjected to new or differing regulations from its current operations. In addition, the nature of the tender process, especially for government contracts, is lengthy and varies by each jurisdiction. It can take the Group multiple submissions over a number of years to attract, obtain an award from, contract with and recognise the revenue from the sale of its zero emission buses, if the Group is successful at all. Furthermore, the criteria set by a PTA may prevent the Group from being able to compete in the tender. For example, PTAs may set criteria in order for bus suppliers to be eligible to participate in a tender, such as a minimum annual revenue or a minimum number of existing buses in operation, which have in the past and could in the future prevent the Group from being able to participate in public tender opportunities. In other instances, awards made in a public tender process can be appealed, but the appeal will not extend the time period granted to deliver the services and products under the award which can make it difficult under these circumstances for the Group to deliver the buses on the timetable agreed.

Throughout Europe, PTOs compete among themselves in public tendering processes, whereby PTAs award the winning PTOs the right to provide public bus transit services in a concession contract for a predetermined period time. Typically, the concession contracts last ten to 15 years, cover a fleet of buses to be procured, and once a PTO has won the rights of the tender it can make purchasing decisions itself as long as it meets the requirements set out by the relevant PTA. When the Group is seeking contracts through PTOs, it must often invest a significant amount of time in developing relationships with PTOs, educating them on zero emission buses and usage costs in the run-up to the tenders and there is no guarantee that the PTOs will ultimately select the Group as the bus supplier if it is awarded the tender. PTOs focus on a variety of criteria such as price, warranty and zero emission standards when preparing their tender offers to secure the concession contracts and they earn more points in the tender process if they more closely meet the criteria established by the PTA. While policy incentives for zero emission public transit options, such as the Group's zero emission buses, may garner a PTO more points in the tender process and therefore position the Group advantageously in the competitive tender process as PTOs look for ways to score more points, the transit bus market is highly competitive and the Group competes against a number of bus suppliers that have more experience with and resources to expend in developing relationships or supporting PTOs and other customers. In addition, the Group may find it difficult to enter new markets or to compete with established bus suppliers with stronger brand or name recognition or with whom PTOs have existing relationships. PTOs may benefit from using a limited number of bus suppliers to simplify the service and maintenances of their bus fleets and may seek to work with bus suppliers that already provide buses to their fleet which can be challenging for new bus suppliers like the Group to enter new markets or establish relationships with PTOs. Failure for the Group to successfully compete in the competitive tender processes to secure customer contracts may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(14) The Group has experienced rapid growth in recent periods and expects to continue to experience rapid growth for the foreseeable future. If the Group is unable to manage its growth effectively, its business, financial condition, results of operations or prospects could be materially adversely affected.

The Group has experienced rapid growth in recent periods. For example, the Group's revenue increased by 368% between the years ended 31 December 2018 and 31 December 2020. During this same period, the number of employees at the Group increased by more than 200% and more than 30 additional employees have joined the Group since 31 December 2020, with most of such additional employees representing additional hires for the Group's manufacturing and assembly plant in the Netherlands in preparation for the Group's production of the Ebusco 3.0. Sustaining the Group's growth has placed and will continue to place significant demands on the Management Board and other key managers as well as on the Group's administrative, operational, legal and financial staff and resources. To manage growth effectively, the Group must continue to improve and expand its infrastructure, including its information technology, financial, legal, compliance and administrative systems and controls. For example, the Group recently hired an IT manager and is establishing its own in-house IT operations and may experience challenges in transitioning from third-party providers to in-house functions. The Group must also continue to effectively and efficiently manage its employees, operations, finances, research and development, and capital expenditure as it grows.

The Group plans to continue to expand its operations and personnel in new jurisdictions. See "*–The Group secures a number of its customer contracts for its zero emission buses through competitive tender processes or through requests for bids or quotations, which can entail significant costs and if not managed effectively could negatively impact the ability of the Group to compete effectively*" for more details regarding how the Group's international expansion operations will depend on the Group's ability to attract, hire and retain key personnel and related risks should it not be able to do so and "*–The Group's international operations and any potential future international expansion may subject the Group to* *additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful*." for more details regarding the risks related to the Group's existing and any potential international operations. The Group also expects to scale up its own manufacturing and assembly capacity for its Ebusco 3.0 buses via the development of additional plants. See "*–The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*" and "*The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects.* " for more details regarding the Group's plans to scale up its production and the potential risks associated with the scale-up timetable as well as funding risks. Since the Group has limited experience with operating its own manufacturing and assembly facilities, the Group will have to devote substantial resources, including personnel, and effort to efficiently and effectively scale up its manufacturing and assembly capabilities and implement new manufacturing and quality control processes. Following the initial capital expenditure needed to implement the Group's international expansion strategy, the Group may also be required to raise additional capital to maintain and grow production of its zero emission buses through its new operations. The Group also expects to significantly increase its personnel in order to manage and implement its international expansion strategy. If the Group is unable to manage its expected growth effectively, the quality of the Group's products and services, brand and reputation may suffer, which could in turn materially adversely affect the Group's business, financial condition, results of operations or prospects.

In addition to expanding its sales, manufacturing and assembly operations and personnel in new jurisdictions, the Group intends to expand its after-sales services and parts delivery for its customers in new jurisdictions in order to maintain the buses over their expected lifetime. Currently, the Group offers an array of options for after-sales services such as maintenance plans and spare parts to customers as part of a package with its zero emission buses. The Group currently offers in-house after-sales services in the Netherlands and via supervisory support, outsourcing or third-party partnerships in its other markets where it has buses in operation and intends to provide after-sales to customers through these means in new jurisdictions as it sells buses in additional markets. The Group's after-sales services business is an important factor that customers consider in selecting its supplier for zero emission buses and providing timely, efficient and effective after-sales services at the costs anticipated is important to the Group's business and operations. If the Group or the third parties it engages fail to deliver suitable after-sales services, this could damage the Group's reputation, result in a loss of repeat purchases by its existing customers or make it more difficult for the Group to attract new customers. In addition, the Group currently provides after-sales services for its zero emission buses only but in the future intends to offer after-sales services to the entire fleet of its customers' buses and the Group could encounter additional or unexpected challenges in effectively and efficiently providing after-sales services at the costs anticipated to customers for their buses that are not its own zero emission buses. Furthermore, even if the Group is able to provide high quality and efficient after-sales care, it may find it difficult to compete against established competitors with strong reputations and extensive existing after-sales care operations since the Group's customers may already have a high degree of trust with established companies and in their ability to provide the level of ongoing services required over the life of the concession. This, coupled with the Group's limited experience, could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

(15) The Group may be unable to complete the projects in its international roll-out plan, including the opening of new plants, on time or to budget, or at all, which could require the Group to raise additional capital.

As part of and the Group's international roll-out plan and international expansion strategy, the Group plans to invest in new plants to develop the Group's in-house production capabilities and expand the size of its sales and marketing team. For example, as part of its international roll-out plan, for the purposes of manufacturing the Ebusco 3.0, the Group aims to set-up one Original Equipment Manufacturer (**OEM**) plant (**OEM Plant**) on each continent in which it plans to sell buses, supported by multiple Complete Knock-Down (**CKD**) plants (**CKD Plants**) geographically spread over the respective continent. The Group also intends to set-up Pre-Delivery Inspection (**PDI**) facilities (**PDI Facilities**) on a country-by-country basis to establish local presence and content and expand and intends to expand its supply of spare parts service to any new markets it will be operational. The Group's international roll-out plan and international expansion strategy also anticipates a number of additional new fulltime-equivalent (**FTE**) hires in sales and marketing. The Group will also be required to submit applications for regulatory approvals for its zero emission buses to operate its zero emission buses in new markets that will be produced at the plants that the Group intends to open. The Group's plants may also require audits to local regulators to ensure its plants are operating and producing the Group's zero emission buses or other products in accordance with regulatory approvals the Group has received. If any of the Group's plants are found to not be complying with any such approvals, this could result in delays in production and expenses to remediate such operations.

The Group may not be able to achieve its strategic objectives or other future projects on a timely basis, to budget, to plan or at all due to various factors, including: difficulty in finding appropriate greenfield sites for its plants, delays or cost overruns in building and construction, including as a result of adverse working conditions (including delays arising from the Covid-19 pandemic) or delays or failures by suppliers; inability to recruit and manage appropriately skilled contractors or employees; delays or failure to receive regulatory approval of the Group's zero emission buses in the geographies targeted; or delays or failure to receive clearance for its plants to operate. In the event one of these risks were to materialise, this would likely result in the Group's facilities not being available at the time expected. As the Group expects to increase its zero emission bus order book in tandem with its international roll-out activities, any such delays could result in the Group not having sufficient capacity to meet customer demands, resulting in delays to the Group's ability to fulfil customer contracts and deliver its zero emission buses, which could result in penalties being assessed under its contracts with customers and reputational harm. In the event this were to occur in one geographic market, it could have a negative impact in other geographic markets if there is negative publicity associated with any delays in the Group's ability to establish its operations in new geographies and fulfil customer orders that arise in those markets. Furthermore, if the Group fails to acquire the additional funding needed to carry out its international roll-out plan beyond the initial phase of the Group's international expansion strategy, it may not have sufficient resources to fund the general maintenance and capital expenditure it anticipates will be required to service the additional equipment it obtains in the initial phase of the Group's international expansion strategy. See " *–The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*" for more details regarding the Group's plans to scale up its production and the potential risks associated with the scale-up timetable

Delays or unexpected problems encountered while the Group implements its international roll-out plan, including delays in opening plants, could result in cost overruns and require the Group to raise additional capital to complete one or more of its projects for the initial phase of the Group's international expansion strategy and could also make it more difficult for the Group to raise the requisite funding to complete the remainder of its international expansion strategy. The Group's costs could also increase substantially if the Group's sales and marketing team is not able to grow the Group's customers and sales in new markets in tandem with the plants and personnel hired to manufacture and produce buses, once ordered by customers. In addition, the Group has historically produced its zero emission buses through third-party suppliers which require the Group to pay the supplier shortly before it receives payment for the buses purchased by customers and has relied on letters of credit with repayment terms that are longer than the production, delivery and customer payment period to manage its cash flows. With the production of the Ebusco 3.0, the Group will be required to pay suppliers earlier in the process and could require the Company to seek additional capital if production numbers were to grow beyond those which are currently anticipated in the Group's international roll-out plan. If any of the foregoing were to occur, the type, timing and terms of any future financing or other capital raising transaction will depend on the Group's cash needs and the prevailing conditions in the financial markets. The Group cannot provide assurance that it will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. If any of the foregoing were to occur, the Group may experience prolonged periods of reduced operational efficiency, its production capacity may be constrained and delivery of its zero emission buses may be delayed, resulting in the Group being unable to meet customer demands on a timely basis or at all. The Group may also be unable to meet its international roll-out planand international expansion strategy. If the Group were unable to meet customer demands or meet its international roll-out plan, its business, financial condition, results of operations or prospects could be materially and adversely affected.

(16) The Group's annual revenue has in the past depended, and will likely continue to depend, on a small number of customers that fluctuates from year to year, and failure to add new customers or expand sales to the Group's existing customers could have a material and adverse effect on its operating results and financial condition for a particular period.

Because a significant portion of the Group's historical and current customers are PTAs or PTOs who do not procure new zero emission buses each year, the composition of customers that account for a significant portion of the Group's revenue is likely to vary from year to year based on when customers have placed orders and the Group's production schedule since revenue is recognised on a percentage of completion basis.

Additionally, because the Group's customers tend to procure new vehicles in large batch orders, the Group's revenue in any given period may be highly dependent on a small number of customers. For example, in 2020, one of the Group's customers represented 84% of revenue in that year. In 2019, one different customer represented 79% of revenue and in 2018, the customer which represented 79% of revenue in 2019, represented 87% of the Group's 2018 revenue. While the Group expects the impact on its operating results of any one customer with a large batch order to decrease over time, the Group believes that it will continue to depend on a relatively small number of customers for a significant portion of its revenue in any given period as it opens additional plants, scales up its production of Ebusco 3.0 and expands the scope of its international sales. The Group's failure to diversify its customer base by adding new customers or expanding sales of additional services to customers or to businesses outside of the transit bus market could therefore have a materially adverse effect on the Group's business, financial condition, results of operations or prospects.

(17) The Group's business and prospects depend on its brand, image and reputation. Failure to maintain its brand, image or reputation could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's success is dependent upon its brand, image and reputation, particularly those associated with the Group's zero emission buses and services. The Group must maintain and develop customer confidence by ensuring that its zero emission buses and services are delivered at the standard expected and in accordance with the timing agreed in its contracts with customers, meet customers demand and appeal to customer preferences, including with respect to innovation, quality, sustainability, reliability, value and after-sales care. Any delays in timing or deviations from the agreed upon contracts with its customers, including those caused by the Covid-19 pandemic and any prolonged ongoing uncertainty or those due to information technology system failures, can harm the Group's brand, image and reputation. See "*–The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results* *of operations or prospects*" for more details regarding the impact of the Covid-19 pandemic on the Group's business and "*–The Group's management has limited experience managing a public company, and the Group will incur increased costs and regulatory burden and have to devote substantial management time as a result of being a listed company*" for more details regarding the Group's cybersecurity risks, any of which could materially adversely affect the Group's brand, image and reputation.

As a growing Company that is increasing its production and has relatively few buses in operations compared to many of the Group's established competitors with diesel buses or other legacy technology, it is particularly important that the Group is able to establish itself and its brand and reputation as one that can deliver buses to schedule and at the volumes and standard required by its customers. Given that the Group's zero emission buses operate using a variety of third-party components or technology developed from its strategic partnerships, the Group is also dependent on its third-party suppliers and strategic partnerships to maintain its good reputation and image as the perception of the Group's zero emission buses can also be affected by the delivery times, performance and quality of third-party supply components.

Any failure on the Group's part to maintain and develop its good reputation and image, or any failure on the part of the Group's third-party suppliers or strategic partners to perform according to the Group's standards, could materially and adversely affect the Group's business, financial conditions, results of operation or prospects.

(18) The Group's business and reputation could be materially adversely affected by accidents, safety incidents or defects in design, materials or workmanship involving its zero emission buses, charging systems, maintenance services or other products or services.

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. While the Group maintains liability insurance in amounts and of the type generally consistent with industry practice, the amount of such coverage may not be adequate to cover fully all claims and the Group may be forced to bear substantial losses from an accident or safety incident. Any accident involving one of the Group's zero emission buses or that of a competitor could also harm its reputation and result in a loss of future customer demand if it creates a public perception that the Group's zero emission buses or zero emission buses in general are unsafe or unreliable as compared to those offered by other transit bus suppliers or other means of transportation. The Group has in the past and may in the future have fire or other safety incidents reported in connection with the Group's zero emission buses. For example, in December 2020 there was a fire on an Ebusco bus at a bus depot in the Netherlands that destroyed several Ebusco buses that were in operation. While the investigation found the fire began as a result of modifications to systems made by another party following the Group's delivery of the buses, a customer requested that the delivery of its buses be delayed until the safety investigation was completed (and such buses were subsequently delivered). While the Group currently expects that its insurance or that of its customer will pay for the damages related to the fire, in the event they do not, the Group could incur costs of approximately €1 million to replace the buses impacted. Furthermore, any negative publicity related to the safety of the Group's zero emission buses or the safety of zero emission buses generally in the future could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

Given the increasing focus and publicity surrounding incidents relating to zero emission forms of transportation, the public may be more sensitive to incidents involving zero emission buses, thereby compounding the effects of any such incidents on the public and customer perception of the Group's zero emission buses, even if the Group's product or design are ultimately not found to be the cause of the fire due to customer modifications or other factors. As a result, any accident or safety incident involving the Group's zero emission buses or the electric buses of the Group's competitors could cause reputational harm that may decrease demand for the Group's zero emission buses or for zero emission buses more generally.

The Group's zero emission buses may contain defects in design, materials or workmanship that may cause them not to perform as expected or may require unforeseen maintenance. There can be no assurance that the Group will be able to detect and fix any defects in its zero emission vehicles that may arise. The Group could experience recalls in the future, which could materially adversely affect the Group's brand and reputation. The Group's zero emission buses may not perform consistent with customers' expectations or consistent with other public transit vehicles which may become available. Any design or product defects or any other failure of the Group's zero emission buses to perform as expected could harm the Group's reputation and could also result in significant costs due to warranty replacement and other expenses, a loss of customer goodwill due to failing to meet maintenance targets in the Group's total cost of ownership calculations, adverse publicity, lost revenue, delivery delays, product recalls or product liability claims. For example, the Group is currently making factory updates, that are expected to be completed by the early 2022, for certain heating, ventilation and air conditioning systems provided by a third-party supplier that are failing to regulate the heating and cooling systems on approximately 136 of its Ebusco zero emission buses. The systems were provided by one of its third-party suppliers that has also supplied these systems to some of the Group's competitors who are also facing a similar issue. However, negative publicity surrounding the issue could negatively influence customers' perception of the Ebusco brand. Additionally, discovery of such defects if they cannot be remedied or are too costly to remedy could result in a decrease in the residual value of the Group's zero emission buses, which may materially harm its business. Moreover, problems and defects experienced by other zero emission bus or electric vehicle companies could by association also have a negative impact on perception and customer demand for the Group's zero emission vehicles. Any negative impact on perception or customer demand for the Group's zero emission buses could materially adversely affect the Group's business, financial condition, results of operations or prospects.

(19) The Group could be materially adversely affected by macroeconomic conditions in the markets in which it operates.

The Group is affected by changes in macroeconomic conditions in the markets in which it operates. Unfavourable macroeconomic conditions such as absence of, or below-trend, growth in gross domestic product, government austerity measures, high unemployment rates, constrained credit markets, reduced consumer confidence, increased business operating and a decrease in relative disposable incomes typically lead to reduced travel, including use of public transport, and may lead to reduced spending by governments on public transport. This could materially adversely affect the Group's business, financial condition, results of operations or prospects.

In addition, adverse macroeconomic conditions, including financial conditions such as inflation and changes in interest rates, have previously led and in the future may lead to reduced spending by governments on public transport, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects. See "*–The Group's business is significantly dependent on government funding and public policy favouring zero emission buses for public transit. As a result, unfavourable changes in such public policies or the unavailability, reduction, or elimination of government funding or economic incentives for zero emission vehicles and public transit would have a material adverse effect on its business, financial condition, results of operations or prospects*" for risks to the Group's business related to reduced spending by governments on public transport and "*–The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects*" for more details regarding the impact of the Covid-19 pandemic on government spending on public transport.

(20) The Group is subject to cybersecurity risks to its various systems and software. Any unauthorised control or manipulation of the information technology systems, including those in the Group's zero emission buses, could result in loss of confidence in the Company and its zero emission buses and significantly harm the Group's reputation, business, financial condition, results of operations or prospects.

The Group relies heavily on information technology systems (IT systems) and networks to support its business, including the zero emission buses, as well as its business processes. The consistent, efficient and secure operation of the Group's IT systems is therefore critical to the performance of its buses and the Group's business as a whole. Each of the Group's zero emission buses contain complex information technology systems, such as its fleet management system, and built-in data connectivity. While the Group's zero emission buses do not allow for bidirectional data transfer such that information could be taken or manipulated from the zero emission buses, it does intend in the future to allow for bidirectional data transfers to allow for more advanced technology designs, which could increase the risk of security breaches. Any unauthorised access to or control of the Group's zero emission buses or any loss of customer or other third-party data as a result of any cybersecurity risk could result in legal claims or proceedings and remediation of such problems could result in significant costs for the Group. In addition, regardless of their truth, reports of unauthorised access to the Group's zero emission buses or data, as well as other factors, may result in the perception that the Group's zero emission buses or data are capable of being "hacked" and could materially adversely affect the Group's reputation, business, financial condition, results of operations or prospects.

Despite the Group's efforts to maintain its IT systems and security measures, including those on its zero emission buses, its systems and networks are exposed to cybersecurity risks that could expose the Group to malfunctions and interruptions from a variety of sources, including unauthorised access, cyber-attacks, equipment damage, social engineering of system administrators or employees (for example, tricking company employees into releasing control of their systems or information to a hacker), deficient database design, power outages, computer viruses and a range of other hardware, software or network problems. The Group recently experienced a cyber-attack at its headquarters during which time several staff members received an unsolicited email pretending to be the Group's CEO and the Group's IT servers reported abnormal resource spikes. As a precautionary containment measure and response, the Group shut down all of the company systems and network resources until the issue could be addressed. The Group could in the future experience additional attacks, including an introduction of computer viruses or malware into its systems that steals confidential or proprietary data. In addition, the Group is vulnerable to unintentional errors or malicious actions by persons who have authorised access to the Groups information technology systems but exceed the scope of their access rights, or unintentionally or intentionally alter parameters or otherwise interfere with the intended operations of the Group's information technology systems. Any system failure or unintended vulnerability could materially adversely affect the Group's reputation, business, financial condition, results of operations or prospects.

(21) The Group may experience disruptions, delays or outages of its production and assembly operations or of its other services if it fails to scale or implement information technology systems and infrastructure.

The Group has recently introduced a number of new information technology systems to help it manage its growth and the Group expects to continue to invest in its existing and new information technology systems, including enterprise resource planning software, production planning software, data centres, network services, data storage, and database technologies, and cybersecurity technologies, both to assist the Group in its manufacturing and assembling operations, logistics and general business operations, as well as to enhance the technology in the Group's zero emission buses, charging systems and other products. Creating the appropriate information technology support systems for the Group's business is time intensive, expensive and complex. The Group's implementation, maintenance and improvement of these systems may create inefficiencies, operational failures and increased vulnerability to cyber-attacks. Moreover, there are inherent risks associated with developing, improving, and implementing new information technology systems, including the disruption of the Group's current enterprise resource planning, procurement, manufacturing, execution, finance, supply chain, sales, service processes and data management. As the Group continues to implement additional information technology systems, it becomes increasingly important for such systems to be integrated and to work efficiently and effectively to enable the Group to operate efficiently and increases the Group's risk of disruptions, delays or outages if any part of its information technology systems fails to work as anticipated. In addition, as the Group grows its services that rely on collecting and analysing customer telematics and charging data, the Group's exposure to information technology risks will increase. These risks may affect the Group's ability to manage its manufacturing, production or planning, procurement of parts or supplies, sales, tenders, deliveries, after-sales services, data, inventory, or achieve and maintain compliance with applicable regulations. Implementation, operational errors, failures or successful cyber-attacks of the Group's information technology systems could compromise the Group's production activities, proprietary information, the quality of the Group's services, and its ability to perform for its customers, resulting in damage to the Group's reputation, which could materially adversely affect the Group's reputation, business, financial condition, results of operations or prospects.

(22) Any failures or weaknesses in the Group's internal controls could materially and adversely affect its financial condition and results of operations.

The Group's internal controls over financial reporting are intended to ensure that the Group maintains accurate records, promotes the accurate and timely reporting of its financial information, maintains adequate control over its assets and detects unauthorised acquisition, use or disposition of its assets. Effective internal and disclosure controls are necessary for the Group to provide reliable financial reports, effectively prevent fraud and operate successfully as a business. The Management Board is responsible for establishing and maintaining adequate internal controls.

While the Group has developed and implemented internal controls, policies and procedures designed to prevent or mitigate employee misconduct or misconduct by third parties, including agents, the Company may engage to assist with tenders in new jurisdictions, and such controls, policies and procedures may not be effective in all instances and may be difficult to monitor and enforce with third parties and agents. For example, it is not always possible to identify and deter misconduct or errors by the Group's people or third parties and the precautions the Group takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. The discovery of misconduct or fraudulent activities by any of the Group's employees or third parties could result in significant negative publicity in relation to such misconduct and harm the Group's reputation and brands.

In recent years, the Group has experienced rapid growth and intends to expand its operations further through its international expansion plan. See "*–The Group has experienced rapid growth in recent periods and expects to continue to experience rapid growth for the foreseeable future. If the Group is unable to manage its growth effectively, its business, financial condition, results of operations or prospects could be materially adversely affected*" for more details regarding the Group's rapid growth, future plans of international expansions and related risks. As the Group expands the size and scope of its operations, there is an increased risk that its internal controls may not mature at the same pace. For example, some of the processes related to internal controls may be new for personnel in newly entered jurisdictions. As the Group grows, the required sophistication of its internal controls and accounting and financial reporting functions will also need to expand to ensure that its internal controls remain adequate. Moreover, as a newly listed public company, the Group will incur new and more demanding obligations for financial reporting and disclosures, which require further development of its internal controls. See "*–The Group's management has limited experience managing a public company, and the Group will incur increased costs and regulatory burden and have to devote substantial management time as a result of being a listed company*" for more details regarding the new and more demanding required financial reporting and disclosure obligations and related risks to the Group's business and operations.

If the Group's internal controls do not keep pace with its growth in size and the sophistications of its business and the applicable financial reporting framework, it may not be able to implement and maintain adequate internal controls. Failure to implement and maintain effective internal controls could result in material misstatements in its financial statements or failure to meet its reporting obligations at all or in a timely manner and may cause a loss of confidence in the Group's reported financial information. Any loss of confidence in the Group's reported financial information could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

(23) The period of time from the receipt of order to delivery of the Group's zero emission buses is typically between six months to one year, is subject to a number of uncertainties and the Group's order book and tender opportunities pipeline are not necessarily indicative of future revenue. If the Group's order book and tender opportunities fail to translate into future revenue, it may have a materially adverse effect on the Group's business, financial condition and results of operations.

The Group monitors its order book and its tender opportunities pipeline to make predictions related to its supply needs, capital needs and expenditures and to assist the Group in developing its strategy and targets. The Group's order book reflects the number of zero emission buses that the Group needs to deliver to customers under contractually binding agreements, but also the number of zero emission buses under tenders won, but not yet signed. The period of time from the entry into a contract to the delivery of the Group's zero emission buses is typically between six months to one year, but the anticipated lead time between receipt of orders for the Group's zero emission buses and the delivery of its zero emission buses varies based on the model and its stage of development, and this timing has generally been longer during the Covid-19 pandemic, including due to supply chain disruptions. The Group tracks its order book and its tender opportunities pipeline by number of zero emission buses in three types of categories: secured orders, Class A opportunities and Class B opportunities. There is no guarantee that the Class A and Class B tender opportunities that the Group is pursuing will be converted into secured orders or that the Group's historical proportion of tender opportunities that were converted into secured orders is representative of the number of tender opportunities that will be converted by the Group into secured orders in the future.

The Group's order book is subject to a number of risks and uncertainties, including unexpected delays in production or assembly that could lead to termination rights for the customer, and is therefore an uncertain indicator of future revenue. While the Group had 232 zero emission buses in its secured order book as at 30 September 2021 (with its secured order book representing signed contracts and won contracts (but not yet signed)), and typically expects the delivery of its zero emission buses will be in approximately six to 12 months, the actual time may vary, and may in the current environment be longer than the typical period expected due to the current supply chain disruptions. However, given the anticipated lead time, and the dependencies within the Group's supply chain and the possibilities these create for delay, there is a heightened risk that customers could exercise termination rights if delivery exceeds the contractual agreement. Between the time of the order and delivery, if the Group does not meet its performance obligations, customers may seek to adjust the scope of their contract, limit their obligations under their existing contracts or may be unwilling to continue contracts. Customers may also seek to terminate their contracts with the Group due to financial difficulties they encounter, changes in technology developments, changes in customer preferences (including their priorities related to public transit and zero emission buses), or for other reasons. Contract delays or cancellations or adjustments to the scope of work may occur from time to time due to a customer's default, incidents of force majeure, legal impediments or the Group's default, all of which may adversely affect the actual revenue earned from contracts reflected in the Group's order book. Further, termination of contracts by the Group's customers in events where the Group has failed to meet its performance obligations under the terms of the contract would lead to loss of expected revenue from such contracts. In the event of such termination, there can be no assurance that the Group will receive compensation to cover any of its costs for the work that it had completed as of the date of the termination. In addition, most of the

Group's contracts oblige it to pay penalties to its customers for failure to perform its obligations under the contracts. Under these contracts, penalties are typically payable for delays in performance or performance not meeting pre-set parameters, subject to an overall cap, which is often 5% of the value of the contract. The Group has in the past and could in the future be subject to such penalties, and to the extent that the Group is required to pay penalties to its customers, this will reduce the profit earned by the Group from contracts contained in its order book. As a result, no assurance can be made that orders will not be cancelled or postponed, or that orders will ultimately result in the recognition of revenue for the zero emission buses that are in its order book. Any modifications, postponements or cancellations for zero emission buses in the Group's order book may adversely affect the Group's business, financial condition, results of operations or prospects.

(24) The Group's medium-term objectives and the assumptions and judgements underlying these objectives and other forward-looking performance measures may prove inaccurate, and as a result the Group may not achieve its targeted financial results.

The transit bus market is undergoing rapid changes, including technological and regulatory changes, and, as such, it is difficult to predict the timing and size of the Group's opportunities. In particular, in many geographic markets, the long-term impact of Covid-19 on public transit usage in connection with evolving working from home practices and social-distancing measures is uncertain. The evolving nature of the transit bus market and the regulatory measures make it difficult to predict customer demand or adoption rates for the Group's zero emission buses or the future growth of the markets in which the Group operates. Furthermore, the net proceeds of the Offering are only expected to fund the initial phase of the Group's international expansion strategy and the Group’s business plan assumes it will require a further estimated €100.0 million in the medium term to fully implement its international expansion strategy, which the Group will need to secure through other equity, equity-linked or debt financing which may not be available at all or on favourable terms at the time the Group requires such funds. If the Group fails to raise part or all of the additional funding required for the remainder of its international expansion strategy, its medium-term objectives will be adversely affected. See "*The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group’s ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*" for further description of the risks associated with receiving this funding.

Additionally, regulatory, safety or reliability requirements, many of which are outside the Group's control, may cause delays or otherwise impair commercial adoption of the new technologies, which may materially adversely affect the Group's medium-term objectives. As a result, the medium-term objectives and other forward-looking performance measures in this Prospectus reflect various estimates and assumptions that may not prove accurate and these projections could differ materially from actual results. For more information about the Group's medium-term objectives and the key value drivers for these objectives, see "*Operating and Financial Review—Medium-Term Objectives*".

The Group also has a limited operating history and has experienced rapid growth in its own operations and sales and has limited information upon which to evaluate its business and future prospects, including its international expansion strategy. This subjects the Group to a number of risks and uncertainties, including the Group's ability to plan for and predict future growth in its current operations and through its international expansion strategy. For example, the Group's medium-term objectives include certain assumptions regarding the strength of its current customer relationships and their ability to drive additional sales for the Group, the successful implementation of the Group's international roll-out plan and the volume of additional sales that will be generated by such expansion, the Group's ability to utilise its design and operational features to improve its margin, and the Group's ability to continue to innovate. See "*–The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be* successful" for more details regarding the risks related to the Group's international expansion strategy and "*–The Group may be unable to complete the projects in its international roll-out plan, including the opening of new plants, on time or to budget, or at all, which could require the Group to raise additional capital*" for more details on how the Group may be unable to complete the projects in its international roll-out plan, which could occur should its assumptions that drive its investments in new plants be inaccurate. If the demand does not develop, if the Group cannot raise the additional funding needed for the remainder of its international expansion strategy to meet its medium-term objectives or if the Group cannot accurately forecast customer demand, the size of its markets, or its future financial results, its business, financial condition, results of operations or prospects could be materially adversely affected.

(25) As the Group expands into international markets, its business may be materially adversely affected if utilities and state utility commissions do not, or are slow to support transportation and electrification efforts in the new markets that it enters.

As the Group expands internationally, it may find its customers may generally look to the utilities to invest in infrastructure upgrades that will support the transition from diesel to zero emission buses rather than investing in charging infrastructure. Investments that utility companies make to upgrade the infrastructure necessary to support additional load on the electrical grid will save the Group's customers from potentially having to make their own investments. However, if utilities and utility commissions do not make the necessary investments to support zero emission buses and develop the appropriate, cost-competitive electricity rates, or delay such efforts, the market for the Group's zero emission buses in new markets, including in the United States, may not develop as the Group expects or may develop more slowly than expected which may materially and adversely affect its business, financial condition, results of operations or prospects.

(26) If the Group is unable to obtain letters of credit, bid bonds or performance bonds required by customers or suppliers, the Group's ability to obtain future contracts could be negatively affected.

The Group has in the past been required to and may in the future provide letters of credit, bid bonds and performance bonds, to secure the Group's performance under customer contracts or, in some cases, as a prerequisite to submitting a bid in a competitive procurement process for PTAs. The Group's ability to obtain these letters of credit, bid bonds or performance bonds will depend primarily upon the Group's capitalisation, working capital, past performance, management expertise, reputation and other external factors, including the overall capacity of the surety market. Surety companies consider these factors in relation to the amount of the award provided and their underwriting standards, which may change from time to time. Surety companies may also require that the Group collateralise a percentage of the letters of credit, bid bonds or performance bonds with cash or other form of credit enhancement. With a decreasing number of insurance providers in that market, it may be difficult to find sureties who will continue to provide contract-required letters of credit, bid bonds or performance bonds on acceptable terms and conditions, or at all. Furthermore, events that affect surety markets generally may result in letters of credit, bid bonds or performance bonds becoming more difficult to obtain in the future or being available only at a significantly greater cost.

In addition, some of the Group's suppliers or customers also require collateral guarantees in the form of letters of credit to secure performance or to fund possible penalties in the event of default under the Group's contracts with them. If the Group enters agreements that require the issuance of letters of credit, the Group's liquidity could be negatively impacted. The Group's inability to obtain adequate bonding or letters of credit and, as a result, to bid or enter into agreements could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(27) The Group's failure to comply with the covenants contained in its Facilities Agreement and similar financing agreements could result in a default thereunder, triggering cross-defaults and rendering such financings unavailable to the Group, could make it more difficult for the

Group to acquire other financing at a reasonable cost or at all and could have a material adverse effect on the Group's liquidity, results of operations, financial condition and prospects.

The Group's Facilities Agreement (as defined below), which is the primary source of indebtedness for the Group, contains various affirmative and financial covenants and other limitations with which the Group must comply, including a Gearing Ratio covenant of 1.5:1 (defined below) and an EBITDA covenant (defined below) that requires that EBITDA, after deducting capital expenditures, shall be equal to or exceed the amounts outlined in the Facilities Agreement for any applicable preceding 12-month relevant period. The Facilities Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including breach of the financial covenants and a cross-default to debt of the borrowers or its subsidiaries. Upon an event of default, the lenders have customary and usual remedies to cure these defaults including, but not limited to, the ability to accelerate the indebtedness. If the indebtedness under the Facilities Agreement or its other indebtedness were to be accelerated, there can be no assurance that the Group's assets would be sufficient to repay such indebtedness in full. In June 2021, the Group breached the Reporting Covenants (defined below) related to the timely delivery of a liquidity forecast and its 2020 annual accounts to its lenders, due to delays in such information being available. The Group also breached its Financial Covenant with respect to its EBITDA covenant for the twelve-month period ended 30 June 2021.

In September 2021, the Group obtained waivers in respect of the breach of the Reporting Covenants and waivers for its breach of its EBITDA covenant, a covenant holiday for its Gearing Ratio covenant (as defined below) through 30 September 2022 (to be next tested on 31 December 2022), as well as a waiver from its requirement for liquidity reporting for the period ended 30 June 2021 to be provided to lenders within 45 days. The Group and its lenders under the Facilities Agreement also agreed an amendment to the terms of the Facilities Agreement in July 2021 that provided for, *inter alia*, a change to the EBITDA covenant to provide that EBITDA, after deducting capital expenditures, must be equal to or more than negative €2.5 million (rather than €15 million), for any applicable preceding 12-month relevant period for the periods ending 31 December 2021, 31 March 2022, 30 June 2022 and 30 September 2022. Due to supply chain disruptions that intensified mid September 2021 that the Group anticipates will impact its operations for the remainder of the year ending 31 December 2021 and into 2022, the Group sought and obtained from the lenders a conditional waiver from its EBITDA covenant through 29 June 2022. In connection with the conditional waiver, the Group will also be required to repay €5 million of the Facilities Agreement by 14 October 2021 and another €5 million by 31 October 2021. As a result and assuming the Group meets the conditions of the waiver, the EBITDA covenant will next be tested on 30 June 2022. While the Group expects the supply chain disruptions will primarily impact its ability to recognise revenue in the year ending 31 December 2021, with secured orders that would have resulted in revenue being recognised in 2021 being shifted to 2022, there can be no assurance that further amendments or waivers will not be required in the future, or that its lenders would grant further waivers and/or amendments in the event of any future covenant breaches.

A failure to comply with the Financial Covenants or other covenants in the Facilities Agreement or other financing agreements to which the Group is a party could result in a default thereunder, triggering cross-defaults and rendering such financings unavailable to the Group. The Group primarily requires its Facilities Agreement to support the letters of credit it issues in connection with its production and assembly of buses in China, with €46 million used for letters of credit in the year ended 31 December 2020. As a result, a loss of the Facilities Agreement in the event of default would negatively impact the Group's ability to continue to finance its production activity, and could further strain the Group in the event it has other debt that requires repayment as a result of any cross-default provisions. Furthermore, any of the foregoing events could make it more difficult for the Group to acquire other financing at a reasonable cost or at all and could have a material adverse effect on the Group's liquidity, business, financial condition, operating results or prospects.

(28) The Group's work with government customers exposes it to unique risks inherent in government contracting.

The Group and any agents it engages must comply with and is affected by laws and regulations relating to the award, administration, performance of government contracts and the procurement process, including through the competitive tender process. Government contract laws and regulations affect how the Group or its agents are able to do business with its customers and impose certain risks and costs on the Group's business. If the Group or its agents were to violate a specific law and regulation, the Group could be subject to fines and penalties, the termination of its contracts, suspension or debarment from bidding on or being awarded contracts, and civil or criminal investigations or proceedings and reputational harm.

The Group's performance under contracts with government entities, like PTAs, and its compliance with the terms of those contracts and applicable laws and regulations may be subject to periodic audit, review, and investigation by various agencies of the government. If such an audit, review, or investigation were to uncover a violation of a law or regulation or improper or illegal activities relating to the contracts and applicable regulations, the Group may be subject to civil or criminal penalties or administrative sanctions, including the termination of contracts, forfeiture of profits, the triggering of price reduction clauses, withholding of payments, suspension of payments, fines, and suspension or debarment from contracting with government agencies. There is inherent uncertainty as to the outcome of any audit, review, or investigation. If the Group were to incur a material penalty or administrative sanction or otherwise suffer reputational harm, the Group's business, financial condition, results of operations or prospects may be materially and adversely affected.

Further, if a government regulatory authority were to initiate suspension or debarment proceedings against the Group as a result of a conviction or indictment for illegal activities, the Group may lose its ability to be awarded contracts in the future or receive renewals of existing contracts for a period of time. The Group could also suffer reputational harm if allegations of impropriety were made against the Group or any agents it uses. Such harm would impair the Group's ability to win awards of contracts in the future or receive renewals of existing contracts. Inability to be awarded contracts in the future or receive renewal of existing contacts could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(29) The Group's operations are subject to health and safety risks.

Inherent in working with high-voltage electricity is danger and the Group's maintenance services, manufacturing and assembly activities that are currently carried out or are expected to be carried out as the Group produces its Ebusco 3.0 result in employees and others working under potentially hazardous conditions. Although the Group's current operations and future operations are expected to be carried out in accordance with relevant health and safety regulations and requirements, liabilities may arise as a result of accidents or other workforce-related incidents, some of which may be beyond the Group's control. Accidents, events or conditions that are detrimental to the health and safety of the Group's employees, including, for example, accidental electric shock from operating the high-voltage charging systems or handling the raw materials for the Group's lightweight composite body or operating the machines that produce it, could have a material adverse effect on the Group's reputation. See "*–The Group's business and prospects depend on its brand, image and reputation. Failure to maintain its brand, image or reputation could materially and adversely affect the Group's business, financial condition, results of operations or prospects*" for more details on how reputational harm like health and safety risks could materially and adversely impact the Group's business, financial condition, results of operations or prospects.

(30) The Group may be materially adversely affected by rising raw material prices.

The Group is dependent upon the availability and cost of raw materials which account for a portion of the Group's costs. The Group or its third-party suppliers use various materials, including lithium, aluminium, carbon fibre, nickel, copper and neodymium. The prices and supply of these materials may fluctuate depending on market conditions and global demand for these materials, including increased production of zero emission buses and other products utilising similar technologies by the Group's competitors and companies in adjacent markets such as zero emission passenger cars. The Group's reliance on raw materials exposes the Group directly or indirectly through its third-party suppliers to commodity price risks as the availability of certain raw materials may be limited, and the market for raw materials may be dominated by a small number of large suppliers with substantial market power. The Group has contractual arrangements with its battery suppliers that allow the Group to purchase the quantity of batteries it forecast at the agreed contractual price, but the Group's forecasts could be inaccurate and the Group could be required to cover any price increases that occur. Furthermore, while the Group monitors changes in the price of raw materials to increase planning reliability for the Group and its production decisions and forecasts, changes in raw materials prices cannot be predicted and are inherently uncertain.

Furthermore, fluctuations in fuel costs, or other economic conditions, may cause the Group to experience significant increases in freight charges and material costs. Additionally, because the price of the Group's zero emission buses is agreed with customers ahead of their production, the Group, rather than its customers, bears the economic risk of increases in the cost of raw materials or other components, particularly in respect to the production costs of its Ebusco 3.0 since this is produced in-house by the Group. Moreover, any attempts to increase the price of the Group's zero emission buses in response to increased costs could increase the difficulty of selling the Group's zero emission buses at attractive prices to new and existing customers. Should the Group fail to adequately anticipate and address raw material price changes, it could lead to increased costs for producing the Group's zero emission buses, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(31) Options to purchase additional zero emission buses within some of the Group's contracts could be costly to the Group if the costs of components, production or assembly have increased.

A small portion of the Group's contracts with PTAs or PTOs include options to purchase additional zero emission buses for a specified period at the price in the contract or at a discount to that price. If customers chose to exercise such options and it has become more costly for the Group to produce the zero emission buses provided under the option, the Group may realise less profit from such sales than expected, or the Group could experience a loss from such sales if the costs for producing the zero emission buses had changed significantly, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(32) Foreign exchange rate fluctuations as well as hedging risks may materially adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's business is subject to risks due to fluctuations in foreign currency exchange rates. While the Group prepares its consolidated financial statements in euros, it derives revenue and/or incurs costs in several different currencies, including in the Chinese yuan, the US dollar, the Danish Kroner, the Australian dollar and the Swedish krona.

The exchange rates between the euro and the Chinese yuan, US dollar, Danish Kroner, Australian dollar, and Swedish krona have fluctuated in recent years and may fluctuate significantly in the future. Although the Group may benefit from any future weakening of any of these currencies against the euro, particularly in situations where the Group has a mismatch between its earnings and any foreign currency and its costs that are denominated in that currency, it could be materially adversely affected by future unfavourable shifts in currency exchange rates. The greater the mismatch between its earnings and any foreign currency and its costs denominated in that currency, the more susceptible the Group's results will be to foreign exchange fluctuations.

As part of its hedging strategy, the Group engages in a number of derivative contracts and forward foreign exchange contracts to mitigate the effects of currency fluctuations. Although the Group takes measures to enter into these derivative contracts and forward foreign exchange contracts in order to hedge against its foreign currency risks, there can be no assurance that it will be able to do so. Even if the Group is able to protect against these risks, these contracts come at a cost and the terms of such transactions may not be effective or may be less advantageous to the Group than those which were previously agreed, increasing the costs of foreign currency risks. Alternatively, should there be any benefit to be gained from foreign exchange fluctuations, the Group may be unable to receive any of them given its hedging strategy. The Group also anticipates these risks to increase as it expands to international markets. Should these risks materialise, the Group may face higher costs associated with foreign currency exchange rate fluctuations, which could materially and adversely affect its results of operations and financial condition.

(33) The Group's management has limited experience managing a public company, and the Group will incur increased costs and regulatory burden and have to devote substantial management time as a result of being a listed company.

The Group will incur additional costs as a newly listed company and its management will be required to devote substantial time to new compliance and other regulatory matters. As a newly listed public company, the Group will incur significant legal, accounting and other expenses, including these resulting from public company reporting obligations and compliance with corporate governance-related rules, including the admission requirements of the AFM and Euronext Amsterdam. In particular, the Group will be subject to increased regulatory obligations and oversight as a result of being listed and continuous scrutiny of securities analysts and investors. There can be no assurance that, in an environment where the Group is subject to greater regulatory oversight and increased regulatory obligations, it will be able to manage its operations in the same manner as it has done as a private business before Admission and not in a public company environment. In particular, these new obligations will require the Management Board, management and other employees to devote a substantial amount of time to ensure that the Group's business complies with all of these requirements, which could divert their attention from the day-to-day management of the Group's business and result in the operational and financial performance of the Group to decline.

In addition, the reporting requirements, rules and regulations will increase the Group's legal and financial compliance costs and make some activities more time-consuming and costly.

(34) The Group's business may be materially adversely affected by workforce disruptions.

An extended work stoppage or labour dispute within one or more of the Group's third-party suppliers could adversely affect the Group's ability to fulfil customer orders and deliver its zero emission buses in a timely manner. Any failure of the Group's third-party suppliers to negotiate collective bargaining agreements could result in disruptions to the Group's supply chain, production, assembly and sale of zero emission buses. Such delays could have a material and adverse effect on the Group's business, financial condition, results of operations or prospects. Currently, only a small number of the Group's third-party suppliers in Europe have workforces represented by unions, work councils or are subject to collective labour agreements. However, as the Group continues to expand and should it partner with additional suppliers or should the current number of third-party suppliers with workforces represented by labour agreements increase, the risk of labour disputes or work stoppages may increase, which could result in disruptions to the Group's supply chain, production, assembly and sale of its buses and thus materially and adversely affect the Group's business and operations.

The Group is also subject to a small number of collective labour agreements for its assembly employees at its plant in the Netherlands and expects the number of employees that are covered by collective labour agreements will expand as its production and assembly operations expand and as a result of the Group's international expansion strategy.

Currently, the Group's employees are not represented by a works council or union, though it is common for employees of OEMs, such as the Group, to form a works council and/or become a member of a union. If the Group's employees decide to form a works council or become a member of a labour union, as a matter of law, certain important business decisions and decisions concerning schemes and policies relating to collective employee terms and conditions may only be taken following the works council's advice or with the works council's consent. The Group expects that a works council may be formed as its production and assembly operations expand. The Group may be subject to further negotiations with unions to agree collective labour agreements with a union, which could result in higher employee costs, higher administrative and legal costs and increased risk of work stoppages. If this were to occur and the Group fails to obtain consent or advice from a works council or experiences work stoppages or strikes by unions, the Group may be unable to implement changes in a timely manner or at all or to operate some or all of its production operations, which may materially adversely impact its operations, generate incremental costs or damage its reputation.

Risks Related to Regulation, Legal and Intellectual Property Matters

(35) The Group's business is significantly dependent on government funding and public policy favouring zero emission buses for public transit. As a result, unfavourable changes in such public policies or the unavailability, reduction, or elimination of government funding or economic incentives for zero emission vehicles and public transit would have a material adverse effect on its business, financial condition, results of operations or prospects.

The battery electric bus segment of the transit bus market significantly benefits from government funding and public policy initiatives that favour zero emission buses, such as battery electric buses, over traditional buses, such as diesel buses. For example, the European Union (**EU**) has set out stringent objectives for reducing CO2 emissions by at least 55% by 2030 and numerous countries have signed the Paris Agreement which lays out public policy initiatives for signatory governments to limit global warming and reduce greenhouse gas emissions. These resolutions for governments to address global climate change also place pressure on them to switch from internal combustion engine to zero emission buses. In its Directive (EU) 2019/1161 (the **Clean Vehicle Directive**), the EU has set a target of at least 45% of newly registered city buses being equipped with alternative powertrains by the end of 2025 and at least 65% by 2030. However, these targets include not only buses with electric powertrains or fuel cells but also those running on biofuels or liquefied gas. To carry out these objectives, many governments provide funding for zero emission buses. However, available government funding and public policy favouring zero emission buses for public transit are subject to change for a variety of reasons that fall outside of the Group's control. For example, austerity measures may drive reductions in public transport budgets as well as changes in tax policies and legal and regulatory developments, such as changes in budget and policy initiative priorities of current and future administrations. Further, adverse macroeconomic conditions have previously led and in the future may lead to reduced spending by governments on public transport, including that experienced in the immediate aftermath of the Covid-19 pandemic outbreak early in 2020. This has resulted and, in the future, may result in decisions to reduce or eliminate funding for new public transit contracts which may materially adversely affect the Group's business, financial condition, results of operations or prospects.

If government support for adoption of zero emission buses for public transit initiatives wanes, the growth of the battery electric bus segment and the transit bus market generally may be materially adversely affected. Decreased government support for adoption of zero emission buses for public transit would likely result in reduced PTA and PTO spending on such initiatives, which could likewise have an adverse effect on the Group's business, financial condition, results of operations or prospects.

(36) The Group's zero emission buses must comply with permitting, licencing, approvals and certification requirements in each of the jurisdictions in which it has operations. The revocation, cancellation, non-renewal of or any claims of non-compliance with any of these could materially adversely affect the Group's business and operations.

Each jurisdiction has its own set of laws and regulations for permits, licences, certificates and approvals that govern the operation of public transit buses and the Group must ensure that its zero emission buses comply with each in the jurisdictions where it sells its zero emission buses. Compliance with multiple, potentially conflicting and changing regulations and permitting processes can be costly. Before the Group can sell its zero emission buses in a jurisdiction, it needs to obtain the necessary approvals. While some of the requirements in each jurisdiction may overlap, others do not and failure of the Group to adjust its designs or re-configure its zero emission buses to meet requirements could cause delays in testing for approval or prevent the Group from selling its buses in that jurisdiction. The Group has obtained certification proving that its zero emission bus components comply with relevant EU/EC regulations which enables the Group's zero emission buses to be operational across the EU. Currently, the Group does not yet have relevant regulatory approvals to operate its zero emission buses in Australia, the United States and China and would need approval before its zero emission buses can operate in such jurisdictions as part of the Group's international expansion strategy. While some of the relevant regulatory testing resembles that of the EU/EC regulations for which the Group already has approval, others such as the United States' Federal Transportation Authority's mandated Model Bus Testing Program (**NHTS testing**), also referred to as Altoona testing, do not and it may prove more difficult for the Group to receive its licensing. The Group would also have to register with the United States Environmental Protection Agency (**EPA**) for the Engines and Vehicles Compliance Information System (**EV-CIS**). Within the EU, each time the Group makes a modification to its zero emission bus design or updates components or software systems used in its zero emission buses, the Group is required to seek an extension to its original regulatory approval to cover that modification. Similar requirements exist in other jurisdictions in which the Group plans to sell its buses in the future. Failure to gain approval in these instances may materially and adversely affect the Group's competitive advantage and delay its introduction of improvements or technological advances should the upgraded component, software system or other change not be approved.

If the Group were to expand to the United States, it would also have to comply with stringent vehicle manufacturer reporting requirements like those found under the National Traffic and Motor Vehicle Safety Act of 1966, as amended, and regulations promulgated thereunder, as well as those found under the Transportation Recall Enhancement, Accountability and Document Act of 2000.

In order to ensure the Group's compliance with the laws and regulations of each jurisdiction regarding its permits, licences, certificates and approvals processes, governmental authorities in each jurisdiction conduct routine or special inspections, examinations, inquiries and audits on the Group. For example, the Group is currently subject to periodic audits in relation to the homologation (which refers to the granting of approval by an official authority) of its zero emission buses through a conformity of production audit carried out by the Ministry of Transportation in the EU. As part of its EU homologation, the Group is periodically audited to ensure that it is producing its zero emission buses in accordance to the designs that were approved and certified. The Group's existing plant is also subject to audits in relation to its ISO certifications. Non-compliance with each jurisdiction's relevant requirements for permits, licences, certificates and approvals may subject the Group to suspensions or revocations of its relevant permits, licences, certificates and approvals or fines or other penalties. The Group cannot ensure that it will be able to maintain or renew its existing permits, licences, certificates and approvals or obtain future permits, licences, certificates and approvals that may be required for its continued operations on a timely basis or at all. In addition, should competitors, potential customers or regulators make claims that the Group's zero emission buses are not in compliance with laws, regulatory requirements or industry standards, the Group's ability to sell its zero emission buses and to compete successfully for current and future customers may be materially adversely impacted, even if such claims are ultimately found to not be true. In the event that the Group fails to comply with applicable laws and regulations or fails to maintain, renew or obtain the necessary permits, licences, certificates and approvals or faces claims it has not done any of the foregoing, the Group's business, financial condition, results of operations or prospects may be materially adversely affected.

(37) The Group's manufacturing operations are subject to various environmental, health and safety laws and regulations that could impose substantial costs upon it and negatively impact its ability to operate its plants if it fails in its efforts to abide by these laws and regulations.

The Group and its manufacturing plants are subject to numerous environmental, health and safety laws and regulations in the various jurisdictions in which it operates, including laws relating to exposure to, use, handling, storage and disposal of hazardous materials or the installation and testing of batteries or high-voltage systems. These requirements generally induce health and safety standards, notice of safety defect requirements, reporting requirements and other requirements with which the Group must comply. Compliance with the health and safety laws and regulations, including any additional requests from relevant regulators, can be time consuming and costly. In addition, legislative and regulatory bodies or self-regulatory organisations may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding environmental, health and safety laws and regulations to which the Group is subject imposing substantial costs to comply with new requirements or delay production if the Group cannot comply on the timetable required.

Moreover, the Group may be subject to additional regulations as it scales up its manufacturing capacity for its lightweight composite body designs by expanding its operations internationally and opening additional plants. Depending on the jurisdictions where the Group opens plants in connection with its international roll-out plan, it might be subject to environmental regulations at a municipal or national level since standards vary from jurisdiction to jurisdiction. Given the early stage of the Group's international expansion, there are no known environmental permits that must be obtained at this time for its expected operations. Compliance with these regulations may require additional costs and resources from the Group. The costs of compliance, including assessing any changes to its operations and notices required in the Group's facilities or on the Group's zero emission buses regarding potential hazards that may be mandated by new or amended laws, may be significant.

The Group cannot ensure that violations of the health and safety laws and regulations which it is subject to will not occur in the future and have not occurred in the past as a result of human error, accidents, equipment failure, manufacturing, assembly or design defects or other causes.

Any violations of the applicable environmental, health and safety laws and regulation in relation to any of the Group's manufacturing plants may result in recalls, substantial fines and penalties, remediation costs, third-party damages, suspension or cessation of the Group's operations and negative publicity, each of which would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(38) The Group could incur material losses and costs from warranty claims, recalls, or remediation of its zero emission buses or for its third-party supplier components used in the Group's zero emission buses for real or perceived deficiencies or from customer satisfaction campaigns.

The Group offers customers two types of warranties for its zero emission buses: a bus warranty for each part of its zero emission buses except for its LFP battery (guaranteed by the Group), and warranty for the LFP battery systems (guaranteed by the Group or the LFP battery supplier, depending on the customer contract). The Group's zero emission bus warranty currently typically comprises a two-year bus warranty, a three-year warranty on the drive line and an eight-year warranty for anti-corrosion on the chassis and bus body. The Group also typically provides a standard eight-year warranty on the LFP battery for materials and workmanship and an energy capacity warranty on the capacity and expected usage of the battery. In addition to this warranty, some customers may request additional coverage in relation to anti-corrosion or for the length of the warranty on the LFP batteries for which the Group may provide on a case-by-case basis. Typically, the Group has agreements with its LFP battery suppliers to support the length of warranty that the Group provides to its customers for the LFP battery if the battery warranty is guaranteed by the Group. However, if these suppliers were unable to replace the battery or indemnify the Group for any warranty claims, the Group could be responsible for the costs associated with such warranty claims for the contracts where it provides such warranty directly to the customer.

Due to the Group's recent transition from Dutch Generally Accepted Accounting Principles (**GAAP**) to International Financial Reporting Standards as adopted by the European Union (**EU**) (**IFRS**) and lack of track record under IFRS accounting, the Group is unable to currently make provisions for the warranties under IFRS accounting standards. As a result, currently, the Group recognises all remaining revenue from its zero emission buses upon delivery. If the Group were to receive any warranty claims which costs are required to be covered by the Group, the Group will not have provisions in its accounts for such claims. Since these are not provisioned, the Group's reported revenue may be too high and not reflect future warranty claims, which claims would be approximately €10,000 per zero emission bus. Historically the Group has processed a small number of warranty claims in the ordinary course of its business. However, if the number of warranty claims were to rise and/or the Group has still been unable to create warranty provisions or if any warranty provisions were inadequate to cover the costs of future warranty claims on its zero emission buses, or the Group were not compensated by any applicable suppliers related to such claims when expected, its business, financial condition, results of operations or prospects may be materially adversely affected.

The Group has in the past made factory updates to implement improvements and could in the future also potentially be subject to recalls or remediation of its zero emission buses to cure real or perceived manufacturing or design defects or to comply with applicable laws, regulations and standards. For example, currently, the Group is implementing factory updates for certain systems on approximately 37 of its zero emission buses. See "*—Risks Relating to the Company's Business—The Group's business and prospects depend on its brand, image and reputation. Failure to maintain its brand, image or reputation could materially and adversely affect the Group's business, financial condition, results of operations or prospects*" for more details regarding how the Group's business is dependent upon its reputation and any failure to maintain and develop customer confidence in its zero emission buses could materially adversely affect the Group's business. A warranty claim, recall or remediation of the Group's zero emission buses, as a result of real or perceived defects, caused by systems or components engineered, manufactured or assembled by the Group or its third-party suppliers, could involve a significant expense and may materially adversely affect the Group's business, financial condition, results of operations or prospects. Even if a defect or perceived defect is not subject to a warranty claim or recall, the Group may still incur costs from customer satisfaction campaigns or a factory update when the Group chooses to remedy or upgrade a defect without cost to the customer. The associated costs of such warranty claims, recalls, remediation, customer campaigns or factory updates could be significant and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

(39) The Group is subject to stringent and changing privacy laws, regulations and standards, information security policies and contractual obligations related to data privacy and security. The Group's actual or perceived failure to comply with such obligations could harm its business, financial condition, results of operations or prospects.

The Group has legal and contractual obligations regarding the protection of confidentiality and the appropriate use of personally identifiable information. The Group is subject to a variety of regulations, laws, directives and standards that are evolving at a rapid pace and can be subject to differing interpretation. Given the extensive scope and timing of the changes, the Group cannot guarantee that its practices have complied or will comply fully with all applicable laws and regulations and their interpretation. Any failure, or perceived failure, by the Group to comply with any of these laws or regulations could result in damage to the Group's reputation and a loss of revenue, and any legal or enforcement action brought against the Group as a result of actual or alleged non-compliance could further damage its reputation and result in substantially increased legal expenses or penalties. In addition, legislative and regulatory bodies or self-regulatory organisations may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection and consumer protection.

The Group is subject to a number of laws relating to privacy and data protection, including, in particular, the General Data Protection Regulation (Regulation (EU) 2016/679) (**GDPR**) and the European Directive 2002/58/EC, also known as the **e-Privacy Directive**, as implemented into the local laws of the Netherlands. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to its customers and third-party suppliers, as well as any such data relating to its employees and others.

While the Group strives to comply with all applicable laws and regulations relating to privacy and data protection, such laws are subject to frequent evolution. As the Group continues to implement its international expansion strategy, it is possible that applicable privacy and data protection laws and regulations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or the Group's practices. That concern is particularly relevant for the GDPR, given that different Member State regulators may differ as to its interpretation and their approach to enforcement, and for the e-Privacy Directive.

Data protection is a particularly sensitive and politically charged issue in Europe, and any actual or alleged failure by the Group to comply with applicable laws or regulations could have a material adverse effect on the Group's reputation, which could harm its business, financial condition, results of operations or prospects.

(40) The inability to acquire, use or maintain the Group's intellectual property rights could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group primarily relies on a combination of trade secrets, contractual rights (such as non-disclosure agreements and the assignment of certain employees/consultants' intellectual property rights) and intellectual property licences to establish and protect its technology, including its lightweight composite body design for the Ebusco 3.0 and its software systems utilised on each of its zero emission buses. The Group has also filed a European patent application on 21 February 2019 to protect one of the processes relating to the production of the composite body design for the Ebusco 3.0, such application being pending to date and held by Pondus R&D B.V. In addition, the Group has registered the "Ebusco" sign as a trademark in the Benelux Trademarks Register and the International Trademark System. Finally, the Group holds a number of domain names in certain country code (e.g. .nl) and generic (e.g. .com) top-level domains, the majority consisting out of or containing the "Ebusco" sign.

The Group might be required to spend significant resources to monitor, maintain and protect its intellectual property rights. The Group may not be able to discover or determine the extent of any infringement, misappropriation or other violation of the Group's intellectual property rights. The Group may initiate claims or litigation against others for infringement, misappropriation or violation of the Group's intellectual property rights, or to establish the validity of such rights. Despite the Group's efforts, the Group may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating the Group's intellectual property rights. Any litigation, whether or not it is resolved in the Group's favour, could result in substantial costs and diversion of its resources.

The Group enters into confidentiality and invention assignment or intellectual property ownership agreements with its relevant employees and third parties (such as consultants). The Group cannot ensure that these agreements, or all the terms thereof, will be enforceable or compliant with applicable law, or otherwise effective in controlling access to, use of, reverse engineering and distribution of the Group's proprietary information or in effectively securing exclusive ownership of intellectual property rights developed by the Group's current or former employees and third parties. Besides, depending on the contractual relationship and assigned functions at stake, some of the employment and consultancy agreements do not contain such intellectual property assignment provisions or are limited to certain intellectual property rights (e.g. only patent or copyrights) so that it cannot be excluded that some relevant intellectual property rights remain with the employee or consultant/contractor (notwithstanding the fact that any underlying subject matter was created to the benefit of and paid by the Group). The Group may therefore not be able to enforce said intellectual property rights fully vis-à-vis third parties, given the uncertainly with respect to the underlying property rights. Further, these agreements with employees and other third parties may not prevent other parties from independently developing technologies and products that are substantially equivalent or superior to the Group's technologies or products. Failure to adequately protect the Group's intellectual property rights could result in its competitors offering similar products, potentially resulting in the loss of some of the Group's competitive advantage, which could materially adversely affect the Group's business, financial condition, results of operations or prospects.

(41) The potential infringement of third party intellectual property rights by the Group could have a material adverse effect on its business, financial condition, results of operations or prospects.

Patent, trademark and trade secret laws vary significantly throughout the world and the patent related to the Ebusco 3.0 does not cover each of the jurisdictions in which the Group operates or is targeting for its international expansion. Companies, organisations or individuals, including the Group's competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with the Group's ability to make, use, develop, sell or market its zero emission buses, which could make it more difficult for the Group to operate its business. From time to time, the Group may receive communications from holders of patents, trademarks or other intellectual property rights regarding their proprietary rights. Companies holding patents, trademarks or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge the Group to take licences. As mentioned above, not all relevant intellectual property rights created, conceived, developed by employees, consultants and/or contractors of the Group within the framework of their employment/services agreement may have been fully vested in the Group, in the absence of (complete) intellectual property assignment provisions. Some of the Group's technologies and their uses in the Group's zero emission buses could be found to infringe upon existing intellectual property rights held by third parties. If the Group is determined to have infringed upon a third party's intellectual property rights, it may be required to cease selling or incorporating certain components into its zero emission buses, pay substantial damages, seek a licence from a holder of the infringed intellectual property right, redesign its zero emission buses or establish and maintain alternative branding for its products or services, each of which could materially adversely affect the Group's business, financial condition, results of operations or prospects.

(42) The Group is subject to claims, investigations and other legal proceedings in the ordinary course of business, as well as a proceeding with a current supplier, which could harm the Group's financial condition and liquidity if it were not able to successfully defend or insure against such claims.

In the ordinary course of business, the Group is subject to, and may in the future become involved in claims, private actions, investigations and various other legal proceedings by customers, employees, suppliers, competitors, government agencies or others. The results of any such litigation, investigation or other legal proceedings are inherently unpredictable and expensive. Any claims against the Group, whether meritorious or not, could be time consuming, result in costly litigation or damage to the Group's reputation, require significant management time, and divert significant resources. In addition, the Group is currently in proceedings against Heavac B.V. (**Heavac**) relating to the climate control systems that were supplied by them and used by the Group in buses delivered to Qbuzz. In the years 2018 and 2019, the Group has delivered 117 electric buses to Qbuzz B.V. (**Qbuzz**), after which Qbuzz complained that the climate control systems in these buses were not functioning correctly. Pursuant to a settlement agreement, the Group will replace the climate control systems and estimates that the costs for replacing the climate control systems at approximately €2 million, which it expects to recover from Heavac, the supplier of the climate control systems, subject to its proceedings against Heavac. However, there can be no guarantee that the Group's claim against Heavac will be successful or that it will recover all or part of the expenses from Heavac that it anticipates it will incur in connection with the costs of replacing the climate control systems for Qbuzz. In the event the Group's claim against Heavac is not successful, this could have a significant effect on the Company's financial position and profitability due to the Group's estimates with respect to the costs of replacing the climate control systems. In addition, the Group has not currently provisioned for the litigation since the Group is unable to reasonably estimate the ultimate outcome of the proceedings at this time. If any current or future legal proceedings were to be determined adversely to the Group, or the Group were to enter into a settlement agreement, it could be exposed to monetary damages or limits on its ability to operate its business, which could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

(43) The Group may become subject to product liability claims, which could harm the Group's financial condition and liquidity if the Group is not able to successfully defend or insure against such claims.

The Group provides indemnification to its customers who may be sued for product liability related to the Group's products and the Group may otherwise be subject to product liability claims. The transit bus market experiences significant product liability claims, particularly in the United States and Australia, and the Group faces inherent risk of exposure to claims in the event its zero emission buses or components do not perform as expected, particularly as it enters these markets. The Group's zero emission buses have been involved in minor incidents, and may in the future be involved in crashes resulting in death or personal injury, which could lead to claims.

While the Group carries insurance for product liability, it is possible that its insurance coverage may not cover the full exposure on a product liability claim of significant magnitude. A successful product liability claim against the Group could require the Group to pay a substantial monetary award. The Group's insurance premiums may also increase substantially because of such claims. A product liability claim could also generate substantial negative publicity about the Group's zero emission buses or other products and business and hurt the Group's brand or reputation and could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

(44) Changes in tax laws may materially adversely affect the Group's business, financial condition, results of operations or prospects.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time which could materially adversely affect the Group's business, financial condition, results of operations or prospects. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to the Group. In addition, as the Group's international expansion strategy begins, the Group could face new tax consequences. Adverse new tax consequences, whether as a result of changes to existing tax laws or the Group's international expansion strategy, may have a material and adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks Relating to the Offering and the Ordinary Shares

(45) Immediately after Settlement, the Existing Shareholders will be in a position to exert substantial influence on the Company and the interests pursued by the Existing Shareholders could differ from the interests of the Company's other shareholders.

Immediately after Settlement, the major Shareholders of the Company Van der Valk Investments B.V. (**Van der Valk**), ING Corporate Investments Participaties B.V. (**ING Participaties**) and Peter Bijvelds Holding Erp B.V. (**Peter Bijvelds Holding**, and together with Van der Valk and ING Participaties, the **Existing Shareholders**) will continue to be the Company's largest Shareholders. ING Participaties will participate in the Offering for the amount of €32.5 million. Consequently, immediately after Settlement, the Existing Shareholders will hold, in aggregate, approximately 80.0% of the Company's issued and outstanding share capital (or 78.2% assuming the Over-Allotment Option is exercised in full), and assuming, in both cases, an Offer Price at the mid-point of the Offer Price Range and disregarding for these purposes that Van der Valk will lend Ordinary Shares to the Stabilisation Manager under a stock loan agreement (the **Stock Lending Agreement**). As a result, the Existing Shareholders will continue to be able to influence substantially or potentially control matters requiring approval by the general meeting (*algemene vergadering*) of the Company, being the corporate body, or where the context so requires, the physical meeting of Shareholders of the Company (the **General Meeting**), and may vote their Ordinary Shares in a way with which other Shareholders do not agree.

Moreover, pursuant to the relationship agreement between the Existing Shareholders and the Company dated 18 October 2021, which will become effective per the day prior to the First Trading Date (the **Relationship Agreement**), each of the Existing Shareholders, for as long as such Existing Shareholder continues to hold more than 10% of the Ordinary Shares, shall have the right (but shall not be required) to nominate one Supervisory Director for appointment by the General Meeting and shall have the right to propose replacement for such member. See "*Major Shareholders and Related Party Transactions—Related Party Transactions—Relationship Agreement*".

Since the interests of the Existing Shareholders do not have to be aligned with the interests of the Company, a conflict of interest might arise.

Therefore, in combination with their large shareholding, the Existing Shareholders will be in a position to exert substantial influence on the General Meeting and, consequently, on matters decided by the General Meeting, including the appointment of Supervisory Directors, the distribution of dividends, the amendment of the Articles of Association or any proposed capital increase. This concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of the Group and could materially adversely affect the trading volume and market price of the Ordinary Shares. This could be the case if investors determine that the stock is not as attractive due to high concentration of ownership and degree of influence by the Existing Shareholders, as a result of which demand for the Ordinary Shares may go down.

The interests of the Existing Shareholders could deviate from the interests of the Company's other Shareholders. Existing Shareholders, as the major Shareholders of the Company, may delay, postpone or prevent transactions that might be advantageous for investors or other Shareholders.

(46) There is currently no public trading market for the Ordinary Shares on Euronext Amsterdam. Consequently, there is a risk that an active and liquid market for the Ordinary Shares will not develop and that the price of the Ordinary Shares may be volatile.

Until trading on Euronext Amsterdam commences on an "as-if-and-when-issued" basis, which is expected on 22 October 2021 (which is subject to acceleration or extension and pricing taking place), there is no public trading market for the Ordinary Shares. There can be no assurance that an active trading market for the Ordinary Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Ordinary Shares, as well as increase their price volatility. Investors may not be in a position to sell their Ordinary Shares quickly or at the market price if there is no active trading in Ordinary Shares. In addition, an illiquid market for the Ordinary Shares may result in lower market prices and increased volatility, which could materially adversely affect the value of an investment in the Ordinary Shares.

The Offer Price may not be indicative of the market price for the Ordinary Shares after the Offering has completed. The market price of the Ordinary Shares could also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company operates or equity markets generally. As a result of these and other factors mentioned in this "*Risk Factors*" section, the Ordinary Shares may trade at prices significantly below the Offer Price. The Company cannot assure that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of the Company's actual financial and operating performance.

(47) Future offerings of debt or equity securities by the Company, or the perception thereof, may adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares may dilute investors' shareholdings.

Pursuant to a resolution of the General Meeting to be adopted prior to Settlement, the Management Board, subject to the approval of the Supervisory Board, will be designated to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares for a period of 18 months of the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Ordinary Shares. This authorisation of the Management Board is limited to 10% plus another 10% for M&A purposes of the total nominal issued share capital of the Company as of the Settlement Date and may be revoked at any time by the General Meeting. The Company may in the future, subject to the lock-up arrangements in the Underwriting Agreement (as defined below), seek to raise capital through public or private debt or equity financings by issuing additional Ordinary Shares, debt or equity securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Ordinary Shares. In addition, the Company may in the future seek to issue additional Ordinary Shares as stock dividend or as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, the Company may issue new Ordinary Shares or grant rights to subscribe for Ordinary Shares in connection with the establishment of employee share participation or stock option plans. The issuance of any additional Ordinary Shares may dilute an investor's shareholding interest in the Company.

Furthermore, any additional debt or equity financing the Company may need may not be available on terms favourable to the Company or at all, which could materially adversely affect its future plans and the market price of the Ordinary Shares. Any additional offering or issuance of Ordinary Shares may dilute the investors' shareholding in the Company, or the perception that an offering or issuance may occur, could also have a negative impact on the market price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

(48) Future sales or the possibility of future sales of a substantial number of Ordinary Shares by the Existing Shareholders, Managing Directors, other key managers or employees of the Company may adversely affect the market price of the Ordinary Shares.

The Company has agreed with the Underwriters, pursuant to an underwriting agreement entered into on 18 October 2021 (the **Underwriting Agreement**), to restrictions on their ability to issue, sell or transfer Ordinary Shares for a period of 180 days and after the Settlement Date. Each of the Existing Shareholders (other than Peter Bijvelds Holding Erp B.V. which is subject to a management lock-up agreement) has agreed with the Underwriters to restrictions on their ability to issue, sell or transfer

Ordinary Shares for a period of 180 days and after the Settlement Date. In addition, each of Peter Bijvelds Holding Erp B.V., the Managing Directors and Supervisory Directors and each member of the Management Team has agreed to a lock-up in respect of the Ordinary Shares that they hold or will be granted to them under share incentive plans for a period ending 360 days after the Settlement Date. After the expiration of the applicable lock-up period, the Existing Shareholders, the Managing Directors and Supervisory Directors and the members of the Management Team may sell their Ordinary Shares or the Company may issue additional Ordinary Shares, or securities linked to them in the public market. In addition, the Joint Global Coordinators have full discretion to waive the lock-ups at any time before their expiry. This could also result in the Existing Shareholders, the Company, the Managing Directors, the Supervisory Directors and the members of the Management Team selling Ordinary Shares in the public market before expiry of the applicable lock-up periods. In addition, there could also be a perception in the market that such sales could occur due to the expiry of the relevant lock-up period or its waiver.

The market price of the Ordinary Shares could decline if, following the Offering and after the expiration of the lock-up period, a substantial number of Ordinary Shares are sold by the Existing Shareholders, Managing Directors, Supervisory Directors and members of the Management Team, other key managers or employees of the Company in the public market or if there is a perception that such sales could occur. Furthermore, a sale of Ordinary Shares by any Managing Director, Supervisory Director or member of the Management Team could be perceived as a lack of confidence in the performance and prospects of the Group and could cause the market price of the Ordinary Shares to decline. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future.

(49) If securities or industry analysts do not publish research or reports about the Company's business or industry, or if such analysts (if any) change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline.

The trading market for the Ordinary Shares will be influenced by the research and reports that securities or industry analysts publish about the Company's business or industry. Currently, the Company is not yet covered by analysts, but this might be otherwise in the near future. If securities or industry analysts do not or cease to publish research or reports about the Company's business or industry, the Company could lose visibility in the financial markets, which could cause the market price of the Ordinary Shares or trading volume to decline. Also, if one or more of the analysts covering the Company's business or industry recommend selling the Ordinary Shares, the market price of the Ordinary Shares could decline.

(50) Investors with a reference currency other than euro will become subject to foreign exchange risks when investing in the Offer Shares.

The Company's equity capital is denominated in euros, and any dividends on the Ordinary Shares will be paid by the Company in euros. Investors whose reference currency is a currency other than euros may be adversely affected by any reduction in the value of the euro relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting euro into another currency. Investors whose reference currency is a currency other than the euro are therefore urged to consult their financial advisers.

IMPORTANT INFORMATION

General

This Prospectus has been approved by the AFM, as competent authority under the Prospectus Regulation. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and the Company. Investors should make their own assessment as to the suitability of investing in the Offer Shares.

This Prospectus was approved as a prospectus for the purposes of the Prospectus Regulation by, and filed with, the AFM on 18 October 2021.

This Prospectus shall be valid for offers to the public or admissions to trading on a regulated market only by the Company until the earlier of: (i) the First Trading Date, or (ii) expiry of a period of up to 12 months after its approval by the AFM, provided that it is completed by any supplement if required pursuant to Article 23 of the Prospectus Regulation, and shall expire on Tuesday 18 October 2022, at the latest. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (see "—*Supplements*" below) shall cease to apply upon the earlier of: (i) the First Trading Date; or (ii) the expiry of the validity period of this Prospectus.

Prospective investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to Article 23 of the Prospectus Regulation, and therefore prospective investors should not assume that the information in this Prospectus is accurate as at any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Admission and/or Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Managing Directors, the Supervisory Directors, the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any issuance or sale of Ordinary Shares made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time since its date.

Prospective investors are expressly advised that an investment in Offer Shares entails certain risks and that they should therefore carefully read and review the entire Prospectus. Prospective investors should not just rely on key information or information summarised within this Prospectus. Prospective investors should, in particular, read the section entitled "*Risk Factors*" when considering an investment in the Offer Shares. A prospective investor should not invest in Offer Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Ordinary Shares will perform under changing conditions, the resulting effects on the value of the Ordinary Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of the Ordinary Shares.

The content of this Prospectus should not be construed as business, legal or tax advice. This Prospectus should not be considered as a recommendation by any of the Company, the Managing Directors, the Supervisory Directors, the Underwriters, the Listing and Paying Agent or any of their respective representatives that any recipient of this Prospectus should subscribe for any Offer Shares. None of the Company, the Underwriters, the Listing and Paying Agent or any of their respective representatives is making any representation to any prospective investor regarding the legality of an investment in the Offer Shares by such prospective investor under the laws and regulations applicable to such prospective investor. Prospective investors should consult their own professional adviser before making any investment decision with regard to the Offer Shares, among other things, to consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase, or subscribe for, Offer Shares. In making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of the Company and the Ordinary Shares and the Offering, including the merits and risks involved.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing or other arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

Each of the Underwriters and the Listing and Paying Agent is acting exclusively for the Company and no one else in connection with the Admission and/or Offering. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Admission or the Offering and none of them will be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Admission, the Offering or any transaction or arrangement referred to herein. The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in certain jurisdictions, including the United States.

This Prospectus may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. None of the Company, the Management Board, the Supervisory Board, any of the Underwriters and the Listing and Paying Agent accepts any responsibility for any violation by any person, whether or not such person is a prospective investor in the Offer Shares, of any of these restrictions. See "*Selling and Transfer Restrictions*" for further information on these restrictions.

Each of the Company and the Underwriters reserves the right in their own absolute discretion to reject any application to purchase, or subscribe for, Offer Shares that the Company, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Each person receiving this Prospectus acknowledges that: (i) such person has not relied on an Underwriter or any person affiliated with an Underwriter in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; (ii) such person has relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained in this Prospectus and information given by the Company's duly authorised officers and employees in connection with such person's examination of the Company and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, or any of the Underwriters.

In connection with the Offering, each of the Underwriters and any of their respective affiliates may take up a portion of the Offer Shares in the Offering as a principal position and in that capacity may retain, subscribe for or purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, each of the Underwriters and any of their affiliates may enter into financing arrangements (including swaps, warrants and contracts for differences) with investors in connection with which each of the Underwriters and any of their affiliates may from time to time acquire, hold or dispose of the Offer Shares. None of the Underwriters or their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Responsibility Statement

This Prospectus is made available by the Company, and the Company accepts full and sole responsibility for the accuracy of the information contained in this Prospectus. The Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by, or on behalf of, any of the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy, fairness or completeness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by any of the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. None of Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective capacities in connection with the Admission and/or the Offering, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself, or on its behalf, in connection with the Company, the Group, the Admission, the Offering or the Ordinary Shares. Accordingly, each of the Underwriters, the Listing and Paying Agent and each of their respective affiliates or representatives, or their respective directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable laws and regulations, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Presentation of Financial and Other Information

Historical Financial Information

In this Prospectus, the term **Financial Statements** refers to the audited special purpose consolidated financial statements of the Company as at and for the year ended 31 December 2020, with comparatives as at and for the years ended 31 December 2019 and 31 December 2018, and the notes thereto, prepared in accordance with IFRS (the **Financial Statements**). Unless otherwise indicated, the financial information contained in this Prospectus has been prepared in accordance with IFRS. The Financial Statements have been audited by Ernst & Young Accountants LLP (**EY**). The Financial Statements should be read in conjunction with the accompanying notes thereto and EY's independent auditor's report thereon.

The Financial Statements have been prepared for the purposes of the Offering and have been presented by the Company in a form consistent with that which will be adopted in the Company's next annual financial statements, beginning with the publication of the Company's consolidated financial statements as at and for the year ending 31 December 2021. The Financial Statements are not the Company's statutory financial statements.

In this Prospectus, the term **Interim Financial Statements** refers to the unaudited interim condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2021 and the notes thereto. The Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Interim Financial Statements have been reviewed by EY. The Interim Financial Statements should be read in conjunction with EY's independent auditor's review report thereon.

The Financial Statements and the related independent auditor's report and the Interim Financial Statements and the related independent auditor's review report are included in this Prospectus beginning on page F-1.

The independent auditor's report on the Financial Statements is qualified and includes emphasis of matter paragraphs. The paragraph describing the basis of the qualified opinion and the emphasis of matter paragraphs are reproduced below:

Basis for our qualified opinion

The Company was incorporated on July 18, 2019 and acquired Ebusco B.V. in September 2019. The Company applied the pooling of interest method and the results of Ebusco B.V. are included in the special purpose consolidated financial statements of the Company as of January 1, 2018.

We have been appointed as the auditor of Ebusco Holding B.V. on November 22, 2019. Therefore, we were not able to attend the physical observation of the inventories per January 1, 2018 and December 31, 2018. It has not been possible to obtain sufficient and appropriate audit evidence on the existence of the inventories as of January 1, 2018 and December 31, 2018 in any other way. These inventories are included in the consolidated statement of financial position as at January 1, 2018 for EUR 48,000 and as at December 31, 2018 for EUR 1,118,000 in the line item "Inventories" and have an impact on the determination of the "Cost of materials" and therefore the Company's result. As a result of the aforementioned circumstances, we were unable to determine whether any adjustments were necessary with respect to the results for the years ended December 31, 2018 and December 31, 2019 and the opening balance of retained earnings for the year ended December 31, 2020 as well as the retained earnings as at December 31, 2018 and December 31, 2019.

Our opinion on the special purpose consolidated financial statements for the year ended December 31, 2020 is also modified because of the possible effect of above matter on the comparability of these figures for the year ended December 31, 2020 and the corresponding figures for the years ended December 31, 2019 and December 31, 2018.

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 special purpose consolidated financial statements" section of our report.

We are independent of Ebusco Holding B.V. in accordance with 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 qualified opinion.

Emphasis on the special purpose and restriction on use

We draw attention to note 1, which describes the special purpose of the special purpose consolidated financial statements. The special purpose consolidated financial statements do not represent Ebusco Holding B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including these in the prospectus in connection with the initial public offering and admission to listing and trading on Euronext Amsterdam in order to comply with the requirements for historical financial information by, or pursuant to, Regulation (EU) 2017/1129). As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our independent auditor's report is required by the Commission Delegated Regulation (EU) 2019/980 and is issued for the purpose of complying with that Delegated Regulation. Therefore, our auditor's report should not be used for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter with respect to the Company's financing

We draw attention to the paragraphs Covid-19 impact on business, Liquidity and risk management and Going concern in the disclosure note 3 Basis of Preparation to the financial statements which indicates, among other things, that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement. Management is comfortable that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen event that an IPO will not be successful, that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders. Our opinion is not modified in respect of this matter.

The independent auditor's review report on the Interim Financial Statements states that the interim condensed consolidated financial statements information for the period from 1 January 2020 to 30 June 2020 was not audited nor reviewed and includes an emphasis of matter paragraph:

Corresponding figures neither audited nor reviewed

We have not audited nor reviewed the interim condensed consolidated financial statements information for the period from January 1, 2020 to June 30, 2020. Consequently, we have not audited nor reviewed the corresponding figures included in the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and the related notes.

Emphasis of matter with respect to the Company's financing

We draw attention to the paragraphs Covid-19 impact on business, Liquidity and risk management and Going concern in the disclosure note 2 Basis of Preparation to the financial statements which indicates, among other things, that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement. Management is comfortable that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen event that an IPO will not be successful, that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders. Our conclusion is not modified in respect of this matter.

For non IFRS measures, see "*Selected Consolidated Financial Information—Selected non-IFRS financial measures*".

Rounding and Negative Amounts

Some of the figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in some tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the financial information included in this Prospectus, most numerical figures are presented in thousands of euros. For the convenience of the reader of this Prospectus, some of the numerical figures in this Prospectus are rounded to the nearest million. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in some tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information included elsewhere in this Prospectus. Such percentages may be computed on the numerical figures expressed in millions of euros. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

In this Prospectus, unless otherwise indicated: all references to **euro** or **€** are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time, and all references to **$** are to the lawful currency of the United States.

Market and Industry Information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts of publicly available information or of the Company's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'believe', 'the Company believes', 'expect', 'the Company expects', 'see' and 'the Company sees', and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Prospectus also contains statistics, data and other information relating to markets, market sizes, market positions, market shares and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including a commercial market study it commissioned from Roland Berger GmbH (**Roland Berger**) and a technical study it commissioned from ECS Beratung & Service GmbH (**ECS**).

The Group commissioned Roland Berger to prepare a report to analyse the market environment of the Group and to determine the Group's addressable market. Roland Berger is an international management consultancy firm operating 50 offices worldwide. Roland Berger has 2,400 employees working across all relevant industries and business functions and has a strong reputation in the commercial vehicles industry, the automotive world and more widely for the entire traditional transportation ecosystem based on years of experience in this sector with clients along the entire value chain. Roland Berger's business address is Sederanger 1, 80538 Munich, Germany.

ECS was commissioned by the Group to prepare a report on the Group's technical qualifications, including a system analysis of selected key components of the Group and the Group's competitive position. ECS is an engineering consultancy firm with focus on benchmarking, cost and technical analysis in the automotive industry, especially for electronics, and electric vehicle (**EV**) components. ECS' business address is Landsberger Strasse 300, 80687 München, Germany.

Throughout this Prospectus sources referring to Roland Berger and ECS refer to Roland Berger's private Commercial VDD Report dated May 2021 and ECS's private Technical VDD Report dated May 2021, respectively. All references throughout this Prospectus to Roland Berger and ECS have been consented to by Roland Berger and ECS, respectively. Roland Berger and ECS do not have an interest in the Company or the Group.

Information in this Prospectus in relation to market shares of the Company in the battery electric transit bus market in Europe is derived from Chatrou CME Solutions (**Chatrou**). The information in this Prospectus that has been sourced from Roland Berger, ECS, Chatrou and other third parties, such as Bloomberg New Energy Finance (**Bloomberg NEF**), has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, certain statements are made regarding the Company's competitive and market position. The Company believes these statements to be true, based on market data and industry statistics, but the Company has not independently verified the information. The Company cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Company's competitors may define their markets and their own relative positions in these markets differently than the Company does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Company's figures.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares arises, or is noted between the date of this Prospectus and the final closing of the Offer Period or the time when trading on a regulated market begins, whichever occurs later, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions of the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Notice to Prospective Investors

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Ordinary Shares.

This Prospectus may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell, or subscribe for or issue, Offer Shares.

No action has been taken or will be taken in any jurisdiction by the Company or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered or sold directly or indirectly, and neither this Prospectus nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any jurisdiction except in compliance with any applicable laws and regulations of any such jurisdiction.

Subject to the exceptions set out in "*Selling and Transfer Restrictions*", this Prospectus should not be forwarded or transmitted in or into the United States, the European Economic Area, the United Kingdom, Australia, Canada and Japan.

Notice to Prospective Investors in the United States

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and, subject to exceptions, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable state securities laws. The Offer Shares will be offered and sold inside the United States only to persons reasonably believed to be qualified institutional buyers (**QIBs**) in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and outside the United States in offshore transactions, as defined in and in reliance on, Regulation S. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. The Offer Shares are not transferable except in accordance with the restrictions described in the section titled "*Selling and Transfer Restrictions*".

The Offer Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

Notice to Investors in the European Economic Area

In relation to each member state of the European Economic Area (**EEA**) (**Member State**), an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant State, except that an offer to the public in that Relevant State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Global Coordinators; or

(c) in any other circumstances falling under the scope of Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer to the public** in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

This Prospectus has been prepared on the basis that all offers of the Offer Shares, other than the offers contemplated in the Netherlands, respectively, will be made pursuant to an exemption under the Prospectus Regulation, as implemented in Member States, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly, any person making or intending to make any offer of the Offer Shares within the EEA that is the subject of the Offering contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. None of the Company or the Underwriters has authorised, nor does the Company or the Underwriters authorise, the making of any offer of the Offer Shares through any financial intermediary, other than offers made by the Underwriters that constitute the final Offering of the Offer Shares contemplated in this Prospectus.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, an offer to the public of any Offer Shares which are subject of the Offering contemplated by this Prospectus may not be made, except that an offer to the public in the United Kingdom of any Offer Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling under the scope of Section 86 of the Financial Services and Markets Act 2000 (the **FSMA**), provided that no such offer of Offer Shares shall require the Company or the Underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For purposes of the provision, the expression **offer to the public** in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Prospectus and the Offering is addressed only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (the **FSMA**) (Financial Promotion) Order 2005, as amended (the **Financial Promotion Order**), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. This Prospectus has been prepared on the basis that any offer of the Offer Shares referred to herein in the United Kingdom will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**) from the requirement to publish a prospectus for offers of the securities referred to herein. Accordingly, any person making or intending to make an offer in the United Kingdom of Offer Shares which are the subject of the Offering only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor any of the Underwriters have authorised, nor do they authorise, the making of any offer of Offer Shares in circumstances in which an obligation arises for the Company or any of the Underwriters to publish a prospectus for such offer.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in delict, tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each within the meaning of MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering, including the selling restrictions described in "*Selling and Transfer Restrictions*". For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, subscribe for, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Enforceability of Civil Liabilities

The ability of Shareholders in jurisdictions other than the Netherlands, and in particular the United States, to bring an action against the Company may be limited under applicable laws and regulations. At the date of this Prospectus, the Company is incorporated under Dutch law and all Managing Directors, Supervisory Directors and most of the Group's employees are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets of the Group are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them, in United States courts, a judgment obtained in such courts. In addition, in the Netherlands, there is doubt as to the enforceability of original actions or actions for enforcement based solely on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws.

As at the date of this Prospectus, the United States and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a judgment rendered by a court in the United States will not be enforceable in the Netherlands. However, if a person has obtained a final judgment without possibility of appeal for the payment of money rendered by a court in the United States which is enforceable in the United States and files his or her claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment without substantive re-examination or re-litigation on the merits insofar as it finds that: (i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards; (ii) the judgment by the United States court was rendered in legal proceedings that comply with the Dutch standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*); or (iii) the judgment by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and except to the extent that the foreign judgment contravenes Dutch public policy (*openbare orde*). Even if such foreign judgment is given binding effect, a claim based thereon may, however, still be rejected if the foreign judgment is not or no longer formally enforceable in the country of origin.

Enforcement of any foreign judgment in the Netherlands will be subject to the rules of Dutch civil procedure (*Wetboek van Burgerlijke Rechtsvordering*). Judgments may be rendered in a foreign currency but enforcement is executed in euros at the applicable rate of exchange. Under these circumstances, a Dutch court has the power to stay proceedings (*aanhouden*) or to declare that it has no jurisdiction if concurrent proceedings are being brought elsewhere.

A Dutch court may reduce the amount of damages granted by a United States court and recognise damages only to the extent that they are necessary to compensate actual losses and damages.

Information regarding Forward-Looking Statements

This Prospectus includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualised", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements that reflect the Company's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Risk Factors*", "*Reasons for the Offering and Use of Proceeds*", "*Business*" and "*Operating and Financial Review*" regarding the Group's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group's actual results to so vary include, but are not limited to:

- global and regional economic and financial conditions, as well as political and business conditions or other developments, including macroeconomic and other conditions resulting from the Covid-19 pandemic;
- interruption in the Group's manufacturing and distribution facilities;
- its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products;
- the loss of senior management and other key personnel;
- actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; and
- changes in applicable environmental laws or regulations.

Forward-looking statements include, among other things, statements relating to:

- the Company's strategy, outlook and growth prospects;
- the Company's liquidity, capital resources and capital expenditure requirements;
- the Company's expectations as to future growth in demand for the Company's services;
- the Company's medium-term objectives;
- changes in general economic conditions and capital markets; and
- actions of competitors and customers.

Forward-looking statements in this Prospectus speak only as of the date of this Prospectus. Except as required by applicable laws and regulations, the Group expressly disclaims any obligation or undertaking to update or revise the forward-looking statements contained in this Prospectus to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based.

Definitions

This Prospectus is published in English only. Definitions used in this Prospectus are defined in the sections "*Defined Terms*" and "*Glossary of Technical Terms*".

Other Operating Data

The Group defines its own total cost of ownership (**TCO**) as the value of its buses, when factoring in bus depreciation, interest, residual value, energy cost, maintenance, the charger and road tax. The Group also references its TCO in comparison to the TCOs of six other electric bus suppliers in Europe and that comparison is comprised of the same factors that make up the Group's TCO.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background and Reasons for the Offering

The Company believes that the offering of the Offer Shares under the Offering will facilitate the execution of its international expansion strategy and listing and trading of the Ordinary Shares on Euronext Amsterdam will further enhance the Company's profile and brand recognition with, *inter alia*, investors, business partners, clients and employees. In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders.

The Company expects the listing and trading to create a new long-term shareholder base as well as liquidity for the Shareholders. The Offering also aims to permit the Company to incentivise the existing and future management team and senior staff, and to continue to attract high calibre individuals to join the Company's management team in the future, by way of awards of listed Ordinary Shares, aligning their interests with the interests of Shareholders.

Use of Proceeds

The Company will receive proceeds from the sale of the Offer Shares. The Company aims to raise approximately €300 million in gross proceeds assuming no exercise of the Over-Allotment Option, or €330 million assuming the Over-Allotment Option is exercised in full.

The Company expects the net proceeds from the Offering, after deduction of expenses, commissions and taxes (estimated to amount to approximately €17 million), to amount to approximately €283 million assuming no exercise of the Over-Allotment Option, or €312 million assuming the Over-Allotment Option is exercised in full.

The net proceeds of the Offering are expected to fund the initial phase of the Group's international expansion strategy through 2023. In addition, the Group's business plan assumes it will require a further estimated €100.0 million in the medium term for capital expenditure to fully implement its international expansion strategy, which the Group will need to secure through other equity, equity-linked or debt financing. The additional funding requirements beyond the initial phase of the Group's international expansion strategy to fully implement the Group's international expansion strategy are not reflected in the Group's use of proceeds outlined below. In addition, the Group expects it will be required to secure additional funding to meet its anticipated net working capital requirements at the end of the medium-term period to support its medium-term objective related to the production of zero emission buses. See "*Operating and Financial Review—Liquidity and Capital Resources—Net Working Capital*" for additional information about the Group's expectations regarding the funding of its net working capital over the medium-term.

As of the date of this Prospectus, the Company cannot specify with certainty all of the particular uses for the net proceeds from the Offering and the Company will have broad discretion over how to use the net proceeds from the Offering. However, the Company currently intends to use the estimated net proceeds it receives from the Offering broadly as follows. Use of proceeds in connection with the initial phase of the Group's international expansion strategy (i.e., through 2023) assuming no exercise of the Over-Allotment Option and presented in order of priority:

- €113.5 million to €115 million for capital expenditures to (i) scale up its OEM production facility in Deurne, the Netherlands, and (ii) build two OEMs, three CKDs and eight PDI Facilities across Europe, North America and APAC, which capital expenditure will primarily consist of capital tooling and equipment since the OEMs, CKDs and PDI Facilities are expected to be leased;

- €30.5 million to €32.5 million for general maintenance and further general capital expenditure, which is expected to be used for (i) maintenance and replacement of capital tooling and equipment and (ii) general expenditures like office equipment;

- €19.5 million to €20 million for capital expenditures for demo buses;

- €16 million for capital expenditures for prototype buses; and

- €17 million for capital expenditures to enter and penetrate further into the Chinese market with a selected partner.

Other use of proceeds:

- €2 million for capital expenditures for further international roll-out of the Group's Energy Storage System (**ESS**) business;

- €25.75 million to pay the remainder of the Pondus purchase price that the Company must pay after completion of the Offering;

- €37.1 million to repay (i) the €32.5 million ING Credit Agreement and (ii) the Group's €4.6 million loan from Rijksdienst voor Ondernemend Nederland;

- €10 million to repay the loans of (i) €3,400,188.00 on the non-voting cumulative preference share A to Peter Bijvelds Holding, (ii) €4,100,125.00 on the non-voting cumulative preference share B to Van der Valk and (iii) €2,499,687.00 on the non-voting cumulative preference share C to ING Participaties as a result of the cancellation of such cumulative preference shares into Ordinary Shares on the Settlement Date. Up to the moment of repayment of the loans and cancellation of such cumulative preference shares, the cumulative dividend will be paid out with a dividend rate of 8% of the amount of €10 million per year, starting as of 30 June 2020. This dividend, which amounts to approximately €1 million, will also be paid out of the net proceeds; and

- €5 million to pay the settlement fee to PBE Support B.V. (**PBE Support**), which amount less taxes is to be re-invested in Offer Shares by PBE Support, pursuant to the waiver agreement between the Company and PBE Support.

Since the initial phase of the Group's international expansion strategy does not require all of the net proceeds immediately for its planned capital expenditures, the Group also anticipates that it will temporarily use a small portion of the net proceeds intended for capital expenditure to fund its net working capital requirements for the production of its Ebusco 3.0 buses in the initial six to nine months following the Offering, which net proceeds will be available to be utilised by the Group in line with its capital expenditure plans outlined above once its customers pay for such buses.

In the event the Over-Allotment Option is exercised in full or in part, the Company will have broad discretion over how to use the new proceeds from such exercise and some of such proceeds, if any, will likely be used for general corporate purposes, including net working capital.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may only make distributions to its Shareholders if its equity exceeds the amount of the paid-up and called-up part of the issued capital, plus the reserves as required to be maintained by the Articles of Association or by Dutch law. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on its subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of such subsidiaries' respective jurisdictions. The Management Board, subject to the approval of the Supervisory Board, determines which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, working capital developments, capital expenditure requirements (including requirements of its subsidiaries) and any other factors that the Management Board and the Supervisory Board deem relevant in making such a determination. The part of the profits remaining after the addition to reserves will be at the disposal of the General Meeting. The Management Board, subject to the approval of the Supervisory Board, makes a proposal for the remaining part of the profits that will be at the disposal of the General Meeting. Dividend distribution is further summarised in "*Description of Share Capital and Corporate Structure—Dividends and Other Distributions*".

Dividend History

The Company was incorporated on 18 July 2019. The Company did not pay any dividend in respect of the Financial Years 2019 and 2020. In addition to the Financial Years 2019 and 2020, no dividends were distributed in the Financial Year 2018 by Ebusco B.V, which was the holding company of the Group prior to the incorporation of the Company in 2019.

Dividend Policy

The Company does not intend to declare or pay dividends for the financial year ending 31 December 2021 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.

Since the Company conducts a substantial part of its operations through its direct or indirect subsidiaries, its ability to pay dividends depends significantly on its operating subsidiaries generating profits and distributing them to the Company.

The ability and intention of the Company to pay dividends in the future will depend on the terms of its financing agreements, its financial position, results of operations, net working capital requirements, capital expenditure requirements, investment alternatives, the existence of distributable reserves, available liquidity, market developments, industry peers and other factors that the Management Board and Supervisory Board may deem relevant. Currently, the Group's Facilities Agreement prevents the Group from paying dividends, subject to exceptions (which permit up to €250,000 in dividends per year). Please see "*Operating and Financial Review—Loans and Borrowings—ING Credit Agreement*" and "*Operating and Financial Review—Loans and Borrowings—Facilities Agreement*" for the impact of the current financing agreements on the ability and intention of the Company to pay dividends in the future. The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control. Please see "*Important Information—Information regarding Forward-Looking Statements*" for the factors that could cause the Group's results to vary.

Manner and Time of Dividend Payments

Payment of any dividend will be made in euros. Any dividends that are paid to holders of Offer Shares through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts, without the need for the Shareholders to present documentation proving their ownership of the Ordinary Shares. Payment of dividends on Ordinary Shares not held through Euroclear Nederland will be made directly to the relevant Shareholders using the information contained in the Company's shareholders' register (the **Shareholders' Register**). Payments of dividends are announced in a notice by the Company and will be made payable pursuant to a resolution of the Management Board within four weeks after adoption, unless the Management Board sets another date for payment.

Uncollected Dividends

A shareholder's claim to payments of dividends lapses five years after the day on which the claim became payable. Any dividends that are not collected within this period revert to the Company.

Taxation

The tax legislation of an investor's jurisdiction and of the Netherlands, the Company's country of incorporation, may have an impact on the income received from the Ordinary Shares. Dividend payments are generally subject to withholding tax in the Netherlands. See "*Taxation*".

BUSINESS

Overview

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. To date, the Group has supplied approximately 346 zero emission buses to 17 cities in the Netherlands, Belgium, France, Germany, Norway, Switzerland and Denmark. During the period under review, the vast majority of the Group's revenue was generated from the sale of zero-emission buses. The Group has the goal to expand its operations worldwide.

Ebusco's vision is to contribute to a better living environment by enabling safe, sustainable, emission-free and cost-competitive public transportation ecosystem across the world.

History

The Group's current CEO, Peter Bijvelds initiated electric vehicle work in 2010 and founded Ebusco B.V., along with Walter Luijten, in 2012 in Helmond, the Netherlands. Shortly after Ebusco B.V. was founded, it first presented its zero emission bus concept, Ebusco 1.0, at the world-renowned IAA Commercial Vehicle exhibition in Hannover, Germany in September 2012 and became the first European company to receive a European Whole Vehicle Type-Approval (**WVTA**) certificate for a fully electric bus.

After achieving this milestone, the Group entered into an agreement with Veolia Transport Finland Oy (now Transdev Finland Oy) to test Ebusco 1.0 in some of the harshest weather conditions in Europe for a period of three years. In 2013, Ebusco 1.0 was awarded the European Coach and Bus Week's Ecology Label (Bus). Following the success of Ebusco 1.0, the Group worked on developing what is now known as Ebusco 2.0, which launched in 2014. Ebusco 2.0 was the world's first full electric 12 metre city bus capable of carrying over 90 passengers to have a range which exceeded 250 kilometres on a single charge and, like its predecessor, was also awarded the European Coach and Bus Week's Ecology Label (Bus) in 2015. In 2014, competitive bidding processes for European governmental public transit contracts began to place more emphasis on emission reductions over other criteria, such as TCO, and the Group was well-positioned to benefit from this change given the reduction in electric battery costs over recent years, the Group's launch of its award-winning Ebusco 2.0 and its drive to build relationships with public transport authorities and public transport operators in key markets. For example, in December 2015, the Group was the only zero emission bus company to be awarded to transport delegates to and from seminars during the COP21 Climate Conference in Paris.

In 2015, Walter Luijten, who was at that time the sole shareholder of Ebusco B.V, transferred 40% of Ebusco B.V. to Induserve B.V., a company fully owned by Walter Luijten, and 60% to Peter Bijvelds Holding, a company fully owned by Peter Bijvelds. In 2016, ING Participaties, an investment company indirectly fully owned by ING, acquired a 25% stake in Ebusco B.V. by deed of issuance. In 2017, Van der Valk acquired all of the shares in Ebusco B.V. held by Induserve B.V., which shareholding had been diluted to 30% of the shares in Ebusco B.V. after the issuance of shares to ING Participaties in 2016.

Innovation and development have always been key aspects of the Group's business model and in 2017 the Group formed a non-exclusive innovation partnership with Stadtwerke München and Münchner Verkehrsgesellschaft (the public transit operator for the city of Munich, Germany) with the intention of developing novel products and subcomponents used in zero emission buses, such as lightweight composite body parts and autonomous driving technology, including the platooning project called Tempus, and testing them under real operating conditions by sharing real life data. The Group strengthened its supply of quality LFP batteries in 2018, by engaging with the world's third largest automotive battery supplier, Gotion, and in 2019 extended its supply network by engaging with CATL, the world's largest automotive battery supplier. These relationships with Gotion and CATL are critical to the Group to ensure the use of stable high quality LFP battery systems in the Group's zero emission buses and to continue to ensure that these LFP battery systems can be ordered and obtained reliably and at competitive prices.

Ebusco 2.2 was released in 2017 and boasted a single-charge range of up to 350 kilometres while carrying 90 passengers. The body and chassis were and still are constructed from stainless steel which allows for an improved battery-to-range ratio, when compared with prior models. As of the date of this Prospectus, more than 300 Ebusco 2.2 buses are in operation.

In 2018, the Group, through Ebusco B.V., acquired from Gr8 Technologies B.V. (a company affiliated with Van der Valk, one of the Existing Shareholders) a 20% stake in Pondus Holding B.V. (**Pondus**), a company instrumental in developing lightweight composite body parts for the Group's zero emission buses. The acquisition of the 20% stake in Pondus by the Group resulted in Pondus having three shareholders: (i) Stichting Administratiekantoor Pondus Holding, holding 60% of the shares, (ii) Gr8 Technologies B.V., holding 20% of the shares, and (iii) the Group, holding 20% of the shares. See "*—Material Agreements*".

As part of the Group's vision to contribute to a better living environment by enabling safe, reliable, sustainable, emission-free and cost-competitive public transport across the world, Ebusco Energy B.V. was formed in 2019 with the goal of developing, producing and selling in zero emission charging infrastructure and energy storage systems. Through this wholly-owned subsidiary, the Group has embarked on extending its zero emission offering by producing portable energy storage system containers, which are set to be made available to the market in 2021. These portable energy storage system containers are developed for use on inland ships and barges and, potentially, other applications.

In October 2019, the Group unveiled the lightweight Ebusco 3.0, its first zero emission bus to have a single-charge range of more than 500 kilometres and up to 575 kilometres under ideal circumstances. Drawing on the expertise of its aerospace engineering teams, the body of the Ebusco 3.0 model is made primarily from composite materials. This means that Ebusco 3.0 is 33% lighter than Ebusco 2.2 and 5,000 kilogrammes lighter than the average non-electric bus in Europe. The 12 metre Ebusco 3.0 model has capacity for 95 passengers, while the 18 metre Ebusco 3.0 model has capacity for 155 passengers. First deliveries of the Ebusco 3.0 to customers is expected in the fourth quarter of 2021.

On 19 April 2021, the Company acquired 60% of the shares in Pondus from entities ultimately majority-owned and controlled by Mr Bob Fleuren, a director of the Company. On 18 October 2021, the Company agreed to acquire the remaining 20% of the shares in Pondus from persons affiliated with Van der Valk, one of the Existing Shareholders, subject to completion of the Offering. The aggregate purchase price paid by the Group for the acquisition of the 80% stake in Pondus amounts to €42.35 million. See "*Reasons for the Offering and Use of Proceeds—Use of Proceeds*". The Company made these acquisitions principally to secure the aerospace engineering capabilities of the Pondus team, to improve integration capabilities relating to the production and assembly of composite body parts and to ensure that Pondus provides composite body parts exclusively to the Group. Following the acquisition of the remaining 20% interest, the Group's shareholding in Pondus will increase to 100%. See "*—Material Agreements*".

The Group believes that it is a pioneer in its manufacturing of zero emission buses, and the finalisation of the largest single order for zero emission buses in the world (excluding China) in 2019[1] is testament to the market's faith in the Group. To date, the Group has established and maintained a strong market presence in the Netherlands, Belgium, France, Germany, Norway, Switzerland and Denmark and has plans to expand in its existing markets and to other European countries, as well as to North America

1 https://www.sustainable-bus.com/electric-bus/green-powered-amsterdam-region-156-ebusco-to-join-the-vdl-ebus-fleet/

(United States and Canada) and to Asia-Pacific countries Australia, New Zealand, Singapore and Japan over the medium term.

Key Strengths

Well-positioned to capitalise on an approximately €1,000 billion long-term market opportunity plus additional opportunities in adjacent industries across the electric vehicle ecosystem

The Company estimates the long-term market opportunity to be approximately €1,000 billion, which represents the global installed base of transit buses by the end of 2025[2,3], and the long-term market opportunity representing the global installed base of electric buses to be more than €400 billion[4,5]. Structurally, growth drivers for the electrification of the transit bus fleet include the Paris Agreement on climate change, the EU "Green Deal" initiative and comparable government programmes in the United States and China, as well as population growth and increasing urbanisation. The EU "Green Deal" seeks a de facto ban on sales of all new vehicles with internal combustion engines, including hybrids, by 2035 to slash greenhouse gas emissions. The policy package called "Fit for 55" seeks to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, on the way to Europe becoming the world's first climate-neutral continent by 2050. Further, the Infrastructure Investment and Jobs Act that passed the U.S. Senate on 10 August 2021 comprises investments in (i) $7.5 billion to build out a national network of EV chargers and provide funding for deployment of EV chargers, (ii) $5 billion zero emission and clean buses, thereby helping school districts across the country purchase American-made zero emission buses; and (iii) an additional $39 billion to modernise public transit, including upgrades to rail and bus fleets and the replacement of thousands of vehicles with zero emission models.

With the aim of creating liveable cities and achieving the electrification targets already set by many municipalities, the transition to zero emission, fully electric public transit is strongly endorsed by local and national governments around the world, especially in Europe and North America, where subsidies for electric buses have been introduced. See also "*Industry—Trends and drivers of Ebusco's addressable markets*". According to Roland Berger, sales of zero emission, fully electric transit buses in Europe (i.e. the EU, UK, and EFTA) are expected to reach approximately €6.2 billion annually by 2025. This market, where Ebusco has a proven track record with more than 300 zero emission buses on the road as a manufacturer and supplier, is the Group's immediate focus. As the Group's international roll-out proceeds, the Group will be well-positioned to manufacture, supply and service the Ebusco 3.0 in North America and the APAC region as well (focusing on Japan, Singapore, Australia and New Zealand, but not including China), which together are expected by Roland Berger to represent approximately €2.1 billion in annual sales by 2025. On a cumulative basis, according to data gathered by Roland Berger, the total expected electric transit bus fleet size in Ebusco's core target markets (not including China) is expected to represent an estimated cumulative sales value (ignoring scrappage) of approximately €28.4 billion in 2025.

In addition to the market for battery electric transit buses, cumulative commercial investment in electric vehicle charging infrastructure is expected to reach approximately €20 billion by the end of 2025 according to estimates by Bloomberg NEF[6]. Further, according to Roland Berger, the global battery electric vehicle (**BEV**) commercial vehicle (**CV**) battery pack market is expected to amount to

2 Based on the estimated transit bus ASP (average selling price) multiplied by the estimated global municipal (city and inter-city) bus fleet in 2025 (2,245k vehicles) (source: Bloomberg NEF Electric Vehicle Outlook 2021)

3 Estimated transit bus ASP is based on different prices as well as price reductions per region. Value estimated via cumulative vehicle sales in focus geographies until 2025 of c.60k (indicative, ignoring scrappage) (source: Roland Berger)

4 Based on the expected global battery electric e-bus fleet size in 2025 (850k vehicles; source: Roland Berger) multiplied with estimated transit bus ASP

5 Estimated transit bus ASP is based on different prices as well as price reductions per region. Value estimated via cumulative vehicle sales in focus geographies until 2025 of c.60k (indicative, ignoring scrappage) (source: Roland Berger)

6 Bloomberg NEF Electric Vehicle Outlook 2020

approximately €12 billion by 2030[7]. Given the Group's current suite of products and services, which includes products and services across the electric vehicle ecosystem, the Group believes it is well-placed to capture market share in these adjacent industries by responding to growth in demand for smart charging infrastructure, energy storage and grid balancing solutions and heavy-duty batteries (for use in ferries, barges and other shipping vehicles). In the long term, coaches, rapid transport and autonomous driving represent additional market opportunities for the Group. The Group believes that coaches will become an attractive market opportunity in the longer term since it believes that the single-charge range for the Ebusco 3.0 will continue to increase, allowing its battery electric buses to be a feasible option for coach distances.

Industry pioneer with distinct first-mover advantage proven through extensive real-road experience

The Group is an industry pioneer with its zero emission buses by overcoming key obstacles to electrification of public transit, disrupting the industry through innovation and moving first in Europe. The Group has been manufacturing 100% zero emission, fully electric buses since 2012 and was the first European company to receive a European WVTA certificate for a fully electric bus, which the Group received for its 12 metre bus. It was also the first company globally to deliver fully electric buses with a TCO below that of a diesel bus with the Ebusco 2.2 and Ebusco 3.0 (based on the Ebusco 3.0's 25-year estimated life span and taking into account its residual value after ten years). The Group now has over 300 buses in operation and on the road in seven countries (Belgium, Denmark, France, Germany, the Netherlands, Norway and Switzerland), representing approximately 8.4% of the newly registered electric buses in Europe in the first quarter of 2021[8]. Furthermore, as at 1 September 2021 Ebusco buses have driven over 30 million kilometres, leading to more than 27.5 million kilograms of CO2 reduction[9]. The Group has also won numerous industry awards, including the Busworld EWC Ecology Award in 2013 and 2015, the Busworld Innovation Label 2019, winner of the Automotive Brand Contest 2020, Top 250 Scale Ups 2020 in the transportation category, winner of the JEC Innovation Award in the Automotive & Road Transportation category (in June 2021) and winner of the JEC Innovation Award for composite materials in 2021.

The Group is also a pioneer in delivering full turnkey electrification solutions to municipalities, including charging infrastructure, maintenance services and customisation. Years of extensive real-road experience working closely with forward-thinking PTA and PTO customers have generated a wealth of data that the Group uses to improve its proprietary technologies, bus design and operational processes. Key components of the Group's product and service offerings are based on feedback received directly from customers, while enhanced vehicle performance analytics, remote battery and bus monitoring and predictive maintenance generate data that drive manufacturing and process innovation, as well as disruptive product development. The Group believes its lean organisational management structure and entrepreneurial culture promotes agile decision-making, enabling its engineers and product developers to press Ebusco's first-mover advantage by progressing new product innovations from the conceptual phase to market products with a faster innovation process than the competition, such as the Group's lightweight composite zero emission bus, the Ebusco 3.0.

Disruptive customer proposition with lowest TCO enabled by continued innovation

As a result of its commitment to continuous innovation, the Group offers customers a disruptive value proposition with a TCO for the Ebusco 3.0 that is 35% lower than the average of a group of six electric bus competitors in Europe, according to the Group's estimates as of May 2021. This TCO is driven by

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7 Source: Roland Berger, including heavy-duty trucks, medium-duty trucks and buses (all above six tons), excluding battery demand for fuel cell or hybrid vehicles

8 Source: Chatrou CME Solutions – Alternative Drivelines for City buses and based on electric bus registrations in Western-Europe and Poland in Q1 2021

9 The calculation of kg CO2 reduction is based on the amount of produced emissions by an electric bus versus a non-electric EURO 6 diesel bus, which is the most emission efficient diesel bus qualification at the date of this Prospectus. This calculation is based on the following parameters: (i) the consumption of non-electric EURO 6 diesel buses (litres); (ii) CO2 produced (kg/kWh); (iii) NOx produced (g/kWh); and (iv) particulate matter (PM) produced (g/kWh).

the Group's partial proprietary, aerospace carbon fibre composite body technology, which drives the additional weight savings of the Ebusco 3.0, resulting in a model that is significantly lighter compared to other electric buses. According to ECS and Roland Berger, at 9,500 kilograms, the Ebusco 3.0 is approximately 27% lighter than the next lightest electric bus of the Group's key competitors. See figure 11 in "*Industry*" for the bus models considered to be key competitors. The lower weight lowers energy consumption, and the Group's management believes that this will result in lower maintenance costs and in lower costs of tyre replacements (because only a single tyre per wheel is required rather than double tyres), relative to the competition. This lightweight composite body technology (which formed the basis for developing the carbon fibre composite body parts for production of the Ebusco 3.0) is developed by Pondus, which is 100% owned by the Group.[10] Based on the Group's estimated TCO calculations, the Ebusco 3.0's lightweight construction, combined with its battery technology, makes Ebusco buses more cost-efficient than other electric bus competitors, as well as diesel bus competitors, when taking into account the expected lifespan of the Ebusco 3.0.

In addition to weight, the Ebusco 3.0 also outperforms competitors' range and expected lifespan. The Group's management believes that the range of the Ebusco 3.0 is up to 575 kilometres on a single charge, assuming ideal conditions. Based on estimates and analysis by Roland Berger, this is approximately 55% longer than the next best competitor. See figure 11 in "*Industry*". The Group's management further believes that the Ebusco 3.0 has an extended lifespan of 25 years. This is 67% higher than the next best competitor[11]. According to the Group's management, the 12 metre Ebusco 3.0 has capacity for 95 passengers (which is 17% higher than average among six electric bus competitors in Europe according to Roland Berger; see figure 11 in "*Industry*"), while the 18 metre Ebusco 3.0 model has capacity for 155 passengers according to the Group's management. The Ebusco 3.0 also allows use of real-time battery and bus monitoring to facilitate predictive maintenance and after-sales services that improve the safety, reliability, quality, lifespan and uptime of the Ebusco fleet, offering an attractive model for PTA and PTO customers seeking to reduce the operational risks of transitioning to zero emission public transit.

The Group is strongly committed to staying ahead of the curve and retaining its technology leadership by continuing to invest in research and development. Through its history of and commitment to continuing innovation, the Group has a dedicated design and state-of-the-art manufacturing and assembly process resulting in production costs for the Ebusco 3.0 that ECS estimates to be around 11%[12] lower than those of the conventionally designed buses produced by the Group's competitors in the medium term. Because other, more traditional bus manufacturers do not specialise in or prioritise battery electric buses, a price war with the Group would, based on the Group's assessment, be loss-making for the production of zero emission buses by most other bus manufacturers in light of the 11% higher estimated production costs. Driven by the superior product qualities, such as longer range and expected lifespan, and lower price of its buses, Ebusco's management expects the Group's competitive position and EBITDA margin to improve over time towards the end of the medium-term period. See "*Operating and Financial Review—Key Factors Affecting Results of Operations*" and "*Operating and Financial Review—Medium-Term Objectives*".

10 The acquisition of the remaining 20% of the shares in Pondus is conditional on completion of the Offering.

11 The estimated lifespan of Ebusco 3.0 is 25 years versus an estimated lifespan of 10 years for competitors, based on management estimates.

12 Based on calculations made by ECS while comparing the Ebusco 3.0 with a conventional zero-emission bus with an assumed 575km range. The estimated 11% lower costs of the Ebusco 3.0 are based on (i) a simplified production sequence due to lightweight materials and lower number of components, (ii) the simplified mechanical structure (integrated structural functions for battery packs in the floor and lower weight requirements), (iii) the optimised thermal isolation performance of the lightweight material, (iv) the simpler single-wheel concept (instead of twin-wheel concept) and a simple integration due to lower weight of the bus, and (v) a smaller required battery capacity, due to increased efficiency & lower vehicle weight. This 11% lower costs calculation also takes into account the higher costs for the Group for the composite body due to more expensive raw materials and higher complexity to enable lightweight solution.

Scalable technologies backed by strategic partnerships

The Group develops its key hardware and software innovations in-house with a team of approximately 66 engineers, product developers and dedicated research and development professionals with significant expertise in aerospace and automotive design and manufacturing as at 30 June 2021. The lightweight carbon fibre composite body of the Ebusco 3.0 uses aerospace technology to extend the vehicle's range and lifespan while reducing its TCO. The Group's cobalt-free batteries are sourced from two suppliers (CATL and Gotion) and come with a guarantee for eight to ten years. They are installed with proprietary battery management software developed by the Group to facilitate fast charging, liquid cooling and real-time battery monitoring, enhancing performance and safety. The Group has developed high-quality chargers and charging infrastructure with its partners which are designed in-house and tailored to specific customer requirements as necessary. Ebusco's dedicated software platform can track relevant parameters on Ebusco vehicles on the road and generates approximately 10GB of data per bus per month. The software enables real-time fleet management and predictive maintenance, which is highly valued by customers.

The Group's experience with heavy-duty batteries and battery management systems has allowed it to develop Energy Storage Systems (**ESS**) products that have attractive applications for tasks of high energy demand and for a wide range of applications where energy needs to be temporarily stored. Examples of applications are inland shipping, and grid balancing and management of peak energy demands.

The Group has developed in-house production processes for capital efficient, scalable manufacturing, which the Group believes will provide it with agility and speed to follow market developments and quickly capture opportunities. Production of the Ebusco 3.0 occurs at the Group's facility in Deurne, where existing efficient and standardised production operations function as a blueprint for the Group's planned international roll-out. At the Group's production facilities, production processes are built for purpose, with little interference from the kind of outdated legacy processes that the Group's management believes hinder many legacy bus manufacturers, and Ebusco's production processes are designed to be scalable, allowing the Group to pursue rapid global expansion.

The Group has strong, long-term partnerships with several partners throughout its supply chain that increase production agility and reduce execution risk. Ebusco's diversified supplier base and well-established strategic alliances with critical suppliers adds resilience to the Group's sourcing strategy, safeguarding the inflow of key components. The Group also has back-to-back warranties in place with most of its suppliers. For further information, see "—*Supply chain—Other Key Suppliers*". There are partnerships in place with several universities and technology institutes that are focused around innovation, while other key alliances include the Group's close working relationships with PTOs like Transdev, Deutsche Bahn, Stadtwerke München (**SWM**) and Nobina. The Group believes that these partnerships all contribute to reducing the Group's design-to-manufacturing costs, facilitating continuous product development and accelerating the Group's commercialisation timelines.

Strong financial track record with accelerated growth and operating leverage based on long-standing and close client relationships

In 2020, the Group earned revenues of €100.0 million, reflecting a compound annual growth rate (**CAGR**) for revenue of 116% since 2018. Over the same period, the Group's EBITDA grew at a CAGR of 190%, reaching €27.1 million in 2020 with a 27% EBITDA margin. In June 2021, the Group had secured orders (which include both contracts signed and won contracts, but not yet signed) for 140 buses (of which 40 were for the Ebusco 3.0), which grew to 232 as at 30 September 2021(or by 66% since June 2021). Furthermore, the Group had approximately 331 buses in its tender opportunities pipeline from existing and new customers (which grew to approximately 2,405 buses in its tender opportunities pipeline as at 30 September 2021 (or by 627% since June 2021)). Moreover, Ebusco closely tracks the ramp-up of additional zero emission bus tenders that are scheduled or expected to be announced in upcoming years. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Orders of zero emission buses, timing of shipments and revenue recognition—Order book and tender outlook*" for how the Group measures its tender opportunities pipeline.

The Group's revenue is driven by long-standing and close relationships with its customer base, comprised mostly of PTAs and PTOs. By investing in these relationships, the Group has secured multiple repeat orders from existing customers. This repeat business provides the Group with visibility on revenues expected. For example, over the coming years, the Group expects orders from customers to increase as a result of pent-up demand expected as (i) tenders postponed due to Covid-19 are rescheduled (which it has believes it has begun to see since April 2021) and (ii) the growing trend toward zero emission buses accelerates due to regulatory requirements to reduce emissions from transportation and public awareness of emission-induced climate change. For further information, see "*Risk Factors—Risks Relating to the Company's Business—The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects*", "*Operating and Financial Review—Medium-Term Objectives*" and "*Operating and Financial Review—Key Factors Affecting Results of Operations—Macroeconomic conditions, the Covid-19 pandemic and supply chain shortages and disruptions*".

Roland Berger estimates that, although the Covid-19 crisis has revived the demand for individual mobility and delayed tenders by PTAs and PTOs, there is no significant long-term impact on bus demand expected from this crisis. With the increasing vaccination of populations and growing population and urbanisation discussed above, management expects that the adverse impacts of Covid-19 on the use of public transportation and the tender activity of the Company's existing and new clients have already begun to abate and will dissolve over time.

In response to the Covid-19 pandemic, the Group took decisive action to minimise the pandemic's impact on the Group's volumes and profitability, including by implementing strict cost management and structuring measures and strengthening key partnerships, and to position itself to respond to the what Ebusco anticipates will be heightened tender activity over the next few years as the global economy normalises.

Entrepreneurial and visionary management team with solid track record in innovation, commercialisation and growth

The Group's management team has experience across the design, development, production and commercialisation of transportation technologies. The team successfully imported game-changing aerospace technology into the public transportation market with the Ebusco 3.0. The CEO, Peter Bijvelds, has in-depth knowledge of the public transportation market, strong expertise across the fully electric bus value chain and a long track record in the transportation industry. The COO, Bob Fleuren, is an experienced leader of international business operations in large-scale aerospace, logistics, automotive and transportation organisations. The CTO, Tjaard Sijpkes, has decades of experience in carbon fibre composite materials innovation, with know-how acquired from applications in the cutting-edge aerospace industry. The CFO, Paul van Beers, has decades of experience, with more than 20 years in M&A and corporate finance, and the Chief Performance Officer, Will Bierens, brings management experience and expertise from the public transportation sector. The Head of Business Development, Bart Hoevenaars, and Head of Human Resources, Judith Beurskens, bring additional decades of experience in related fields to lead Ebusco's workforce.

Furthermore, the Group has a highly-educated and dedicated workforce of over 214 full-time employees as at 30 June 2021. Over the year 2020, the Group had a 93.42% employee retention rate[13], and, as at

13 Retention rate over the year 2020 based on employees who voluntarily resigned.

30 June 2021, one-third of the workforce consists of engineers or other research and development professionals.

Strategy

Global expansion roadmap in place to capture opportunities across geographies

The Group's comprehensive international roll-out plan underpins its international expansion strategy. Composed of a well-defined sales and marketing strategy tailored for each target market, capital efficient upscaling and geographic diversification of the Group's manufacturing capacity, as well as reliable standardised processes, and the required internal systems and human resources needed for successful execution, the international roll-out plan is key to the Group's ability to rapidly capture market share in its target markets. In addition to the European market[14], the Group's 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. To oversee the execution of the international roll-out plan across these markets, Ebusco has installed an implementation task force, consisting of an executive steering group working in close collaboration with an industrialisation working group and a rapid deployment team. Together with managers and other personnel based in target countries, the task force is also responsible for ensuring environmental and other regulatory compliance, maintaining quality controls, minimising legal risk and following through on the Group's corporate social responsibilities in each of the jurisdictions where it operates or will operate.

Well-defined sales and marketing strategy tailored for each target market

Starting with hiring a well-connected senior sales director as a so-called "door opener" (**Door Opener**) for specified countries, and the subsequent hiring of account managers and tender support staff, the Group's sales and marketing strategy aims to build solid relationships with PTAs and PTOs and support these PTAs and PTOs with 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. With respect to the Group's international roll-out plan, the Group intends to follow the expansion model it has used previously in expanding the scope of its international operations. The Group intends to first target large PTOs and cities to gain traction and market share. Thereafter, it plans to approach smaller PTOs and cities, whereby its track record provides credibility and helps the Group to gain business. In most countries, Ebusco needs to have local sales representatives who speak the local language in order to build relationships and trust with PTAs and PTOs. While large PTOs and cities often have the knowledge and political will to transition towards zero emission buses, smaller operators and cities often do not. The fragmented nature of the market in certain countries means that Ebusco can transfer knowledge to smaller PTOs and cities through unsolicited proposals to provide them with turnkey solutions, including buses, chargers, energy infrastructure and management and after-sales services. 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. In each country of its target markets, Ebusco plans to have experts on the ground, guiding local personnel, to support customers during the entire lifetime of the contracted period. The Group uses feedback mechanisms to learn from local experiences and apply it elsewhere as appropriate. The Group believes this strong element of (after-sales) support contrasts starkly with the lower level of service provided by suppliers of diesel buses, further differentiating Ebusco's value proposition.

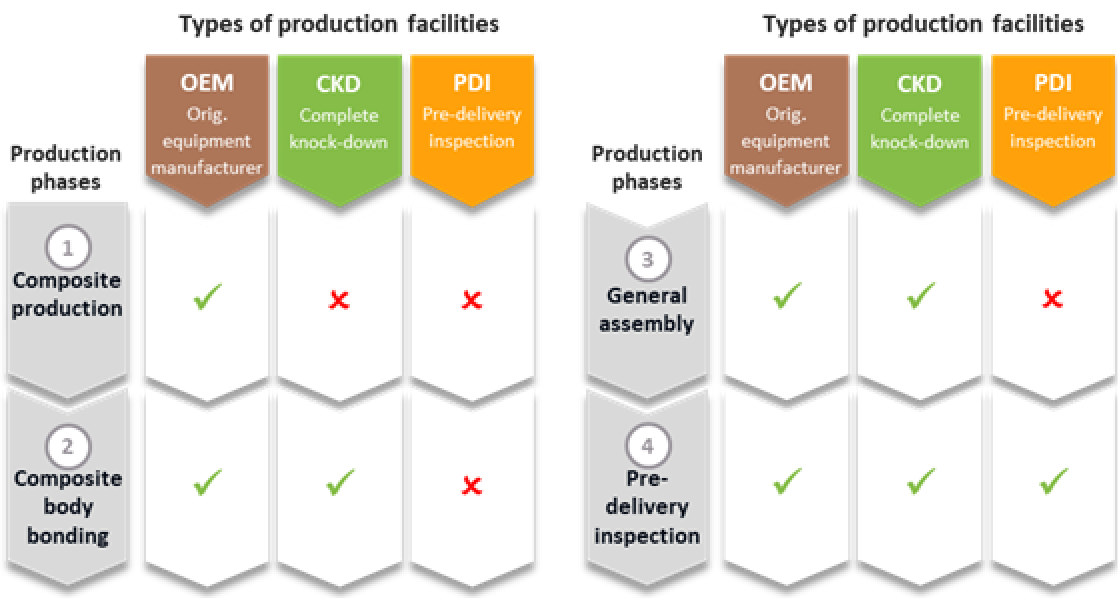
14 Comprising the member countries of the European Union (EU), the UK and countries of the European Free Trade Association (EFTA)

Capital efficient upscaling and geographic diversification of enhanced manufacturing capacity

The Group intends for its ongoing scale-up of its production facility in Deurne to serve as a blueprint for a capital efficient increase in manufacturing capacity across multiple geographies as contemplated by the international roll-out plan. The Ebusco 3.0 is currently manufactured and assembled exclusively at the Group's facility in Deurne, with capacity now ramping up and the first deliveries to customers expected in the fourth quarter of 2021. To advance the Group's objectives to expand its production of the Ebusco 3.0 buses in 2022 and 2023, the international roll-out plan includes a production framework which will consist of three types of manufacturing and/or assembly facilities:

- OEM Plant (Original Equipment Manufacturer plant);
- CKD Plant (Complete Knock-Down plant); and
- PDI Facility (Pre-Delivery Inspection facility).

The chart below illustrates which of the Ebusco 3.0's four production phases (composite production, composite body bonding, general assembly and pre-delivery inspection) will be undertaken at each type of facility. For further information, see "*—Ebusco's zero emission buses manufacturing—Manufacturing and assembly of the Ebusco 3.0*".



To manufacture the Ebusco 3.0, the Group aims to set up a minimum of one OEM Plant on each continent in which it plans to sell buses, supported by multiple CKD Plants geographically spread over relevant regions within the Company's target markets. The Group intends to set up PDI Facilities in selected countries to establish the local presence needed to fulfil local content requirements and tailor Ebusco's services to local customer requirements.

This manufacturing set-up allows for a high degree of standardisation with only selected production phases taking place locally, while the bulk of production is centralised in a smaller set of larger facilities. The production engineering team focuses on designing and planning the plants and facilities to be built, and equipment to be installed, in the most efficient and scalable manner. The Group also expects to be able to autonomously support further investments and international footprint expansion over the medium term once the initial scale-up is completed.

Reliable processes, procedures, IT systems and human resources to facilitate international roll-out plan

The Group's centre of excellence, coordinated out of its head office in Deurne, is a systematic initiative to develop reliable processes and procedures that can be replicated across the Group's expanding network to ensure standardised and effective innovation and design, production, quality control, communications and public relations, regulatory compliance, corporate governance, personnel onboarding and health and safety protocols. The Group has also recently re-developed, and continues to further re-develop, its IT landscape to accommodate the changing operational requirements arising from its rapid growth. The core of the Group's IT strategy is the implementation of a master data catalogue to ensure a common understanding of the Group's data and the reliability of reporting to support corporate decision-making. The centralised master data catalogue will be tapped for various function-specific applications, such as enterprise resource planning or product life-cycle management. This is expected to allow for flexibility on a local level and room to create client-specific programming interfaces, which help customers monitor their fleet and enable the Group to responsibly collect and store customer data for analysis and predictive maintenance purposes.

To recruit and onboard the adequately skilled personnel needed to implement the international roll-out, the Group has created a human resources deployment plan, which encompasses four phases. The initial phase entails the ramp-up and expansion of the HR team at the Group's head office and other locations as necessary. In the second phase, the HR team will benchmark compensation and benefits to local markets and engage local legal counsel to prepare employment contracts and ensure compliance with local labour regulations. Recruitment of industry sales veterans and experienced account managers begins in this phase, to build a global sales team that opens doors through extensive local knowledge and networks. In the third phase, local HR teams are scheduled to register with pension funds, insurance companies and (if applicable) unions and/or collective labour agreements. Simultaneously, training and introduction plans will be finalised, internal work procedures aligned with local regulations and a performance management system put in place. In phase four, hiring and onboarding of production staff and tender support personnel begins, along with introductory and function-specific training programmes.

Expansion into adjacent markets serving the electric vehicle ecosystem

In addition to bus production, sales and after-sales support services, the Group is focused on perfecting and expanding its offerings across the electric vehicle ecosystem in which its buses operate, including ESS, charging infrastructure, depots, service and maintenance and local energy supply and grid alignment. Ebusco has developed Mobile Energy Containers, which are set to be made available to the market starting first half of 2022. 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. ESS also have attractive applications on land and can be deployed for mobile applications and stationary applications when additional energy storage is required. As each container will require eight batteries and assuming the growth of this product by the Group, the battery volume purchased by Ebusco is expected to increase significantly, resulting in economies of scale that is expected to have a positive impact on the Group's gross margin. The Group has also hired key personnel from Tesla and Transdev to perfect its existing products offering, 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 ferries, barges and other shipping vehicles). The Group believes that these initiatives could also be used in the longer term to position the Group to leverage existing technology to seize new opportunities in adjacent sectors such as coaches, bus rapid transport and autonomous driving and secure a local partner to penetrate the Chinese market for buses, ESS and charging infrastructure.

Description of Operations

Ebusco's products

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.

Development History of the Ebusco Buses

The Group produced its first zero emission bus concept, the Ebusco 1.0, in 2012. The purpose of the Ebusco 1.0 was a proof-of-concept which played a vital role in the Group's testing of its design, LFP battery capacity, drive-line and compatibility with various European markets.

Following on from the testing stage of Ebusco 1.0, it became clear to the Group that the revised 12 metre Ebusco 2.0 model would need to be capable of being produced at a TCO that is lower than a conventional diesel bus, be capable of carrying more than 70 passengers at a time and have a single-charge drive capability of more than 250 kilometres for city driving. As a result, the Ebusco 2.0 was launched in 2014. Its body was constructed entirely from aluminium and its water-cooled asynchronous electric motor was equipped with 160 Watt-hour per kilogramme (Wh/kg, which is a measure for the amount of energy stored in a battery) LFP batteries that allowed for a single-charge driving distance of 250 kilometres in a city setting for more than 90 passengers at a time.

After the launch of the Ebusco 2.0 model, the Group continued to develop its zero emission fleet and reduce its TCO per unit, resulting in the development of the Ebusco 2.1, an efficient high-voltage version of the Ebusco 2.0. Much like its predecessor, Ebusco 2.1 was a 12 metre, 90 passenger-capable, 250 kilometre per single-charge zero emission bus. As a result of continued advancements in technology and production capabilities, Ebusco 1.0, Ebusco 2.0 and Ebusco 2.1 are no longer manufactured and sold, but approximately 30 Ebusco 2.1 buses are still in operation and the Group continues to supply parts and after-sales services for these models.

Ebusco 2.2

In 2017, the newly developed Ebusco 2.2 model was introduced to the market with a single-charge range of up to 350 kilometres, 90 passenger capacity and a reduced weight due to a high strength stainless steel body and chassis being used for the first time. In addition, the high strength stainless steel body provided greater stability and protection against corrosion. Production of the Ebusco 2.2 started in 2018 and the Ebusco 2.2 was launched in Germany, the Netherlands, Norway and France. Four variants of the Ebusco 2.2 model have since become available, each with their own set of specifications built to suit varying market demands which is set out in the infographic below. For example, the 18 metre Ebusco 2.2 model is capable of carrying up to 140 passengers and several Ebusco 2.2 models have been especially manufactured to accommodate a right-hand-drive configuration for the Australian market. The right-hand drive Ebusco 2.2 is planned to be operational this year and can also be offered in the United Kingdom. The Group is also strengthening its relationships in the United Kingdom with PTAs and PTOs and expects it to become a market of greater of importance in the medium-term. The average selling price of the 18 metre Ebusco 2.2 model is approximately €200,000 more than the average selling price of the 12 metre Ebusco 2.2.

Ebusco 2.2 continues to be produced and purchased in the European market due to its lightweight body, battery-to-range ratio, revised interior layout allowing for maximum seating capacity and an efficient heat pump solution which lowers the energy consumption of the bus. The Ebusco 2.2 has a TCO that is 5% lower (over a ten year period) than the average of a group of six electric bus competitors in Europe. As of the date of this Prospectus, all Ebusco 2.2 versions are assembled by Weichai and there are more than 300 Ebusco 2.2 buses in operation.

Vehicle	EBUSCO 2.2 12M	EBUSCO 2.2 13M	EBUSCO 2.2 13.5M	EBUSCO 2.2 18M
				
Start of Production	2018	2018	2018	2018
Segment	Single-deck	Single-deck	Single-deck	Articulated
Doors	2/3 door	2/3 door	2 door	3/4 door
Type	low entry / low floor	low entry	low entry	low floor
Vehicle length [m]	12.0	12.9	13.5	18.0
Vehicle height [m]	3.4	3.4	3.4	3.2
Vehicle width [m]	2.6	2.6	2.6	2.6
Wheelbase [m]	5.9	6.8	7.0	5.9
Passengers	90	85	78	140
Seats	41	45	49	55
Weight (unloaded) [T]	12.9	13.6	14.2	19.0

Ebusco 3.0

In October 2019, the Group introduced its revolutionary Ebusco 3.0 model. Ebusco 3.0 is the first zero emission bus in the world to have a single-charge range of up to 500 kilometres and up to 575 kilometres under ideal circumstances. Ebusco 3.0 has a 25 year lifespan (with refurbishments) and a body weight that is 33% lighter than the Ebusco 2.2 model, due predominantly to the development of the lightweight composite body that was designed in-house by the Group in collaboration with Pondus and its team of aerospace engineers. Since the body is made mostly from composite materials, it is approximately 5,000 kilogrammes lighter than a conventional electric bus. The Ebusco 3.0 has an empty weight of 9,500 kilogrammes while the average competitive electric bus has an empty weight of approximately 14,000 kilogrammes. The TCO of the Ebusco 3.0 is 35% lower than the average of a group of six electric bus competitors in Europe due to its reduced weight, which in turn lowers energy consumption, requires less maintenance and reduces the costs of tyre replacements, as only a single tyre per wheel is required rather than double tyres. Ebusco 3.0 contains specialised and increased isolation which ensures efficient heating and cooling of the interior of the bus, which reduces non-driving related battery consumption. There is also a lower battery replacement cost due to the smaller battery size. Ebusco 3.0 is also the first of the Ebusco zero emission buses to have the battery packs located in the floor of the bus (as opposed to on the roof of the bus). The reason for this design change is motivated principally by the improved drive-line that is made possible by having a lower centre of gravity. Two variations of the Ebusco 3.0 model are currently available: the 12 metre Ebusco 3.0 model (with capacity for 95 passengers) and the 18 metre Ebusco 3.0 model (with capacity for 155 passengers).

Vehicle	EBUSCO 3.0 12M LE	EBUSCO 3.0 18M
		
Segment	Single-deck	Articulated
Doors	2/3 door	3/4 door
Type	low entry / low floor	low floor
Vehicle length [m]	12.0	18.0
Vehicle height [m]	3.4	3.2
Vehicle width [m]	2.6	2.6
Wheelbase [m]	5.6	5.9
Passengers	95	155
Seats	41	55
Weight (unloaded) [T]	9.5	13.8

Ebusco 3.0 has been recognised as the winner of the Innovation Award at the Busworld Convention (2019) and as the winner in the Commercial Vehicles category at the Automotive Brand Contest (2020)

given its superior design and functional elements like the automated driver positioning system (the dashboard and driver seat are automatically adjusted), panoramic roofing, zero interior noise and fully flat, low flooring to ensure a higher passenger concentration and flow throughout the bus.

Ebusco 3.0 is currently assembled exclusively in Europe, at the Group's facility in Deurne, the Netherlands and the first buses are expected to be shipped to customers across Europe in the fourth quarter of 2021. Two buses for Stadtwerke München have already been assembled and 31 buses are set to be produced for Transdev Netherlands as of June 2021.

Ebusco Depot

Ebusco Depot is the dedicated turnkey after-sales offering of Ebusco that designs, installs, operates and maintains a client's charging infrastructure. This after-sales offering is important for many of the Group's customers who seek a bus supplier that can continue to offer support with charging infrastructure and ongoing support following an initial purchase of buses.

The Ebusco Depot turnkey offering is driven by its: (i) first-in-market pure combined charging system (**CCS**) communication protocol and double plug configuration; (ii) smart charging applications and power grid system alignment capabilities; (iii) small-sized plug-in chargers; and (iv) risk-reduction offering for PTOs in providing both electric buses and the charging infrastructure required to support those buses.

Pure CCS communication protocol and double plug configuration

CCS is a combined charging system for charging electric vehicles with alternating current (which is the two-way flow of electricity) and direct current (which is the single-directional flow electricity). A charging communication protocol (or dialect) refers to the application protocol that allows electric vehicle charging stations and a charging station network to communicate with one another for the purpose of charging electric vehicles. Traditionally, differences in charging communication protocols (or dialects) did not allow for an electric vehicle utilising one particular dialect to be charged by a charger utilising another dialect. Ebusco plug-in chargers are front-runners in the market given that each charger operates on what is known as a "*Combo 2 pure CCS communication protocol*". The Combo 2 pure CCS communication protocol has no dialect, which means that practically every make of electric bus and passenger car can use an Ebusco plug-in charger effectively. As a result, electric vehicle operators are less likely to be constrained to one particular charging location and are more likely to incur fewer "*deadhead kilometres*" (kilometres covered on driving to charging locations instead of following the designated operational route).

The Group, together with its supplier, Phoenix Contact, designed and developed its own new generation CCS socket for electric vehicles, which enables charging to take place at up to 400 Amperes (Amps, which is the bas unit of electric current)/240 kilowatt hours (kWh, which is a measurement of the power of the charger), without the need for liquid-cooling from the vehicle, given that the charging plug inlet has its own liquid-cooling system. A traditional charging socket does not have its own internal cooling mechanism in place and therefore requires the electric vehicle itself to be equipped with a cooling mechanism, which takes up space in the vehicle and draws on the power of the battery. The new generation CCS socket is a unique feature in the European market given that it allows for electric buses in particular to charge at high voltages over a longer period of time when compared to a conventional charging plug. The double plug configuration allows for fast charging (i.e. one electric bus charging at 150kWh) on one plug, or over-night charging (i.e. two electric buses charging at 75kWh each) which lowers the TCO of electric buses due to lower capital expenditure requirements (where one plug-in charger is able to service two buses simultaneously) and adds flexibility to charging schedules.

Smart charging applications and power grid system alignment capabilities

A key feature of the Ebusco Depot offering is the Ebusco plug-in charger's ability to provide smart charging, peak balancing and bi-directional charging. Operators of Ebusco zero emission buses are provided with full insight into how the bus and the charger are performing in real-time via a remote monitoring system, and should an Ebusco plug-in charger need to be reset or the charging power adjusted, this can be performed remotely by the operator using the Combo 2 pure CCS communication protocol. The charging cycles of an entire fleet may be peak-balanced by the operator using the detailed insight into the charging status (i.e. measuring charging KPI reports, remaining hours to a full-capacity charge and optimum charging capacity) provided through the remote monitoring system. Grid connection costs may also be reduced and battery life prolonged through optimised peak-balancing charging and matching charge power rates with charge cycle periods. For example, charging may be optimised and the battery life preserved by ensuring that a bus with a charge cycle period of eight hours is charged at a rate of 50kWh over the entire eight hour period instead of charging at 150kWh for two hours. Given that the new generation CCS socket allows for flexible charging (i.e. alternating current and direct current), electricity costs may also be reduced by scheduling longer charging cycles during off-peak electricity usage periods. Through the use of bi-directional (i.e. two-way) charging, electric vehicles are able to provide unused power back to the power-grid at the correct frequency, which could potentially help support the frequency containment reserve market in Europe. Typically, any shortages in the total energy supply of a wider European power grid will be replenished by grey energy (such as coal-powered plants), whereas the power generated from an LFP battery connected to an Ebusco plug-in charger would be seen as a cleaner source of energy.

Small-sized plug-in chargers

Ebusco plug-in chargers are comparatively small in size (800 millimetres (mm) width x 1,200 mm height x 500 mm depth), which allows for easy installation at narrow depots and lower capital expenditure for PTOs (in comparison to opportunity charging via pantograph systems). Pantograph charging systems in Europe are estimated to cost approximately (on average) €150,000 per system installation, while plug-in chargers are estimated to cost approximately (on average, and depending on the voltage) between €30,000 and €40,000 per system installation. The Ebusco plug-in chargers are capable of charging electric vehicles at capacities of 40-240kWh and are able to operate in harsh weather conditions. This is an important factor for PTOs operating across Europe where the floor area of existing depots is limited and charging stations are typically exposed to the surrounding elements.

Risk-reduction offering for PTOs

Ebusco Depot, when combined with the Group's zero emission bus manufacturing and sales offering, provides customers with a reduced-risk option for establishing, operating and maintaining its fleet of zero emission buses. Ebusco Depot is designed and installed according to the local needs of the PTO and serves to eliminate the charging infrastructure risks for PTOs facing potentially short implementation periods to get newly acquired buses in operation.

Engineering and Product Development

The Group has dedicated engineering and product development teams. The development and engineering team members have a broad range of expertise from the commercial vehicle, automotive, aerospace, industrial and consumer goods industries. The goals and strategy of the Group's engineering and product development teams is based on four pillars:

- innovation;
- product portfolio;

- customised buses; and
- reliable bus operations.

The Group has made significant investments in its engineering and product development teams, which consist of 66.5 full-time team members as at 30 June 2021 (including the Pondus development and engineering team members), which are all based in the Netherlands, at the Group's facility in Deurne.

The Group has a blueprint approach in relation to its research and development, focusing on scalability. The engineering and product development teams contribute to the Group's research and development efforts. With its blueprint approach the Group seeks to identify bottle-neck stages in the production process and eliminate scalability issues by adding equipment or personnel, or changing redundant suppliers. To ensure full focus on the continued innovation of the Group's products, the engineering and product development is organised in dedicated teams, with all engineering functions required to develop new architectures and systems for future buses. The activities of the engineering and product development teams are guided by a technology and product roadmap as authorised by the Management Board. In the product roadmap, the inputs from market trends, customer demands and the results of the engineering and product development are integrated.

The Group's engineering and product development consists of five different focus areas:

- composite body development and engineering;
- mechanical engineering;
- electrical and software development and engineering;
- production and manufacturing engineering; and
- after-sales engineering.

The Group intends to further expand its engineering and product development teams to a total of approximately 325 FTE in the medium term.

Composite body development and engineering

The Group developed the Ebusco 3.0 composite body using an integrated team of engineers with aerospace expertise drawn from Pondus, a 100% subsidiary of the Group[15], and engineers from the Group with expertise in designing buses. The integrated team developed the composite body of the Ebusco 3.0 buses using composite fibre technology. The Pondus engineers' prior expertise in the aerospace domain enabled the team to decrease the weight of the Ebusco buses' bodywork, resulting in range improvement, cost reduction and mass optimisation. They applied similar weight-saving methodologies and principles drawn from their experience working at Fokker Aerospace (at its subsidiary Fokker Landing Gear) on carbon-mapping, development of hardware for the main landing gear of the F-35 fighter jet (Joint Strike Fighter) between 2007 and 2015, to the design of the Ebusco 3.0 composite body, taking into account the composite and bus production process. The lightweight innovative composite body for the Ebusco 3.0, is a key factor contributing to the competitiveness of the Ebusco 3.0's TCO and significantly decreases its bill of materials. The Pondus engineer's that worked at Fokker Aerospace also gained experience from developing a highly automated composite manufacturing pilot plant together with the Dutch Aerospace Laboratory, which experience is used by this team setting up the production and manufacturing process of the composite body parts for the Ebusco 3.0. To protect the intellectual property and know-how of this composite body, the Group has

[15] The acquisition of the remaining 20% of the shares in Pondus is conditional on completion of the Offering.

decided to manufacture and produce the Ebusco 3.0 in-house and scaled up its facility in Deurne in the Netherlands.

This team also works with suppliers and equipment providers to design equipment and machines that are being used or will be used in the future for enhancing and/or scale-up towards series-production of the composite body of the Ebusco 3.0, allowing the Group to reach its medium-term objective of manufacturing more than 3,000 buses per annum. See "*Operating and Financial Review—Medium-Term Objectives*". All tools and equipment Pondus is using for its composite manufacturing process are either designed or specified by the Group's composite body development and engineering team. Together with the Group's key partners, this team developed the braiding machine, the injection equipment for foam application, the moulds for resin injection and the resin injection equipment itself.

Starting with these baseline bus variants, customised buses specific to the requirements and demands of each customer are defined in close partnership with each customer.

This team consisted of 10.2 FTEs as at 30 June 2021 and the Group intends to expand the team to approximately 50 FTEs in the medium term.

Mechanical engineering

The Group's mechanical engineering team is focused on the total vehicle engineering. The team engineers the full assembly of the Ebusco buses, including research of all required parts supplied by third-party suppliers. Those parts include among others interior/exterior, pneumatics, mechanical systems, low- and high-voltage electrical systems, thermal systems, controls, embedded electronics and drivetrain. This team also engineers modifications for parts that are not specifically designed or produced for Ebusco buses, such as the electro-motor and the drivetrain for the Ebusco 3.0, which is supplied as standard package, but modified by the Group to optimise the Ebusco 3.0. For additional information see "*—Supply chain—Other Key Suppliers*".

This team consisted of 29.7 FTEs as at 30 June 2021 and the Group intends to expand the team to approximately 100 FTEs in the medium term.

Electrical and software development and engineering

The Group's electrical and software engineering team includes software, battery and charging system engineers with significant industry experience. Key areas of technical focus include thermal and battery management systems, charging systems, high-voltage power distribution, and embedded electronics. The Group has put architecture together for the battery management system, and the software of the battery management system, which has been made together with the battery suppliers. For additional information see also "*—Key Strengths—Scalable technologies backed by strategic partnerships*" and "*—Supply chain—Battery Supply*".

The team also designs software for the Ebusco buses, including the mainframe software of the buses, and focuses on the integration of the third-party supplied parts' software systems on the mainframe software.

This team consisted of 18.8 FTEs as at 30 June 2021 and the Group intends to expand the team to approximately 110 FTEs in the medium term.

Production and manufacturing engineering

The Group's production and manufacturing engineering team is responsible for the engineering and development of the Group's buses production, manufacturing and assembly plants. This engineering team designs and develops the new OEM Plants, CKD Plants and PDI Facilities for production and manufacturing of the Ebusco 3.0 buses. See "—*International Roll-Out Plan and International Expansion Strategy*". The production and manufacturing engineering team has a focus on designing and planning the plants to be built, and equipment to be installed, in the most efficient and scalable manner.

A dedicated team of operation support engineering serves as the second line support for implementation, manufacturing engineering and after-sales engineering for field and production issues requiring deeper engineering analysis and structural solutions. This engineering function provides immediate response to any upcoming issues to ensure continued reliable bus operation, analysis of bus performance based on feedback of lessons learned into improved baseline bus designs. This knowledge also flows back into the technology and product roadmaps.

This team consisted of 7.8 FTEs as at 30 June 2021 and the Group intends to expand the team to approximately 65 FTEs in the medium term.

After-sales engineering

The Group's after-sales engineering team is responsible for the predictive maintenance of the Group's zero emission buses (which is a maintenance approach that utilises data generated by the zero emission buses' monitoring systems and schedules service to prevent predicted problems rather than conducting maintenance on a fixed schedule or when an issue arises). The after-sales engineering team also utilises the data gathered and lessons learned through the after-sales care services to drive manufacturing and process innovation by feeding back these lessons to the Group's engineers working on the design of the Group's products and services.

This team consisted of 9 FTEs as at 30 June 2021 and the Group intends to expand the team to approximately 60 FTEs in the medium term.

Supply chain

The Group has developed close relationships with several key suppliers, particularly for LFP batteries, drivetrain components, charging systems, bus body components, axles, brakes, air systems, compressors, charger systems and systems for online monitoring of buses. While the Group obtains some components from multiple sources, in some cases it also purchases significant components used in its products from a single source that has been validated by the Group. For the LFP batteries used in the Ebusco buses, the Group has two qualified suppliers for supply chain resiliency.

The Group obtains systems, components, raw materials, parts, manufacturing equipment and other supplies from suppliers that it believes to be reputable and reliable. The Group has established and follows internal quality control processes to source suppliers, considering engineering validation, quality, cost, delivery and lead-time. The Group has two quality management teams that are responsible for managing and ensuring that supplied components meet quality standards at the moment they are delivered to the Group. The quality management teams are based in Deurne, the Netherlands and in Xiamen, China. The Group's quality management teams are not part of the production teams to ensure independence from the production process.

The Group obtains its supplies generally on an order-by-order basis. The Group orders the required supplies for the zero emission buses once the Group has received an order for such buses to be produced. As a result, the Group does not hold any inventory of parts for newly to be produced zero emission buses. The Group does hold inventory for spare parts for operational buses as part of the maintenance contracts. The Group operates a central warehouse for parts and components for the Ebusco 2.2 and the Ebusco 3.0 at its facility in Deurne, the Netherlands. The Group manages procurement and inventory through a COSware software system. The Group's software systems also keep track of the available stock at the warehouse and the location of the available stock.

The Ebusco buses use purchased parts that are primarily sourced from European suppliers. The Group is not reliant on a single supplier, in a way that the Group would be unable to replace any of its suppliers. However, changing a supplier could have an impact on the design or software of the Ebusco buses, which might in turn lead to higher costs and require regulatory approval for modifications to approved designs.

Battery Supply

The Group has existing partnerships with two of the largest LFP battery manufacturers in the world, namely (i) CATL and (ii) Gotion. The batteries supplied by CATL and Gotion are cobalt free, supporting the Group's mission to contribute to a better living environment. These LFP batteries can sustain high temperatures to minimise fire risks, improving safety of the Group's buses. Reference is made to "*—Key Strengths—Scalable technologies backed by strategic partnerships*". The relationships with Gotion and CATL have resulted in batteries with a longer life-cycle, higher density and improved safety, these relationships also enable the Group to provide its customers with one of the highest available warranty periods on the battery systems in the market (eight to ten years), resulting in a lower TCO and competitive advantage of the Group.

Gotion

The Group formally entered into a partnership agreement with Gotion in 2017. Gotion is the third largest battery supplier for automotive in China and is located in the United States. Gotion supplies the following LFP batteries for the following Ebusco bus models:

- 363kWh LFP batteries which are used in the Ebusco 2.2 120, 129, 135 and 180 models;
- 255kWh LFP batteries which are used in the Ebusco 3.0 12m LF and 12m LE models; and
- 383kWh LFP batteries which are used in the Ebusco 3.0 12m LF (two doors), 12m LE and 18m LF models.

CATL

The Group formally entered into a partnership agreement with CATL in 2019. CATL is the largest battery supplier for automotive in the world and is located in China. CATL supplies the following LFP batteries for the following Ebusco bus models:

- 423kWh LFP batteries which are used in the Ebusco 2.2 120, 129 and 135 models; and
- 525kWh LFP batteries which are used in the Ebusco 2.2 180 model.

CATL and the Group are in the process of developing a dedicated battery solution for the Ebusco 3.0.

The Group envisages that in the medium-term Gotion and CATL each supply 50% of the batteries for Ebusco's buses. For an overview of the Ebusco bus models set out in this section, see "*—Description of Operations—Ebusco's products*".

Other Key Suppliers

Weichai

Weichai supplies and assembles the Group's Ebusco 2.2 buses. It is an external bus assembly facility, located in Xiamen, China. Under a framework agreement with Weichai, the Group places separate work orders with Weichai for Ebusco 2.2 buses. The buses assembled by Weichai for the Group are shipped to Deurne, the Netherlands and further developed to meet the legal and quality requirements by the Group itself as part of the pre-delivery inspection phase of manufacturing. See "*—Ebusco's zero emission buses manufacturing, Risk Factors—Risks Relating to the Company's Business— The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*", "*The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects.*" and "*—Regulation*" for additional information. The Group supplies approximately 50% (in value) of the parts required for the buses to Weichai, for which the Group invoices Weichai. Weichai purchases the remaining parts required for assembly of the Ebusco 2.2 and invoices the Group for the fully assembled buses, which allows the Group to finance the acquisition of the supplied buses in full.

ZF

German company ZF is the Group's supplier for the motor, drive line and e-axles for both the Ebusco 2.2 and Ebusco 3.0 models. The parts and components supplied by ZF are generally off-the-shelf products, which are either directly integrated in the buses or modified to fit the relevant Ebusco bus models by the Group. In addition to the off-the-shelf supply of parts and components, the Group and ZF have jointly developed an e-axle specifically for the Ebusco 3.0 model. The Group orders parts and components from ZF on an order-by-order basis.

Knorr-Bremse

German company Knorr-Bremse supplies the Group with brakes, air systems, compressors, software and electrical components used in the Ebusco 3.0 buses. The parts and components supplied by Knorr-Bremse are off-the-shelf products. The software supplied by Knorr-Bremse is standard software that is integrated into the Group's own software platform by the Group's electrical engineering team. The electrical components include safety systems, such as the brake system, the turning system and in the future the advanced driver assistance system, which system partly automates driving the buses and aids the driver and is expected to be launched in 2022. The Group is one of Knorr-Bremse's first clients to test the safety systems. The Group orders parts and components from Knorr-Bremse on an order-by-order basis.

Phoenix Contact

Dutch company Phoenix Contact supplies the Group with charger plugs components for the Ebusco Depot product offered by the Group. See "*—Description of Operations—Ebusco's products—Ebusco Depot*". Phoenix Contact only supplies the various elements of the CCS plug in charger to the Group, but the chargers for the Ebusco Depot product are manufactured and assembled by a third-party supplier in the Netherlands. The parts and components supplied by Phoenix Contact are generally off-the-shelf. However, Phoenix Contact, specifically for its supply to the Group, has made infrastructure changes to its standard 240kWh charging system and has developed a CCS communication module and an Open Charge Point Protocol back-end module. In addition, the Group has developed the design and electrical scheme of the chargers together with Phoenix Contact, and owns the associated intellectual property rights. The Group orders parts and components from Phoenix Contact on an order-by-order basis.

ViriCiti

Dutch software company ViriCiti is the Group's supplier for the Group's fleet tracking system. Under a master agreement between the Group and ViriCiti, the Group is able to place purchase orders for tracking units to be installed in the Ebusco buses and associated software to track the Ebusco buses.

Ebusco's zero emission buses manufacturing

The Group's current bus manufacturing facility is located in Deurne, the Netherlands. Since 2012, the Group designs and develops zero emission buses, originally at its former facility in Helmond, and now in Deurne. The Group's Ebusco 2.2 is assembled at a manufacturing facility in Xiamen, China, by the Group's third-party supplier Weichai. As part of the Group's manufacturing international roll-out plan and in connection with the Group's development of the composite body for the Ebusco 3.0, the Group has scaled up its manufacturing and assembly capabilities in Deurne in order to produce the Ebusco 3.0 in-house. Both the Deurne and Xiamen facilities are high end plants with European quality standards. The Group is ISO 9001 and ISO 14001 certified in both its Deurne facility and at its third-party Xiamen facility. The Group also maintains a European conformity of production certificate for the manufacturing of vehicles and/or components. The Group instils a manufacturing culture of continuous improvement and leveraging best practices in quality control and worker safety across its facilities.

The Group currently has a production capacity for Ebusco 2.2 buses of 1,000 units per year through its third-party supplier Weichai and a production capacity for Ebusco 3.0 buses of 250 units per year at its facility in Deurne, the Netherlands. The Group intends to increase the production capacity of the Ebusco 3.0 buses at the Group's facility in Deurne, the Netherlands to 500 Ebusco 3.0 buses in the course of 2022, requiring an investment of €3 million.

49.9 FTEs, of which 25.4 are contractors, within the Group are tasked with the production of the Ebusco zero emission buses as at 30 June 2021.

Manufacturing and assembly of the Ebusco 2.2

The Ebusco 2.2 bus is assembled at a manufacturing facility in Xiamen, China, by the Group's third-party supplier Weichai. Weichai assembles the Ebusco 2.2 on the basis of the Ebusco bus design and specification and components purchased and supplied by the Group from third-party suppliers. After assembly of the Ebusco 2.2 buses in China, the buses are shipped to the Group's facility in Deurne, the Netherlands, where the Group performs post-production activities and pre-delivery inspection. This final process in the Netherlands includes installation of the online monitoring systems and client-specific systems and equipment, filling of required fluids, wheel alignment, brake test, testing of head and indicator lights, and reparation or replacement of any damages and malfunctioning items.

Manufacturing and assembly of the Ebusco 3.0

The Group currently manufactures and assembles the Ebusco 3.0 exclusively at its facility in Deurne, the Netherlands. The manufacturing and assembly process consists of four phases: (i) composite production, (ii) composite body bonding, (iii) general assembly and (iv) pre-delivery inspection. The Group confirmed approximately 60 FTE for the Ebusco 3.0 industrialisation process (across assembly, composite parts and manufacturing engineering) in Deurne. By the end of 2021, all approximately 60 FTEs are expected to be in place.

Phase 1: Composite Production

In the first phase, the composite for the bodywork of the Ebusco 3.0 is produced. The composite production consists of beam and skin production, using carbon fibre, glass fibre, foam and resin, which resources are extensively available.

Phase 2: Composite Body Bonding

In the second phase, after completion of the production of skins and beams, the skins and beams are trimmed to size. Subsequently, the composite parts are assembled in sub-assemblies, by bonding the composite parts together with adhesives. The sub-assemblies are then bonded together to form the bodywork of the Ebusco 3.0 bus. Elements of this phase are protected by the patent held by Pondus. See "—*Intellectual Property*" for additional information.

Phase 3: General Assembly

In the third phase, the Ebusco 3.0 bus is generally assembled. The Group has distributed the general assembly over five workstations to achieve an assembly time of one bus per day per production line. In this phase, split over the five workstations, the bus is fitted with all the parts to build a functioning bus, such as the battery packs, wheels, engine, seating and heater and cooling systems.

Phase 4: Pre-Delivery Inspection

In the fourth phase, following general assembly, the Ebusco 3.0 is prepared for operation by the client. This final completion process includes installation of the online monitoring systems and client-specific systems and equipment, filling of required fluids, wheel alignment, brake test, testing of head and indicator lights and reparation or replacement of any damages and malfunctioning items that might be found as part of the quality control checks performed in this phase.

Quality Control

The Group has adopted an integrated, end-to-end approach to quality control, meaning that the Group performs multiple quality inspections during both the production and the PDI phase and the Group 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 Group has strategies to identify and correct any defects at each of the design, supplier development, production, and field performance stages for Ebusco's zero emission buses. Ebusco's supplied battery lines are required to undergo end-of-line testing for safety by their suppliers and to assess readiness for vehicle integration. The Group designed its bus manufacturing line with multiple checkpoints where buses are inspected before advancing to the next station. The final quality check during the pre-delivery inspection phase involves comprehensive commissioning and functional validation, inspection of already-assembled buses, and road testing. See "—*Regulation*" for additional information. The Group is ISO 9001 and 14001 certified in both its Deurne facility and at its third party Xiamen facility and believes these certifications are a testament to its commitment to quality control.

Currently, the Ebusco 2.2 buses assembled in the facility in Xiamen undergo a quality control inspection during the assembly and before shipment to Europe by representatives of both the Group and Weichai, as well as a final quality control inspection at the facility in Deurne as part of PDI phase.

Once the CKD Plants and the PDI Facilities will be operational, such CKD Plants and PDI Facilities will also be able perform the final quality control and pre-delivery inspection for the Ebusco 3.0 buses produced in the continental OEM Plants and/or CKD Plants. See "—*International Roll-Out Plan and International Expansion Strategy*" for additional information.

International Roll-Out Plan and International Expansion Strategy

Manufacturing

The Ebusco 3.0 is currently being manufactured and assembled exclusively at the Group's facility in Deurne with the first deliveries to customers expected in the fourth quarter of 2021. Transdev Nederland has ordered 39 Ebusco 3.0 buses for city and regional transport in the Gooi and Vecht region. Ebusco will deliver the Ebusco 3.0 buses in the Netherlands in 2022.[16] As part of the Group's further plans to expand its production of the Ebusco 3.0 buses over time, the Group's international roll-out plan includes

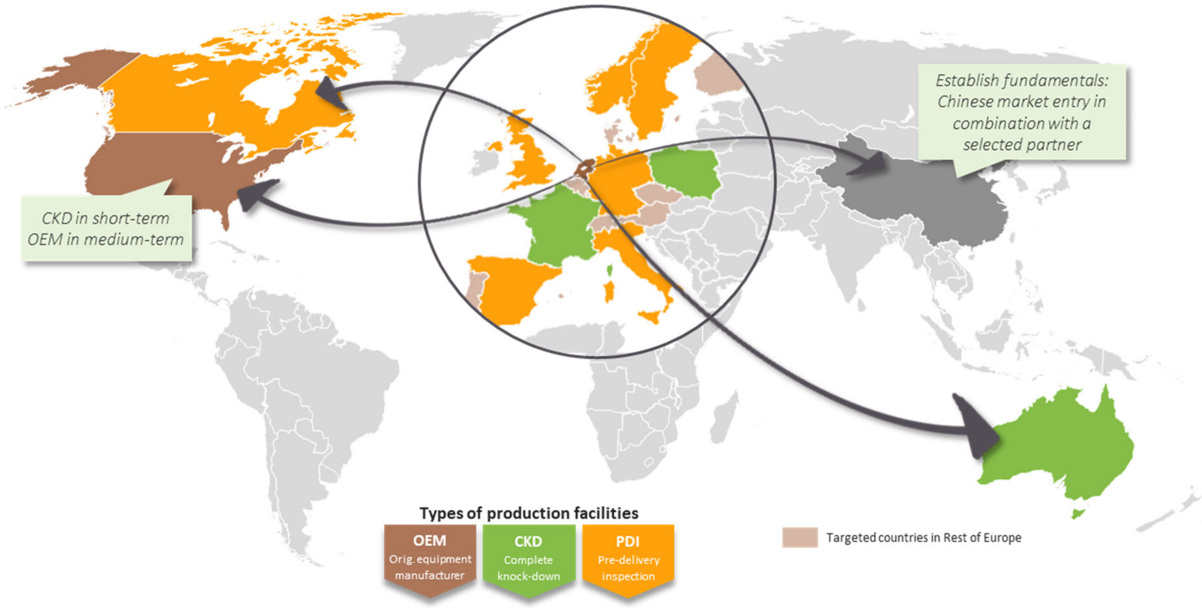
[16] Source: https://www.ebusco.com/nl/nederlandse-primeur-39-volledig-composieten-elektrische-bussen-van-ebusco-gaan-rijden-in-gooi-en-vechtstreek/?nowprocket=1.

a manufacturing system for the Ebusco 3.0 which will consist of three types of manufacturing and/or assembly facilities:

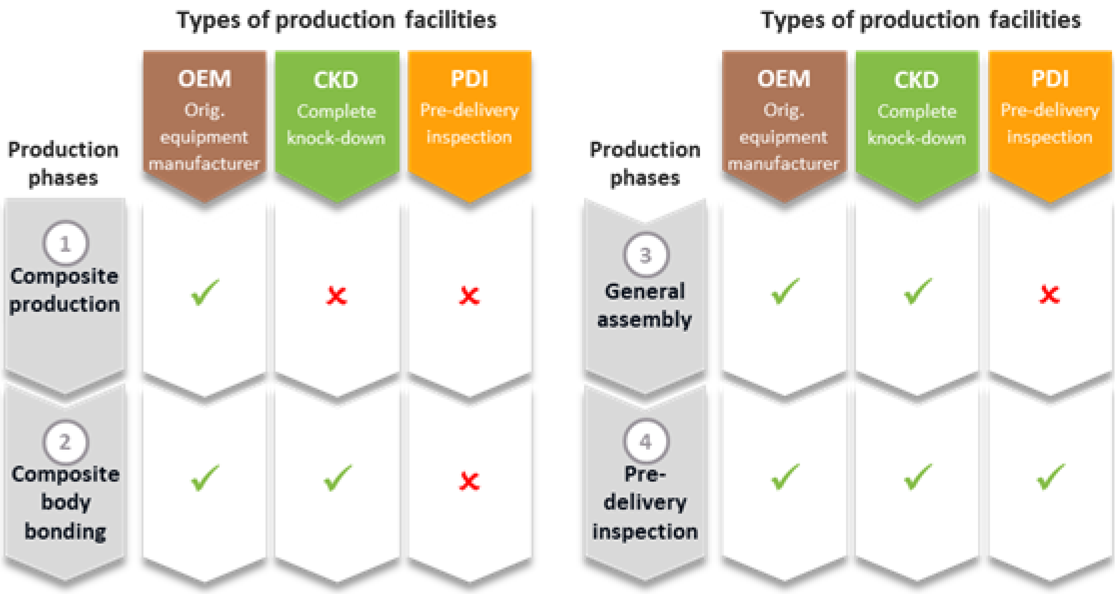
- OEM Plant (Original Equipment Manufacturer plant);
- CKD Plant (Complete Knock-Down plant); and
- PDI Facility (Pre-Delivery Inspection facility).

For the purposes of manufacturing the Ebusco 3.0, the Group aims to set-up OEM Plants in Europe, the United States and China, supported by multiple CKD Plants geographically spread over the respective continents and a CKD Plant in Australia. The Group intends to set up PDI Facilities on a country-by-country basis to establish local presence and content. Any new OEM Plant, CKD Plant or PDI Facility is envisaged to be owned and operated by the Group, allowing the Group to completely manufacture and assemble the Ebusco 3.0 in-house. A project manager has been hired to further establish the industrialisation blueprint that will allow Ebusco to support its global expansion plan.

The figure below shows the Group's envisaged international roll-out plan and international expansion strategy for the OEM Plants, CKD Plants and PDI Facilities:



The figure below shows the production phases that can be performed at each production facility:



OEM Plant

The OEM Plants are expected to be fully-fledged production facilities in which all four phases of the manufacturing and assembly process for the Ebusco 3.0 can be performed. The Group's current OEM Plant is its facility in Deurne, the Netherlands. The OEM Plant in Deurne, the Netherlands, has a current production capacity of 250 units (phase 1-4) per year and is intended to be expanded to 500 Ebusco 3.0 zero emission buses (phase 1-4) per year during the course of 2022. A greenfield OEM Plant which has a yearly 1,680 unit all-phase production capacity and which is able to supply composite body parts of up to 3,000 units yearly to the CKD Plants requires an estimated investment of approximately €37 million. The Management Board believes that the set-up time for a greenfield OEM Plant towards operational deployment is approximately 18 to 22 months. The Group intends to build its first greenfield OEM Plant in the Netherlands in the medium term. This greenfield OEM Plant will be in addition to the OEM Plant in Deurne and these two OEM Plants will serve as the Group's continental OEM Plants in Europe. The Group also intends to have an OEM Plant in the United States in the medium term, assuming demand in North America develops according to the Group's expectations. This production facility will initially be built as a CKD Plant and will be converted into an OEM Plant in the medium term. For entry into the Chinese market the Group aims to cooperate with Weichai, its current third-party bus manufacturer, and build an OEM Plant that will solely manufacture composite bodies (phase 1-2) for zero emission buses to be further manufactured and sold by Weichai, which is anticipated to be operational in the medium term.

CKD Plant

The CKD Plants are expected to be equipped to perform the manufacturing and assembly process of the Ebusco 3.0 from the second phase through the fourth phase. The required composite body parts produced in the first phase of the manufacturing and assembly process will be distributed to the CKD Plant by the continental OEM Plant. A CKD Plant which has a yearly 500 unit production capacity requires an estimated investment of approximately €10 million. The Management Board believes that the set-up time for a CKD Plant towards operational deployment is approximately nine to 12 months. The Group intends to build its first CKD Plants in the United States, Australia, France and Poland, which are anticipated to be operational in the medium term.

PDI Facility

The PDI Facilities are expected to be set up for the final outfitting before delivery of the Ebusco 3.0 buses to the customer. The PDI Facilities will only perform the fourth phase of the manufacturing and assembly process. A PDI Facility which has a yearly 500 unit capacity for phase 4 requires an estimated investment of approximately €1 million. The Management Board believes that the set-up time for a PDI Facility towards operational deployment is approximately nine to 12 months. The PDI Facilities are expected to be easy to set up and the Group intends to build such facilities close to customers when beneficial to the contract with such customers. The Group intends to build PDI Facilities in the short to medium term.

The Group will face a number of challenges and risks in connection with the manufacturing aspects of its international roll-out plan; see "*Risk Factors—Risks Relating to the Company's Business—The Group may be unable to complete the projects in its international roll-out plan, including the opening of new plants, on time or to budget, or at all, which could require the Group to raise additional capital*","*Risk Factors—Risks Relating to the Company's Business— The Group will need to secure additional funding to fully implement its international expansion strategy and if it is unable to do so, this would impact the Group's ability to fully implement its international expansion strategy and would negatively impact its ability to meet its medium-term objectives.*" and "*The Group's ability to scale its production on the timetable anticipated and operate plants is still evolving and may lead to increased costs, delays and/or reduced production of its zero emission buses that may materially adversely affect the Group's international expansion strategy and its ability to operate its business, financial condition, results of operations or prospects*." for additional information. The international roll-out plan will also pose challenges for the Group since it will involve the Group expanding into new international markets; see "*Risk Factors—Risks Relating to the Company's Business—The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful*." for additional information. A critical element to the successful implementation of the Group's international roll-out plan is the ability to secure additional funding and to attract Door Openers and other key personnel to establish the Group in its international expansion markets. See "*Risk Factors—Risks Relating to the Company's Business—The Group's success depends, in part, on its ability to retain its Management Board and other key managers. If the Group is unable to retain its Management Board and other key managers, its ability to compete may be harmed*" and "*Risk Factors—Risks Relating to the Company's Business—The Group's international operations and any potential future international expansion may subject the Group to additional costs and risks that could harm its business, including unfavourable regulatory, political, tax, and labour conditions, and its potential future efforts to expand internationally may not be successful*." for additional discussion of these risks and challenges. ***Spare Parts Supply Chain***

The Management Board believes that the Group's after-sales services business is an important factor that customers consider in selecting its supplier for zero emission buses, including the Group's ability to provide timely, efficient, reliable and effective after-sales services at the costs anticipated. Part of the Group's after-sales services is the reliable and swift supply of spare parts, including fast movers, such as collision parts. As part of the Group's international roll-out plan, the Group intends to expand its supply of spare parts service to any new markets in which it will be operational.

The Group operates a central warehouse at its facility in Deurne, the Netherlands for 100% of the spare parts and components for all Ebusco bus models until end of life of such bus models.

To service markets outside the Netherlands, the Group has designed a blueprint distribution model with three different types of warehouse hubs, being: (i) main hubs, (ii) sub-hubs and (iii) depots. These hubs will be operated by logistics partners of the Group, and can be easily set up in new markets.

Main hubs

The main hubs will be centrally located with a close proximity to main logistical infrastructure and will have an inventory that aims to cover 100% of the spare parts required in the intended area. The main hubs will be supplied with spare parts twice a week from the warehouse in Deurne, the Netherlands or directly from suppliers. The main hubs service the sub-hubs in the area.

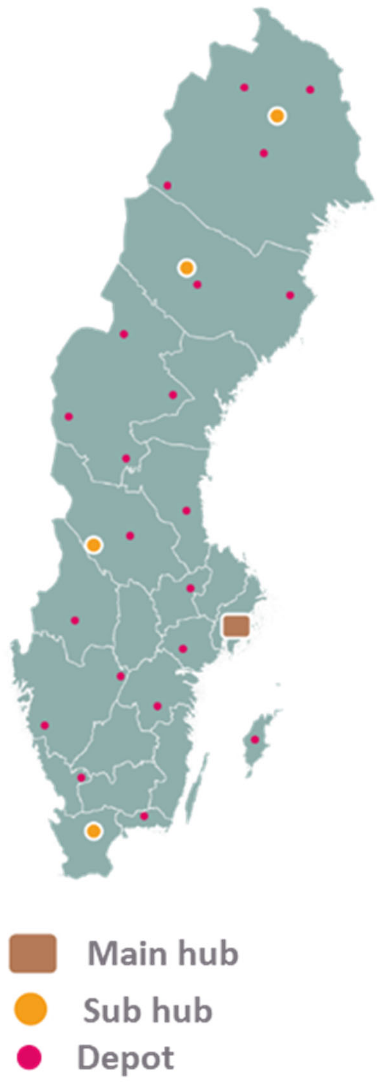
Sub-hubs

The sub-hubs will be located in close proximity to customers and will have an inventory that aims to cover 80% of the spare parts required in the main hub area. The sub-hubs will be supplied with spare parts twice a week from the main hubs. The sub-hubs service the depots.

Depots

The depots will be the final destination of the spare parts supply chain and will be locally set up and operated at the customers' bus depot and will have an inventory that aims to cover 20% of the spare parts required in the main hub area. The depots will be supplied with spare parts daily from the sub-hubs. In case of urgent escalations, the Group intends for depots to be able to be directly supplied from the main hubs or the central warehouse. The depots directly and instantly are expected to service the customers or the Group's service partners which carry out the maintenance or repair jobs for the customer.

An indicative example of the potential geographical spread in Sweden of the different hubs is set out in the figure below (the spare parts supply chain displayed below has not yet been implemented by the Group and is illustrative only):



Logistic Partners

The main hubs and the sub-hubs will be operated by third-party logistic partners of the Group. As a result, the spare parts will be stored in the logistics partners' warehouses and the Group does not anticipate making any capital expenditures to open new hubs when entering new markets. The Group will use standard transport facilities and services provided by the third-party logistic partners between the hubs and the depots.

Optimisation of supply

The Group intends to manage, and has already the design of software in place for, the ordering of spare parts through the COSware software, which the Group also uses for the procurement of parts and components for the production of the Group's products. To optimise its supply of spare parts service, the Group implements software solutions that allow for real-time throughput of data and information between the logistic partner and the Group after ordering of spare and/or collision parts by the customer.

This same software system also keeps track of the available stock at the spare parts hubs and the warehouse, which is then automatically replenished. In addition, the COSware software is designed to enable the Group to easily connect the customer's local software systems with the Group's ordering and supply software. Part of this system is the "bus passport", which will automatically keep track of the repairs made to the zero emission buses supplied by the Group to its customers upon the ordering of parts and whether such repairs are covered by any warranty.

The Group further intends to optimise its supply of spare parts chain by implementing a so called "learning stock" solution. By analysing the data of ordered parts, the Group will be able to supply the depots and/or the sub-hubs with spare parts that are frequently ordered, decreasing the time of supply for such parts. The Group also defines customer-specific parts, which can be stored at the locally situated depots, enabling the Group to swiftly supply its customers with the customer-specific parts. The Group will face a number of challenges and risks in connection with the spare parts supply chain and after-sales care aspects of its international roll-out plan. See "*Risk Factors—Risks Relating to the Company's Business—The Group has experienced rapid growth in recent periods and expects to continue to experience rapid growth for the foreseeable future. If the Group is unable to manage its growth effectively, its business, financial condition, results of operations or prospects could be materially adversely affected*" for a discussion of risks associated with the Group expanding its after-sales services and parts delivery for its customers in new jurisdictions.

Sales and Marketing

Overview

The Group's sales and marketing efforts are led by a dedicated sales and marketing team. This team is primarily located in the Netherlands. However, in connection with the Group's international expansion strategy, the Group has started to expand its sales and marketing team to regional sales and marketing offices, which are expected to hire additional FTEs in the near term following the Offering. The Group's sales and marketing team has focused on a number of principal markets in Europe and has begun to focus on new markets as part of the Group's international expansion strategy. The sales and marketing team is focused primarily on tender bids with PTAs or PTOs and also engages in some direct sales.

Clients

The Group has long-standing and close relationships with the following clients, which has resulted in repeat orders and substantiated tender outlook:

- SWM in Germany for seven years. SWM has placed four repeat orders with the Group.
- PostAuto in Switzerland for six years. PostAuto has placed two repeat orders with the Group.
- Qbuzz in the Netherlands for five years. Qbuzz has placed five repeat orders with the Group.
- Multiobus in Belgium for three years. Multiobus has placed three repeat orders with the Group.
- Transdev in Germany, the Netherlands and France for two and a half years. Transdev has placed three repeat orders with the Group.
- Deutsche Bahn in Germany for two and a half years. Deutsche Bahn has placed two repeat orders with the Group.
- Nobina in Denmark for one year. Nobina has placed two repeat orders with the Group.

Sales and Marketing Teams

The Group's sales and marketing team has expanded in connection with the Group's international expansion strategy and has grown from operations in the Netherlands to include, as at 30 June 2021, a sales team consisting of 8.2 FTEs spread across five regional sales and marketing offices in the

Netherlands, Germany, France, Australia and China (see "—*Strategy*" for further details on the international roll-out plan). As at 30 June 2021, the regional sales and marketing office in the Netherlands (consisting of three FTE sales personnel) serves as the largest sales office in the Group and services most of the Group's European operations. Two dedicated FTE sales personnel are located in the sales and marketing office in Germany, and one sales director and a number of supporting personnel are located in France. The Group also has 1.6 FTEs sales personnel located in Australia, with a sales director in China.

Although the Group has not been able to do so since early 2020 due to the Covid-19 pandemic and related travel restrictions, the Group frequently attends international trade shows such as the annual IAA Commercial Vehicle exhibit, often featuring as a presenter. Key to the Group's success is its strong existing relationships with PTOs and other existing customers in various markets, low TCOs per zero emission bus, a sound knowledge of the markets in which it operates, and a comprehensive after-sales offering.

Principal Markets, Other Principal Markets and International Expansion Markets

The Group's principal markets reflect those markets where the Group has an active presence and extensive relationships with customers (**principal markets**). The Group also regularly monitors and engages with opportunities in other markets where it has less extensive relationships and fewer existing zero emission buses in operation (**other principal markets** and, together with principal markets, the **existing markets**). Finally, as part of the Group's international expansion strategy, the Group has established regional sales and marketing offices in Germany, France, China, and Australia and is targeting additional markets (**international expansion markets**). The Group has also recently entered into contracts with a Door Opener for each of the North America and the GCC regions. The Group does not have any zero emission buses in operation in its international expansion markets and it is in the very early stages of establishing customer relationships and generating an order book in these markets. The Group must obtain regulatory approval for its zero emission buses in its international expansion markets before its zero emission buses will be able to operate.

The Group's historical activities (where applicable) and the opportunities available to the Group in each of the Group's principal markets, other principal markets and its international expansion markets are described below.

Principal Markets

The Group's principal markets are (i) the Netherlands, (ii) Germany, (iii) France, (iv) Denmark and (v) Belgium.

(i) The Netherlands

As part of its tender-bidding strategy, the Company works closely with each of the five major non-municipal PTOs (namely Transdev, Qbuzz, Arriva, EBS and Keolis) spread across a number of the 34 regional concessions in the Netherlands and has contact with each of the three major municipal PTOs, namely GVB (in Amsterdam), HTM (in The Hague) and RET (in Rotterdam). The Company also has contact with the following PTAs throughout the Netherlands: VRA, OV-Bureau and Province Noord-Brabant. PTAs, such as each of the Dutch provinces, dictate, among other things, fleet composition, emission targets, quantity and equipment in the tender process. PTAs grant the concessions to successful PTOs, who are required to meet the demands set by the PTA, although there is some service design freedom during the tender negotiation process. PTOs who are granted the concessions are on performance contracts, where they receive a partial subsidy, but they are also responsible for passenger income.

(ii) Germany

Key players in the German public transit market are the various "*Stadtwerke*". *Stadtwerke* are state-owned companies which offer public services to various cities and regions and essentially operate as both a PTA and a PTO for the specific region. Given that there are a number of *Stadtwerke* throughout Germany, the market is fragmented and a large emphasis is placed on quality and reliability, as opposed to pricing. Ebusco has provided zero emission buses to the *Stadtwerke* in München, Bonn, Borkum, Badneustadt and Frankfurt, as well as to various PTOs, including Deutsche Bahn, Transdev and Wartburgmobil.

Ebusco currently has one account manager based in Germany and over the medium term intends to employ several more managers and tender support personnel in anticipation of greater involvement in the German tender market for zero emission buses.

(iii) France

Ebusco has hired an ex-Transdev senior sales director with the intention of this individual facilitating greater penetration into the French market. Ebusco has employed one tender support person based in France and, over the next five years, intends to employ several more with the aim of targeting large PTOs and offering after-sales support in regions such as Strasbourg and Lens.

Ebusco has entered into a framework agreement with Transdev (see "*—Tender-Bids and Direct Sales—PTO Work Bids*" for more information on framework agreements) and intends on working with the *Régie Autonome des Transports Parisiens* (the PTA in Paris), which is a part of the *Centrale d'Achat du Transport Public* (**CATP**) commission. Ebusco has also identified a tender opportunity with the CATP (which, if successful, would provide the Group with ongoing orders from CATP), and has also been in discussions with the Dutch Embassy in France to potentially provide zero emission buses into the region. Smaller PTOs will be targeted for Ebusco Depot turnkey offerings, so as to minimise the risks faced by smaller PTOs and provide such PTOs with reliable service offerings. Further, Ebusco is in the process of planning participation at the European Week of Mobility in September this year in Calais, France. Ebusco will participate via local representatives, thereby showing Ebusco's local presence in France towards PTAs, PTOs and potential future employees.

In keeping with the international roll-out plan, Ebusco intends to construct a CKD Plant in the south of France. In France, together with Ebusco's local team, the Group is in the process of evaluating various potential CKD locations, and subsidy requests have already been filed. By doing so, the Management Board believes Ebusco buses produced at this particular CKD Plant will qualify under applicable "buy local" regulations as having been made in France and better cater for the demands of the French market, as well as those in nearby countries.

(iv) Denmark

The Group will have approximately 15 buses on the road in Denmark as of December 2021, and the Group's order book for Denmark consists of 140 buses in total as at 30 September 2021. The Group has also developed a close relationship with the PTOs in Denmark, including Nobina, Ditobus and Umove.

(v) Belgium

Belgium is a small but key country for Ebusco, due to its close geographical and cultural proximity with Ebusco's home market, the Netherlands. The country is divided into Brussels, Flanders and Wallonia.

In Flanders, Ebusco has contracts with smaller operators, and it intends to continue develop its relationship with De Lijn, the PTA of Flanders. In Wallonia, TEC is the PTA that operates approximately 80% of the public transportation in the region, and appears to be passing on more of the operational aspects to the PTOs themselves. Smaller operators from both regions are expected to fill this role; as the market is fairly saturated, larger PTOs are not active players at present. One larger sized PTO in Belgium is Keolis, which Ebusco has a relationship with.

Other Principal Markets

The Group has sold its zero emission buses in its other principal markets, which are (i) Sweden, (ii) Norway and (iii) Switzerland. The Group seeks to expand its presence in these other principal markets.

(i) Sweden

Sweden has a concession model, where PTAs grant concessions to PTOs, who are required to meet the demands set by the PTA in a relatively strict manner.

As service levels are completely set out by the PTA, price is the most important element in the bid. This is advantageous for Chinese zero emission bus manufacturers who undercut on price, and thus have a sizeable market share in Sweden. Ebusco believes it will be more competitive in this market on the back of its existing relationship with PTOs, and its ability to compete on a lower total cost of ownership due to the competitive pricing of Ebusco 3.0 and the higher quality stemming from using European components where less maintenance is expected.

(ii) Norway

In Norway, large PTOs are willing to share their knowledge and experience in transitioning with smaller cities, which is expected to accelerate the transition in the entire country.

Norway has a concession model, where PTAs grant concessions to PTOs, who are required to meet the demands set by the PTA in a relatively strict manner. There are also some cities that are operating their own public transport, and they go through tender processes to acquire buses. As service levels are completely set out by the PTA, price is the most important element in the bid. This is advantageous for Chinese zero emission bus manufacturers who undercut on price, and thus have a sizeable market share in Norway. However, PTOs earn more points if they are able to include more zero emission buses in their proposal with PTAs. In the tender processes, Ebusco will cooperate closely with PTOs to devise a tailored product that meets the tender requirements of the PTA. Ebusco believes it will be more competitive in this market moving forward on the back of its existing relationship with PTOs, and its ability to compete on a lower total cost of ownership due to the competitive pricing of Ebusco 3.0 and the higher quality stemming from using European components where less maintenance is expected.

Norway has the requirement for buses to be Class II vehicles, and they have also extended concession contracts to 12 years due to the higher investment for zero emission buses. The Group believes it has a competitive advantage in Norway due to its ability to meet both requirements.

(iii) Switzerland

PostBus, the largest transporter of passengers in Switzerland, is an existing client of the Group and the Group intends to target large cities such as Zurich, Geneva, Basel and Bern that are operating their own public transportation, to further penetrate the Swiss market.

As a result of the regulatory requirements in Switzerland and limited room for negotiation, the tender bidding process requires close collaboration between bus manufacturers and PTOs to provide tailored solutions of buses that fit with the tender requirements.

International Expansion Markets

The Group's international expansion markets are (i) APAC (in particular Australia), (ii) the United States, (iii) China, (iv) Spain, (v) Italy and (vi) Poland. The Group has not yet sold its zero emission buses in its international expansion markets and will also need to obtain regulatory approval for its zero emission buses to operate in its international expansion markets. As part of the Group's international expansion strategy, the Group also intends to expand into the countries in its international expansion markets in the medium term.

(i) APAC (in particular Australia)

In Australia, the Group intends to target both PTAs of states with densely populated cities (Sydney, Melbourne, Adelaide, Brisbane and Perth) and PTOs (Transdev, Keolis Downer, Busways and The Bus Tech Group). Although PTAs run the tender processes and choose the buses to purchase, PTOs can select the bus manufacturers that are part of the tender panel. After the buses are purchased, the PTAs deliver the buses to the PTOs who operate them. Through tender processes, PTOs are awarded the right to operate in concessions. The Group has already made bids on the tenders in New South Wales, Australia and intends to continue to ramp up its marketing efforts. The Group has partnered with Australian company, The Bus Tech Group, which will provide after-sales support for the Group.

(ii) United States

In the United States, the PTA and PTO landscape is highly fragmented. On 24 September 2021, the Company hired Ted Dowling as a Door Opener for the North America region, to serve as a sales director for the region from 1 November 2021. Further, Ebusco intends to participate at the American Public Transport Association, the biggest public transport conference in the United States, in November this year, as an opportunity to develop its relationships in the United States and promote its brand in connection with marketing the Group in the United States. The Group intends to focus on the West Coast (California, Washington and Oregon), in particular California, where the state has laid out the Innovative Clean Transit regulation that requires all buses to be zero emission by 2040. On a nationwide scale, the Group expects the demand for zero emission buses to increase over time, due in part, to the President of the United States' proposed Plan for Climate Change and Environmental Justice.

(iii) China

China is by far the largest manufacturer and customer of electric buses in the world, with demand supported by governmental initiatives to promote the transition to electric vehicles such as national sales targets, favourable laws, tax benefits and subsidies. The Group is planning to enter the Chinese market on the back of the Ebusco 3.0.

(iv) Spain

The Group has been appointed to TMB Barcelona's purchasing department (which essentially allows the Group to serve as an eligible zero emission bus manufacturer in tender bids submitted by PTOs) and intends to target major PTOs in the country such as EMT Madrid, as well as Tussam Seville. The Group also intends on approaching mid-sized operators such as Avanza and Grupo Ruiz.

(v) Italy

The Group intends on providing bespoke solutions to PTOs during their tender bidding processes in major cities, including Rome, Milan, Turin and Bologna. The Group already has an international framework in place with Arriva, and intends to target Busitalia (owner of Qbuzz, a client of the Group) by assisting them with long-range operations in new concessions and lowering its TCO overall. The Group also intends to target city operators such as ATM Milano and Azienda Catania. As part of its proposed offering for small operators and cities, the Group intends to provide turnkey solutions and other competitive options.

(vi) Poland

The Group regards Poland as a key market for its zero emission bus sales and after-sales offering. Currently, the Group is in discussion with Mobilis Group, part of the Egged Europe group (a key PTO) and intends on nurturing this relationship.

As part of the international roll-out, the Group intends to build a CKD Plant in Poland. Buses produced at this plant are intended to service the country and the surrounding region.

Ebusco Depot Sales

To date, the Group has provided its Ebusco Depot turnkey solution to Qbuzz (for 37 buses, 38 plug-in chargers and five opportunity chargers), Stadtwerke München (for 12 buses and 12 plug-in chargers), Postauto (two buses and two plug-in chargers), Multiobus (two buses and two plug-in chargers) and Norgessbus (five buses and five plug-in chargers). In terms of sales of Ebusco Depot turnkey solutions to cities/towns themselves, Utrecht has been provided with ten buses, ten plug-in chargers and two opportunity chargers, Borkum (two buses and two plug-in chargers) and Eisenach (two buses and two plug-in chargers).

Tender-Bids and Direct Sales

The Group currently focuses its sales and marketing efforts on (i) tender bids and (ii) direct sales to customers.

Tender Bids

For the purposes of tender bidding, the Group regards the European public transit market to consist of two main groups of participants: (i) PTAs; and (ii) PTOs. Most PTAs in European markets subdivide a region into concession zones, in which a number of PTOs will vie for public transit tenders specific to that concession zone. Some PTAs, however, make use of their own municipal-run PTOs to operate public transit services (for example, Stadtwerke München and Münchner Verkehrsgesellschaft in Germany and GVB (in Amsterdam), HTM (in The Hague) and RET (in Rotterdam) in the Netherlands), while other markets employ a combination of the two processes.

In general, PTAs will seek to appoint a number of PTOs to its directory of available PTOs for a particular concession zone for a particular period, usually between ten and 15 years depending on the country and region. Once the PTA is satisfied with its directory of PTOs, it will launch a European tender process via their websites and/or European tender platforms for PTOs to bid for specific public transit contracts in a particular concession zone for a particular period of time. PTOs will then submit bids in response to the tenders. The PTA then reviews the bids and awards tenders to selected PTOs. Once awarded a tender on this basis, the selected PTO will no longer be required to comply with Directive 2014/23/EU (the **European Tender Bidding Regulations**) and may proceed to purchase buses from a bus supplier immediately, such as Ebusco. Where a local government serves as the PTA and a subsidiary serves as the PTO, the appointment of a bus supplier will need to follow a tender process set out in the European Tender Bidding Regulations for contract amounts in excess of a stipulated amount (approximately €428,000 at present). The Group works closely with a variety of PTOs in each market for the preparation of bids to be submitted to PTAs for the appointment of a PTO to perform public transit work in a particular region or concession zone (**PTO Work Bid**). The Group also prepares bids/responses to requests for proposals (**RFP**) issued by PTOs for a specified public transit service (**PTO RFP Bid**).

PTO Work Bids

The Group will typically work with a number of PTOs for the same PTO Work Bid, as several PTOs will typically include Ebusco in their bids as their preferred bus supplier. PTO Work Bids are specific to a region or concession zone and tenders will generally be awarded for a period of ten to 15 years.

The Group typically enters into framework agreements with various PTOs which allows for more efficient negotiations to take place during the course of the tender process owing to the standardised and pre-agreed conditions contained in the framework agreement. These pre-agreed conditions generally involve aspects of standardised terms, pricing limits, penalty schemes, delivery conditions, various responsibilities relating to deployment and after-sales offerings. This means that the PTO and the Group will be able to focus on the elements specific to the PTO Work Bid, rather than dealing with the same discussion points for each tender.

PTO Work Bids will typically involve a break-down of the specifications of particular bus lines and routes within a concession zone and will require extensive involvement and cooperation between the PTO and Ebusco in order to determine the correct specifications, pricing and bus types to service each particular line and route.

The Group has developed close relationships with a number of PTOs (such as Transdev, Nobina, Arriva, Qbuzz, Ditobus, Tidebus and Umove) in each of the Netherlands, Germany, France, Sweden, Denmark, Norway and Luxembourg, and centres its bidding efforts on partnering with PTOs to meet the PTO Work Bid requirements.

PTO RFP Bids

In comparison to PTO Work Bids, PTO RFP Bids involve less interaction and negotiation between the Group and the PTO that has issued the RFP. Typically, once an RFP has been issued, the Group will review the RFP, conduct an evaluation and submit a bid/response to the RFP which sets out its proposed service offering and confirmation that it will be able to deliver on the proposed scope of work in a specified time-frame. It is common for a number bus manufacturers to bid for the same RFP and there is rarely any collaboration between the PTO and bus manufacturers at the bidding stage.

Forms of Tenders

Depending on the country, tenders can typically take one of two forms. The first form involves the PTA laying out the service level agreement parameters with limited flexibility and room for negotiation with the PTOs. Since each PTO will need to meet all of the parameters, the main deciding factor is pricing, which will be highly contested among the vying PTO group.

The second form of tender is more flexible and PTOs will generally have more room to negotiate the service level agreement and other selection criteria, such as price, warranty, number of operational hours involved (which typically constitutes the largest component of the scoring model, with some models allocating up to 60% of the total points available to this criteria) and passenger growth considerations. Depending on the country, tenders will require a PTO to be responsible for generating passenger income (as opposed to a PTA providing to a PTO a pre-determined fee that is independent of the number of passengers or a subsidy), which naturally leads to greater marketing costs and performance contracting considerations needing to be negotiated. PTOs score points on each criteria that they meet and increase their chances of being awarded the tender as a result. These tenders are commonly seen in all European markets apart from the Nordics. The main driving factor of Nordic tenders is the total cost of ownership.

Due to the increased incentives for adopting zero and low-emission vehicles in a technology-neutral way provided by Regulation (EU) 2019/1242, as well as increased governmental involvement in the public transport sector during the Covid-19 pandemic, it is becoming increasingly common for PTAs to approach bus suppliers directly and seek to garner information on various zero emission public transit options from such bus suppliers prior to launching a tender. The Company has engaged with several PTAs in the pre-tender stage and has worked to turn these engagements into partnerships that are beneficial for better understanding the scope and criteria for tenders issued by PTAs.

As a form of risk mitigation, and as a result of Regulation (EU) 2019/1242, there is a growing trend among PTAs to provide guarantees for a PTO's debt, operations and buses in the event that the PTO becomes insolvent. As a result of the PTA guarantee, financial institutions may be more likely to provide financing to PTOs.

Each bid that the Group submits for both PTO Work Bids and PTO RFP Bids follows the tender and direct sales management process set out in "*—Tender and Direct Sales Management*". For a discussion of the risk factors associated with the tender-bidding process, see "*Risk Factors—Risks Relating to the Company's Business—The Group secures a number of its customer contracts for its zero emission buses through competitive tender processes or through requests for bids or quotations, which can entail significant costs and if not managed effectively could negatively impact the ability of the Group to compete effectively*".

Direct Sales

The Group initially began its marketing efforts with cold-calling PTOs and other market players to offer information on the Company and its zero emission bus service offering, but has since directed its strategic efforts to establish a presence at industry-specific exhibitions (such as the annual IAA Commercial Vehicle exhibition), setting up road tours and performing test driving operations across Europe and relying on the growing sales personnel and their relationships with the markets in which the operate. As at 30 June 2021, the Group employed six Door Openers or dedicated senior sales personnel with an in-depth knowledge of the market in which they are stationed to source sales in those markets by building and drawing on their relationships with active key players in the market (typically PTOs). In September 2021, the Group entered into contracts with two additional Door Openers, Ted Dowling, for North America, and Huberto Hendrickx, for the GCC region.

Tender and Direct Sales Management

The Group follows a detailed and formalised approach when determining how best to manage and pursue tenders and direct sale enquiries. A tender bid process will typically take approximately five or six months to complete (i.e. from the initial screening stage through to finalisation) and all tenders and direct sale enquiries are handled by a sales manager and a sales support officer.

Initial Screening

The sales manager for the Group regularly checks the PTA tender websites, and once a tender has been published or an unsolicited request is received, the tender or request will be subject to initial screening and evaluation by the sales support officer and sales manager, who will determine whether the tender or request is to be pursued.

System Registration and Information Gathering

If the decision to proceed is made by the sales manager, the sales support officer will register the tender or request details in the Company's customer management software, following which preliminary customer requirements are identified and included in an internal pre-sales document.

Initial Go or No-Go Decision

Once uploaded into the Company's customer management software, a meeting will be held with the CCO on whether to proceed with the request or tender. If the decision to proceed is made, financial documents (such as general company information, statement of taxes and references) will need to be obtained from the customer and, in the case of tenders only, the tender will be submitted for pre-qualification.

Internal Collaboration

The sales support officer will then finalise the customer's requirements through a variety of interactions and meetings after which the sales support officer will ensure that an appropriate framework agreement is created, along with input from the Group's legal, manufacturing, supply chain, after-sales and financial departments.

Internal Review

Once the sales support officer and sales engineer have completed the steps above, an internal review meeting will be scheduled with the sales manager. At this stage, the sales manager will review each of the components of the tender or request again, along with the proposed internal plan for delivering on the tender or request. Once finalised internally, the request or tender will move to the quotation stage.

Quotation and Negotiation

The sales manager will finalise the quotation for the tender or request internally and send it to the CCO and CEO for approval who will then send the quotation to the Management Board for comment. Once feedback from the Management Board has been obtained, the quotation will be sent to the customer by the sales manager. Negotiations on the quotation will be held between the sales manager and the customer, taking into account any relevant input from the internal teams along the way and performing a time and cost impact analysis of any proposed changes.

Finalisation

Once mutually agreed, the quotation will be signed and a quotation deviation document (containing a list of the changes to the original quotation) will be sent to the relevant internal teams. The purchase contract will then be signed by the Management Board, stored internally and handed over to the Programme Management Officer (**PMO**).

Maintenance Service and Warranty

Maintenance Service

As part of its "We Care Program", the Group offers its customers maintenance services with three different levels of coverage varying from limited amounts of maintenance service jobs to full coverage, including corrective maintenance and legal inspections.

The Group offers four ways of executing the maintenance contracts:

- Outsourcing;
- Official Service Partner;
- Supervisory; and

- In-House.

In the event of "Outsourcing", the Group takes over the customer's workplace, personnel and tools and will run the workshop for the bus maintenance under the name of Ebusco. Under the "Outsourcing" contract, the customer pays fixed costs to the Group.

Under the "Official Service Partner" contract, the maintenance is performed by a third party which is an official service partner of the Group and assigned to the customer by the Group.

If the customer opts for the "Supervisory" contract, the maintenance will be carried out by the customer itself under supervision by the Group, in which case the Group will only oversee the execution of the maintenance and not perform the maintenance itself.

The Group agrees on extensive services contracts with a service partner, in the event of "Official Service Partner" maintenance or with a depot workshop in the event of "Supervisory" maintenance. In these contracts the Group agrees with the service partner or depot workshop, among others, on (i) the norm times, such as maximum time to execute all relevant maintenance, (ii) the hourly rates, (iii) the KPI levels, such as response time and opening hours, and (iv) the responsibility matrix.

For the "In-House" option, the Group performs the maintenance at its facility in Deurne. This option is only available for Dutch customers.

Warranty

The Group offers warranties for the Ebusco 2.2 and Ebusco 3.0 buses, including for the battery systems, the drive line, major subsystems and anti-corrosion.

The Ebusco buses warranty is comprised of a two-year complete bus warranty and a three-year warranty on the drive line. The warranty protection for anti-corrosion is provided by the Group for a period of eight to ten years.

The Group also provides an eight to ten years standard warranty on the battery for materials and workmanship, and an energy capacity warranty that depends on vehicle capacity and expected usage. The Group believes the length of its battery warranty is among the longest among any of its competitors. The Group typically has back-to-back warranties in place with the suppliers of the batteries to cover each of the warranties provided to customers for the entire duration. The Group's standard warranty on battery systems reserves the right to replace components with different items of equal or better performance to keep pace with improvements in battery technology development.

Material Agreements

The Group is working closely with potential customers and collaboration partners to develop and commercialise its zero emission buses and charging infrastructure. See for example, the five-year international framework agreement with Transdev it was awarded by Transdev described in "*Operating and Financial Review—Current Trading and Recent Developments*". The Group's business model includes establishing and maintaining current strategic partnerships and third-party supplier relationships and it believes these partnerships help reduce design-to-cost, design-to-manufacturing efforts and execution risk. The Group further believes that these strategic relationships result in continuous product development, and improve its commercialisation timeline, resulting in a long-term competitive advantage. Reference is made to "*—Supply chain—Other Key Suppliers*". The Group also has key financing agreements to facilitate the Group's working capital needs. See "*Operating and Financial Review—Loans and Borrowings*" for additional detail of the Group's key financing agreements.

Acquisition of remaining stake in Pondus

Following the acquisition of 20% of the shares in Pondus in 2018, the Group acquired the remaining 80% in Pondus in two separate transactions in 2021.

On 19 April 2021, the Company acquired 60% of the shares in Pondus from entities ultimately majority-owned and controlled by Mr Bob Fleuren, a director of the Company. On 18 October 2021, the Company agreed to acquire the remaining 20% from persons affiliated with Van der Valk, one of the Existing Shareholder, subject to completion of the Offering.

As a result, conditional on completion of the Offering, the Group will own 100% of the shares in Pondus. The aggregate purchase price expected to be paid by the Group in the year ending 31 December 2021 for the acquisition of the 80% stake in Pondus amounts to €42.35 million. See "*Reasons for the Offering and Use of Proceeds—Background and Reasons for the Offering—Use of Proceeds*" and "*Operating and Financial Review—Loans and Borrowings—ING Credit Agreement*" for the financing of the purchase price. Upon payment of the aggregate purchase price, no further obligations or payments are due by the Company in relation to the Pondus acquisition. The Existing Shareholders have also made further financial arrangements among themselves in the context of the broader pre-IPO restructuring, part of which include settlements in relation to Pondus, but these have no consequence to the Company.

Pondus has been consolidated into the Group's financial statements as from 19 April 2021.

Regulation

The Ebusco 2.2 and Ebusco 3.0 buses have been designed to meet the requirements applicable to passenger buses in the European Union, the United States and Australia.

For the Group to register buses in the European Union, the Group needs to obtain the WVTA certificate. The WVTA certification procedure is the procedure in the European Union whereby an approval authority certifies that a type of vehicle satisfies the relevant administrative provisions and technical requirements. In order for the Group to obtain the WVTA certificate, the Group needs to comply with the requirements under Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles. The objective of the Regulation is to ensure a high level of vehicle functional safety, to ensure the protection of vehicle's occupants and other road users, and to ensure the protection of the environment and health.

For the Group to obtain the WVTA certificate, all the components and systems of the specific bus must conform to corresponding European requirements. Once all components and systems conform to the European requirements, the Group can submit an application for the WVTA certificate to the approval authority. For the purpose of granting a European WVTA, the approval authority shall verify compliance with the technical requirements of Regulation (EU) 2018/858 by means of appropriate tests. The competent approval authority is the authority in the relevant member state with competence for all aspects of the type-approval of a vehicle, system, component or separate technical unit, and for ensuring that the manufacturer meets its obligations regarding the conformity of production. In the Netherlands, the RDW (*Dienst Wegverkeer*) is the competent approval authority.

The WVTA certificate obliges the Group to produce its buses in conformity with the approved type. The Group has to certify this by issuing a certificate of conformity for every vehicle. The certificate of conformity is a document issued by the Group which certifies that a produced bus conforms to the approved type of bus and complies with all regulatory acts that were applicable at the time of its production. The WVTA certificate of a bus type issued by the approval authority of one member state has to be accepted by all other European member states. Every bus which has a valid certificate of conformity should be permitted to be made available on the market and registered in the European Union. In the event of an extension to the WVTA, the approval authority shall issue an updated WVTA certificate without delay.

The Group is well informed of the most recent regulations in all the markets where the Group wishes to register buses and the Group considers the relevant regulations when developing buses for specific markets. For registering Ebusco 3.0 in the United States, the Group takes account of the necessary registration with the United States EPA for the EV-CIS. The Group's buses will further be subject to, and are designed to comply with, numerous regulatory requirements established by NHTSA, including applicable US federal motor vehicle safety standards. In the United States, for the Group to get approval, the Group is subject to the NHTS testing, also referred to as Altoona testing. For the United States, the Group is internally preparing for the regulatory approval process, but such process has not yet officially started. The estimated time needed to obtain regulatory approval in the United States is approximately a year.

For registering Ebusco 2.2 in Australia, the Group takes account of the requirements of the Motor Vehicle Standards Act 1989 and the national standards covering safety and emission requirements known as the Australian Design Rules. The registration process in Australia is similar to the European WVTA. See also "*—Strategy*" for further information. For Australia, the Group is internally preparing for the regulatory approval process, but such process has not yet officially started. The estimated time needed to obtain regulatory approval in Australia is between three and four months. The Group further closely monitors relevant proposals for changes in the regulatory environment and communicates the Group's views to key decision-makers and bodies. Within the Group, there is a specific automotive homologation team making sure that the Group is compliant with all applicable regulations. The automotive homologation team within the Group maintains a good and cooperative relationship with the RDW. Where regulatory changes are known or reasonably likely, the Group develops plans to seek to mitigate any adverse effects on it.

For making the portable energy storage system containers available in 2021, the Group takes account of the relevant Marine Type Approval and the relevant certification of the battery energy storage system in both Europe and the US.

The Group also complies with rules on electrical safety. Those rules are already part of the WVTA certification process and the Altoona testing.

Intellectual Property

The Group's success depends in part upon its ability to protect its own intellectual property and core technologies. The Group protects its intellectual property rights within the European Union, and abroad, through a combination of patent (one patent pending), trademarks, designs and trade secret protection, as well as having confidentiality and invention assignments with the Group's relevant employees and consultants, and materially all of its strategic partners, suppliers and other collaboration partners. The Group has confidentiality clauses in place in all agreements with its employees. Intellectual property assignment clauses are included in the agreements with Pondus' employees and in the agreements with relevant self-employed workers. The Group includes intellectual property assignment clauses in all its agreements with new employees and its current employees have signed an addendum in which it is determined that the Group retains all intellectual property rights conceived, created and/or developed by its employees in the framework of the exercise of their functions. The Group further protects its intellectual property rights by keeping all technology in-house and offline.

The Group holds one patent application, for which no objections are foreseen and for which a formal approval is expected in the fourth quarter of 2021, and various trademarks and domain names. In addition, the Group has know-how and trade secrets. The Group regards its bus innovations, composite body innovations, assembly related innovations, its battery and battery management technologies, its vehicle monitoring system, miscellaneous inventions related to vehicle parts/and systems, bus software systems, trade names (including "Ebusco"), the Group's logos and underlying brand logos and its internet domains as critical components of its business. The Group considers Pondus' pending patent application (which Ebusco holds via its 100% stake in Pondus[17]) that covers the connection of the walls to the floor of the bus to be particularly important to the Group. Further, the Group considers the manufacturing process and the parameters used, such as the tolerances, curing times, bonding thicknesses, specifications and temperatures, to be technical know-how and trade secrets of the Group. Also, the Group considers the performing of detailed static and dynamic analyses used to qualify the product and ensure durability to be 'a rare art' safely mastered and secured by the Group.

The Group expects to develop additional intellectual property and proprietary technology over time. As the Group develops its technology, it will continue to assess whether additional trademark, patent or other intellectual property registrations are appropriate. The Group also seeks to protect its intellectual property rights and proprietary technology, including trade secrets and know-how, through limited access, confidentiality and other contractual agreements with its suppliers, customers, employees and collaborators. All intellectual property relating to the composite body innovations is secured via non-disclosure agreements with the Group's employees and key suppliers.

Employees, Pensions and Collective Labour Agreements

Employees

The table below provides an overview of the average numbers of employees (which includes permanent and temporary) and of contractors employed by the Group during the six months ended 30 June 2021, and the years ended 31 December 2020, 2019 and 2018. These numbers are measured in full-time equivalents of the Group's employees and contractors (including Pondus employees and contractors).

	31 December			**30 June**
2021	**2020**	**2019**	**2018**	**2021**
Ebusco Employees	127.58	88.68	43.65	147.18
Ebusco Contractors	41.6	6.80	4.80	52.8
Pondus Employees	9.4	10	8.4	10.4
Pondus Contractors	3.8	0	0	5.4
Total	**182.38**	**105.48**	**56.85**	**215.78**

The number of FTEs grew by approximately 300% for the period end of 2018 to 30 June 2021, with the Group having a 93.42% employee retention rate over the year 2020[18]. All the centralised corporate functions such as human resources, finance & control, IT, maintenance & facility, legal and quality are managed at the level of the Company at its headquarters in Deurne, the Netherlands. The Chief Financial Officer (**CFO**) is responsible for the corporate functions.

In addition to the corporate functions (which compromised 46 FTEs as at 30 June 2021), the Group has the following five operational teams as at 30 June 2021:

- *Sales*: This team of 10.2 FTEs is in charge of the sales and marketing of the buses and is based in the Netherlands, Germany, France and Australia. This team is led by the key account manager Steven van der Burg.

17 The acquisition of the remaining 20% of the shares in Pondus is conditional on completion of the Offering.
18 Retention rate over the year 2020 based on employees who voluntarily resigned.

- *Engineering and Product Development*: This team of 62.5 FTEs is in charge of the operations support engineering and the engineering of the Ebusco 2.2 and the Ebusco 3.0 and is based in the Netherlands. This team is led by the Chief Technology Officer (**CTO**).

- *Production*: This team of 53.2 FTEs is in charge of the production of the Ebusco 2.2 and the Ebusco 3.0 and is based in the Netherlands. The liaison team in China is also part of the Production team. This team is led by the Chief Operating Officer (**COO**).

- *Programme Management*: This team of 7.8 FTEs is responsible for the process after the sales contracts have been signed. The Programme Management team is in charge of ordering the components, the guidance of the production, the communication with the customers, the acceptance testing together with the customers, the deployment of buses in operation (including training drivers and workshop personnel), and the after-sales. The Programme Management team is based in the Netherlands. This team is led by the PMO.

- *Supply Chain & Aftersales*: This team of 36.08 FTEs is in charge of the supply chain and the after-sales and is based in the Netherlands for both the supply chain and the after-sales, in Germany for the after-sales and in China for the supply chain. This team is led by the Chief Procurement Officer (**CPO**).

The different operational teams within the Group cooperate as one company, including the Pondus team members. The Pondus team members are working in the field of engineering, logistics, operations and industrialisation.

The Group's management team (the **Management Team**) consists of the CEO, the CFO, the managers of the above mentioned five operational teams (which includes the CTO, the COO/PMO (functions performed by the same person) and the CPO) and the Human Resources Manager (**HRM**), and has weekly meetings in Deurne. The Management Team decides on all of the Group's relevant operational and strategic matters.

For rolling out the Ebusco 3.0 manufacturing and sales, adequately skilled staff needs to be recruited. The Group aims to recruit sales directors, account managers and tender support personnel in all countries, and key personnel such as production managers or managing directors for all production locations. Therefore, the Group's number of FTEs is expected to grow during the rest of 2021 and the years thereafter.

Pensions

The Group's Dutch employees participate in a defined contribution pension scheme in the Netherlands that is administered by Nationale Nederlanden, except for the Dutch employees working at Ebusco Manufacturing B.V. and the employees working at Pondus. The pension scheme provides for old-age pension, but does not provide for partner's pension or orphan's pension, unless the employee has agreed to exchange a part of its old-age pension into partner's pension and/or orphan's pension. The pension scheme does not provide for pension build-up in case of occupational disability. A defined contribution scheme is a pension scheme under which fixed contributions are paid to the pension provider. The contribution is a percentage of the pension calculation basis (i.e. the pensionable salary minus social security offset), which percentage varies by age category. There is no mandatory employee contribution. The liability of the Group is limited to payment of the fixed contributions for old-age pension and administration costs. The benefits are not pre-determined. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available, and recognised as a liability to the extent that the prepaid contributions were insufficient to cover the actual required payment. As at 31 December 2020, the Group did not have any provision on its balance sheet for pensions and retirement benefits.

Ebusco's Dutch employees working at Ebusco Manufacturing B.V. and Pondus' employees participate in a pension scheme in the Netherlands that is administered by Pensioenfonds Metaal en Techniek (**PMT**). The PMT pension scheme is a career average pension scheme. The collective pension scheme provides for old-age pension, partner's pension, orphan's pension and fully or partially non-contributory pension accrual in the event of incapacity for work. The employer's contribution is 63% and the employee's mandatory contribution is 37%. In addition to these mandatory components, the pension scheme has a voluntary arrangement: the ANW (*Algemene nabestaandenwet*) Pension. The ANW Pension is a voluntary insurance for extra partner's pension. An employee can voluntarily take out this extra pension arrangement.

The Group has other arrangements in place at the other locations where it currently has employees.

Collective labour agreements

As at 1 September 2021, approximately 9.76% of the Group's employees were covered by collective labour agreements. The Group has concluded collective labour agreements in the Netherlands for the employees of Pondus and Ebusco Manufacturing B.V. While expanding internationally, the Group closely monitors the obligation to conclude collective labour agreements in each country. In many countries, this depends on the number of employees on the payroll in that country.

Information Technology

The Group relies on a number of IT systems to support its business operations. It has implemented a combination of standard and custom-made IT systems, including application-specific measures such as market practice virus and access protection and encryption systems as well as standardised IT infrastructure and applications, which are mainly used for enterprise resource planning, finance and human resource management. The Group's enterprise resource planning and product lifecycle management softwares are custom configured to meet the Group's needs. Custom-made solutions are in place to enable communication and configuration between the various different applications used by the Group. The Group regularly tests and updates its IT systems to accommodate the changing requirements arising from the growth of the Group. The Group is currently improving and investing in its IT systems, in particular in relation to enterprise resource planning and product lifetime management, allowing a fully-integrated and multi-site approach.

Data centres and resilience

Most of the Group's IT systems are hosted on the Group's own servers which are located at the Group's headquarters in Deurne, the Netherlands. The Group also relies on cloud-based data storage systems hosted by Microsoft Azure and has offsite backup of its data through a third-party data centre. Within the Group's IT system, which coordinates the operations of the Group's in-house production and assembly operations and stores data gathered from the Group's zero emission buses, the Group's servers and backup systems and third-party facilities have been designed or selected so that a hardware failure on a live operational application will failover to either alternative hardware on the Group's own servers, within the data centre or through a disaster recovery facility.

Data Security

The Group's data security systems and processes are in place with the aim of ensuring that the Group systems and operations remain safe, secure and compliant with all applicable laws and regulations. Data systems are only accessible from certain accounts designated by the Group and employees access systems via a secured connection and the Group has multiple scanners in place to detect security breaches that it either quarantines or blocks. These systems and processes focus on: (i) developing and improving the Group's systems and processes to detect and address data security vulnerabilities and breaches; (ii) how the Group manages data security risks and its compliance with applicable laws and regulations; and (iii) testing the data security of the Group's in-house applications, products and systems proactively reporting data security concerns and amending systems as needed.

The Group seeks to use customer data collected from its zero emission buses and other customer data collected responsibly and has established clear guidelines in connection with data collection, storage and processing.

Corporate Social Responsibility

Corporate social responsibility is an important fundamental and strategic pillar for the Group. The Group wants to play a leading, innovating and guiding role in the transition of energy in public transport, everywhere on the planet.

The Group's objective is to contribute to a better living environment by enabling safe, sustainable, emission-free and cost-competitive public transport. To meet this objective, sustainable production is a key factor for the Group. The Group constantly strives to minimise the environmental impact of its operations through the responsible use of resources and the reduction of waste and emissions by making use of a cradle-to-cradle approach. For the Ebusco 3.0, use is made of composite materials that not only have a lifespan of at least 25 years but can also be re-used, for example as an important raw material for road reinforcement. The Group provides an important contribution to the transition of energy in public transport and contributes to the (worldwide) transition to sustainable public transport by making clean, silent and emission-free transport accessible to everyone. This results in cleaner, quieter and safer cities and environments for citizens, drivers, passengers, any other road users and eventually benefits the health of everyone in the world now and in the future. It is the Group's aim to become emission neutral in the future by making use of renewable energy and being self-sufficient by solar power and storage.

The Group takes note of its responsibility for the effects of its business activities on the environment (as described above) and on people. The Group considers 'Lifelong learning' a necessity to both its current employees and the people that are still removed from the labour market. The Group invests in its own and new people and works closely together with regional educational institutions. It invests in its own people by offering training courses in the fields of technology, personal development and language. And, when hiring new people, the Group also looks at those in society that could use extra help. The Group is in touch with the Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen*, UWV) and municipalities about contributing to the reintegration of people with an occupational disability benefit.

Health & Safety

In carrying out its corporate social responsibly agenda, the Group puts health and safety first. There are two aspects within Health & Safety: the internal aspect and the external aspect. The internal aspect relates to the safety of the production process and the health and safety of the employees. To ensure a safe and healthy workplace, the Group has performance indicators in place, including (but not limited to) the number of reported accidents and incidents, the employee perception of management commitment, lost time injury frequency rate, average overtime hours per person, satisfaction with environment score, percentage of management trained in Health & Safety, equipment breakdowns and monthly health and safety prevention costs. The performance indicators are all implemented, measured and acted upon, not only in the Netherlands but at the Group's facilities worldwide. The Group makes use of training sessions on awareness, technical trainings and courses on emergency response, with the aim of creating a safe environment.

The external aspect covers the design of the products and the safety features. The Group uses the LFP (lithium ferrophosphate) technology for the batteries used in its buses that is renowned for its high level of safety. The LFP batteries do not contain cobalt, are much cleaner, and cheaper and safer than batteries containing cobalt. For safety reasons, the buses have battery monitoring in place. The Group is also developing the Mirroreye camera system for its buses which offers maximum safety for road users, bus drivers and passengers. The Group is further developing a reliable driver assist system and an autonomous driver assistance support system to further strengthen the safety of its buses. The autonomous driver assistance support system consists of four levels. The autonomous functions will be introduced step by step. The first level consists of a support system: the Autonomous Driver Assistance Support. The second level contains the autonomous depot to save time while charging. The third level consists of platooning (driving a group of vehicles together). The fourth and final level contains the completely automated bus transport. The Group further has a safety board in place which receives safety incident reports, identifies safety issues and remediates those issues (the **Safety Board**). If there is a safety issue on one of the Group's buses, the Safety Board immediately acts upon it. The CTO is the chair of the Safety Board.

Legal and Arbitration Proceedings

Save as described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 months before the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

Qbuzz settlement and Heavac claim

In the years 2018 and 2019, the Group has delivered 117 electric buses to Qbuzz B.V. (**Qbuzz**), after which Qbuzz complained that the climate control systems in these buses were not functioning correctly. Pursuant to a judgment in first instance from the civil court Oost-Brabant dated 6 July 2021, the Group was ordered to ensure that the climate control systems would be fully functional in the buses prior to 1 November 2021, in a burden under penalty of €5,000 per bus. In a settlement agreement between the Group and Qbuzz dated 30 July 2021 (the **Settlement Agreement**), the Group agreed to replace the climate control systems in: (i) 37 buses prior to 1 October 2021, and (ii) 80 buses prior to 26 November 2021. If the Group fails to replace the climate control systems in the described timing above, it will have to pay a penalty of €2,500 per bus. Under the Settlement Agreement, Qbuzz and the Group agreed that the penalty amounts imposed by the court of €5,000 per bus will only be payable, if the Group fails to replace the climate control systems in: (i) 37 buses before 1 November 2021, (ii) 40 buses before 26 December 2021 and (iii) 40 buses before 26 January 2022. In such case the already paid penalties under the Settlement Agreement will be deducted from the payable penalties under the court order. The Company estimates the costs for replacing the climate control systems at approximately €2 million, which it expects to recover from the supplier of the climate control systems, subject to the proceedings described below.

The climate control systems in the 117 buses delivered to Qbuzz were supplied by Heavac B.V. (**Heavac**). In a judgment in the first instance from the civil court Oost-Brabant dated 28 April 2021, Heavac was ordered to pay damages to the Group (to be determined in separate proceedings) and to replace the climate control systems in the buses within two months from 28 April 2021. Heavac has appealed the judgment and the appeal proceedings are still taking place. Pending final judgement in appeal, Heavac is not required to pay any damages or penalties to the Group. Since the appeal is still pending, the Group is unable to reasonably estimate the ultimate outcome of the proceedings at this time.

Insurance

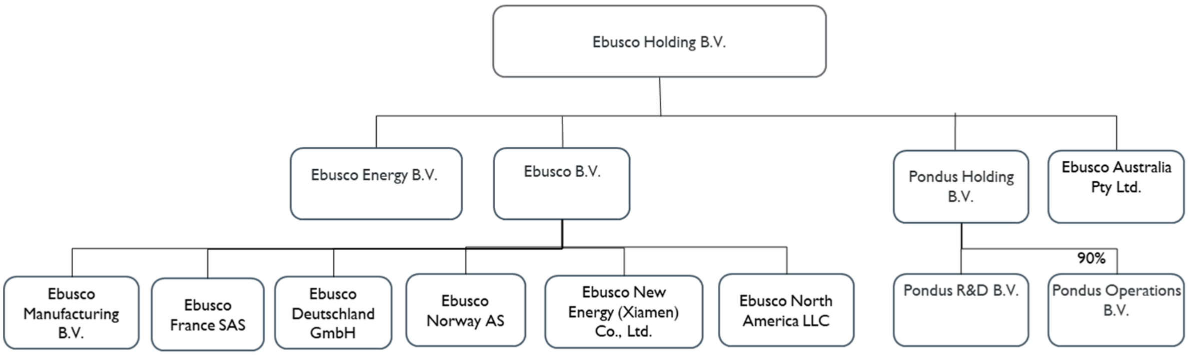
The Group maintains insurance cover that is customary for the industry it is active in. The Group's insurances provide cover for claims by third parties for damages. The insurances also provide cover for damages incurred by the Group.

The Group has not made any material claims under any of its insurance policies. The Group believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are appropriate and standard for the Group's industry. The Group cannot, however, guarantee that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

Group Structure

Legal Structure

The legal group structure of Ebusco consists of 11 legal entities. Immediately prior to Settlement, the Company will be converted into a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands and its name will be changed to Ebusco Holding N.V. The Company operates under the laws of the Netherlands. The legal structure chart included below presents the structure of the Group at the date of this Prospectus. All Shareholders are 100% unless otherwise indicated.



Subsidiaries

The following table provides an overview of the Group's subsidiaries and shareholdings as at the date of this Prospectus. These subsidiaries are directly and indirectly held through intermediate holding companies.

Subsidiary	Interest	Jurisdiction of Incorporation
Ebusco B.V.	100%	The Netherlands
Ebusco Energy B.V.	100%	The Netherlands
Ebusco Australia Pty. Ltd.	100%	Australia
Ebusco Manufacturing B.V.	100%	The Netherlands
Ebusco France SAS	100%	France
Ebusco Deutschland GmbH	100%	Germany
Ebusco Norway AS	100%	Norway
Pondus Holding B.V.	100%	The Netherlands
Pondus R&D B.V.	100%	The Netherlands
Pondus Operations B.V.[19]	90%	The Netherlands

[19] The other 10% of the shares in Pondus Operations B.V. is held by Stichting Administratiekantoor Pondus Operations, the certificates of which are held by three employees of Pondus.

INDUSTRY

This section includes information sourced from various third parties. In particular, this section makes reference to and relies on information provided by Roland Berger and ECS. In addition, certain statements in this section are based on the Group's own estimates, insights, opinions or proprietary information. Such statements contain the words "the Group believes" or "the Group expects" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read. For further information on the treatment of third-party information and statements based on the Group's own estimates, insights, opinions or proprietary information, see "Important Information—Market and Industry Information".

This section provides, for the Group's battery electric transit bus activities, an overview of the Company's addressable markets, the key trends and growth drivers of these addressable markets as well as the competitive landscape of the markets in which Ebusco operates or plans to operate in line with its international roll-out plan. This section also provides some growth projections for a number of adjacent industries within the electric vehicle ecosystem, where the Group believes it is well placed to capture market share.

Ebusco's addressable markets

The global bus market can be segmented along three main dimensions: propulsion type; vehicle type; and geographic regions:

Propulsion type	Vehicle type	Geographic region
Battery Electric (BE)	Transit bus[20]	Europe
Diesel	Long distance bus/coach	North America
CNG/LNG[21]	School bus	Asia Pacific (excl. China)
Hybrid	Others (including airport bus and internal fleet)	China
Fuel Cell		Rest of the World

Source: Roland Berger

Target areas of Ebusco

The Company operates in the transit bus market as an OEM of BE buses and has developed an offering for single-deck transit buses and articulated, extra-long transit buses. With that offering Ebusco addresses over 80% of the transit bus market, as these two categories represented approximately 69% and 12% of the global transit bus market in the year 2019 (indicative, based on annual registrations), respectively[22]. Other categories of the global transit bus market are double-deck buses and smaller, midi/mini buses, which are categories the Company currently is not active in. The Company focuses on selling its BE buses in Europe, North America and Asia Pacific excluding China.

For the purpose of this Industry section, the Company's focus regions are defined as follows:

1. Europe (EU) – represents the member countries of the European Union (EU), the UK and countries of the European Free Trade Association (EFTA);

20 Includes buses for city as well as inter-city use cases addressed by vehicles constructed with areas for standing passengers as well as carriage of seated passengers (incl. seat belt)

21 CNG means compressed natural gas, LNG means liquefied natural gas

22 Company information based on Roland Berger.

2. North America (NA) – represents the United States and Canada; and

3. Asia Pacific (APAC) excluding China – represents the Asia-Pacific countries of Japan, Australia, New Zealand and Singapore,

for each region, including city and inter-city buses and excluding double-decker and midi/mini-buses.

Ebusco's addressable BE transit bus market is fast-growing across all of the Company's focus regions and measured in various metrics as summarised in Table 1 below.

Table 1: Key growth rates for Ebusco's focus regions

Geographic region	**Compound annual growth rate (%) (CAGR) over 2020-2025 period**			
	Annual registrations		***Cumulative registrations***(1)	
	Compared to number of vehicles	***Compared to value***	***Compared to number of vehicles***	***Compared to value***
Europe	46.3%	43.3%	56.7%	54.5%
North America	32.0%	30.6%	53.5%	52.5%
APAC (excl. China)	66.0%	63.2%	81.2%	78.8%

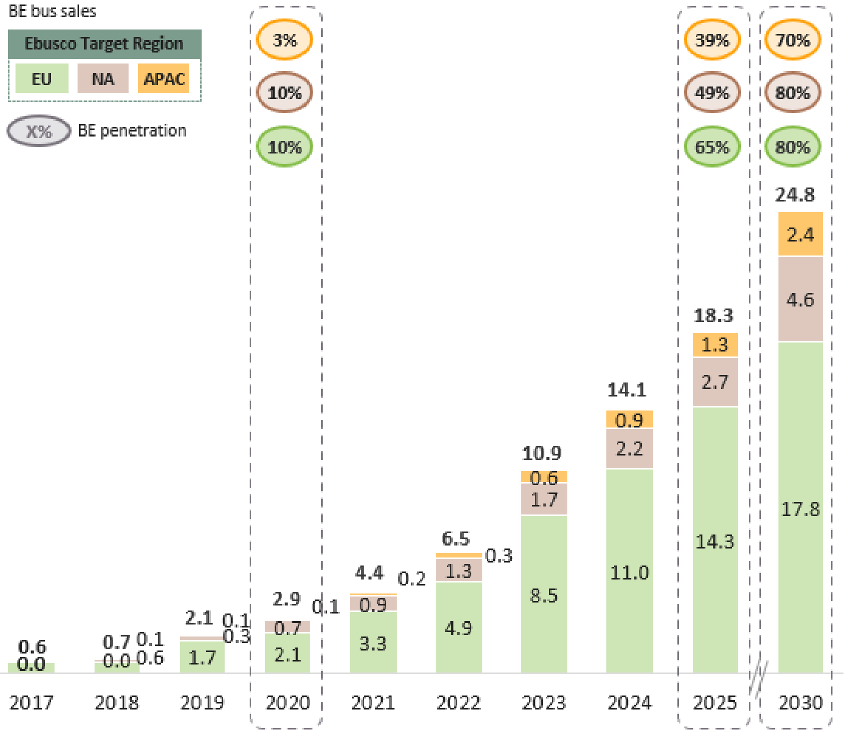
(1) Indicative, based on cumulative sales at end of each year, ignoring scrappage.

Source: Company estimates based on data provided by Roland Berger

The overall market for addressable BE transit buses in the Company's focus regions is expected to grow at a compound annual growth rate (CAGR) of 44% over the 2020-2025 period from approximately 2.9k buses in 2020 to approximately 18.3k buses in 2025. This high growth is predominantly driven by the secular increase in penetration of the overall transit bus market by BE buses, whereby penetration is measured as the share of BE buses out of the total number of transit buses sold per annum. In the short term, this growth is also driven by the expected recovery in demand following the delayed tenders and orders by PTAs and PTOs during the global Covid-19 crisis and the Company expects to make up for the reduced orders. These growth drivers are anticipated across all focus regions.

Figure 1 below illustrates the estimated annual growth of BE transit buses for each of the Company's focus regions for the 2017-2030 period.

Figure 1: Addressable BE transit bus market per Ebusco target region per annum (k vehicles)



Source: Roland Berger

Europe

The European BE transit bus market is expected to grow at a CAGR of approximately 46% over the 2020-2025 period, driven by the expected recovery from the effects of the Covid-19 crisis and increasing penetration of battery electric buses. In Europe the share of new BE buses registered is expected to strongly increase from approximately 10% in 2020 to approximately 65% in 2025. Key factors driving this penetration rate include city mandates for zero emission buses (being road vehicles that emit no pollution from their exhaust), continual improvements in TCO of zero emission buses and overall environmental and city pollution concerns.

Within Europe, Germany, France, Spain and Italy are particularly expected to lead market growth, with CAGRs of approximately 60% or higher for the 2020-2025 period, according to Company estimates. These countries all represent large installed transit bus bases and relatively low current BE bus penetration.

Overall, the share of new BE buses registered is expected to sharply increase across all key European geographies, reaching near full-penetration in the Netherlands, Norway, Germany and Sweden in 2025 and in most other geographies in 2030 (i.e. approximately 90% of all annual registrations).

North America

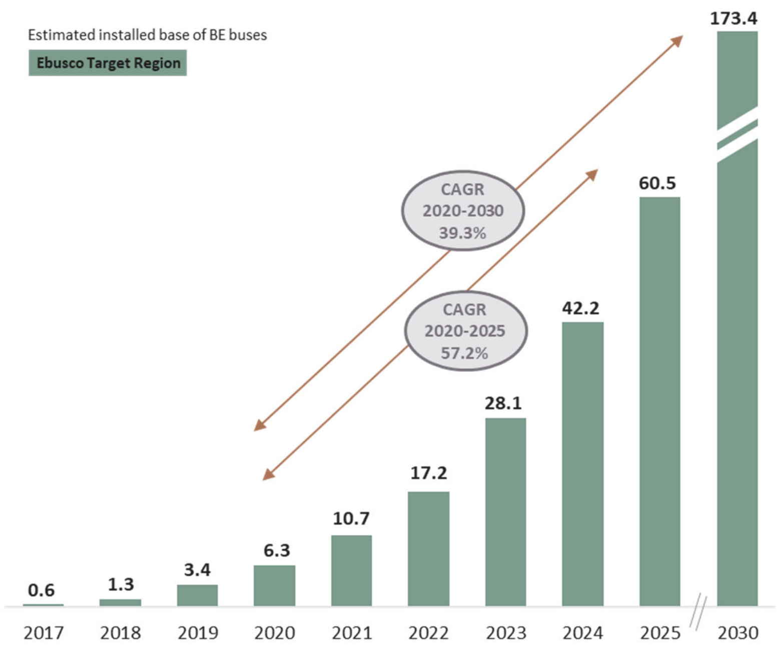
The North American BE transit bus market is expected to grow at a 2020-2025 CAGR of approximately 32%, a lower rate than Europe and APAC (excluding China) due to the large variety of operators, a more limited offering, and competing zero emission bus types. Nevertheless, the share of BE buses is expected to increase strongly from approximately 15% in 2020 to approximately 50% in 2025. Furthermore, the growth of BE buses has upside potential from proposed US Federal funding, notably the "Biden infrastructure plan", which aims to provide every American city with 100,000 or more residents with high-quality, zero emission public transportation options.

APAC (excluding China)

The transit bus market in APAC (excluding China) is expected to grow rapidly at a CAGR of approximately 66% over the 2020-2025 period. Current low penetration of BE buses in APAC (excluding China) of approximately 3% in 2020 is expected to increase to approximately 40% penetration by 2025.

Countries such as Australia and Japan are expected to experience very high growth due to current low BE bus penetration, with several Australian cities and states targeting 100% annual BE bus procurement by 2030. Whereas Japan is heavily promoting and investing in fuel cell buses, which could limit the potential for BE buses, this is reflected in the expected growth of BE buses due to low penetration levels today.

Figure 2: Installed base of BE transit buses for Ebusco focus regions (k vehicles)

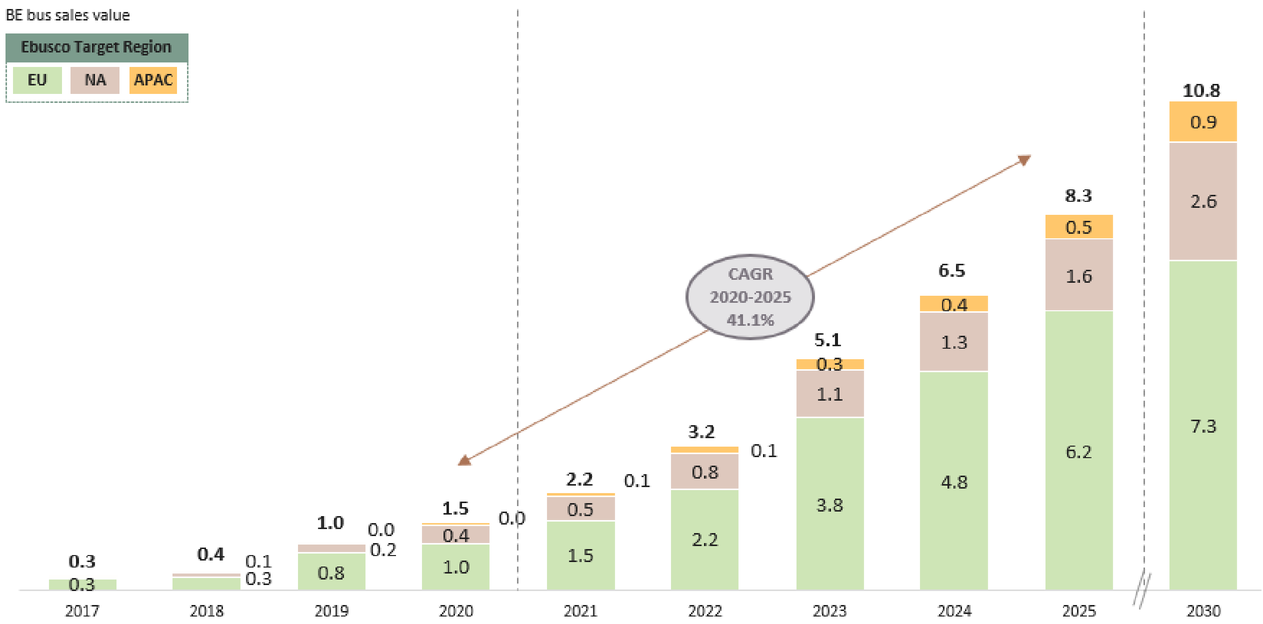


Source: Company estimates based on data provided by Roland Berger; indicative, based on cumulative sales at the end of each year, ignoring scrappage.

The annual growth of the BE transit bus market on a cumulative basis (for the combined Ebusco focus regions) leads to an installed base of approximately 60.5k buses in 2025 and approximately 173.4k buses in 2030, representing a CAGR of approximately 57% (for 2020-2025) and 39% (for 2020-2030), respectively, as illustrated in Figure 2 above[23].

[23] Company estimates based on data provided by Roland Berger; indicative, based on cumulative sales at end of each year, ignoring scrappage.

Figure 3: Addressable BE transit bus market value for Ebusco focus regions (€bn)



Source: Roland Berger

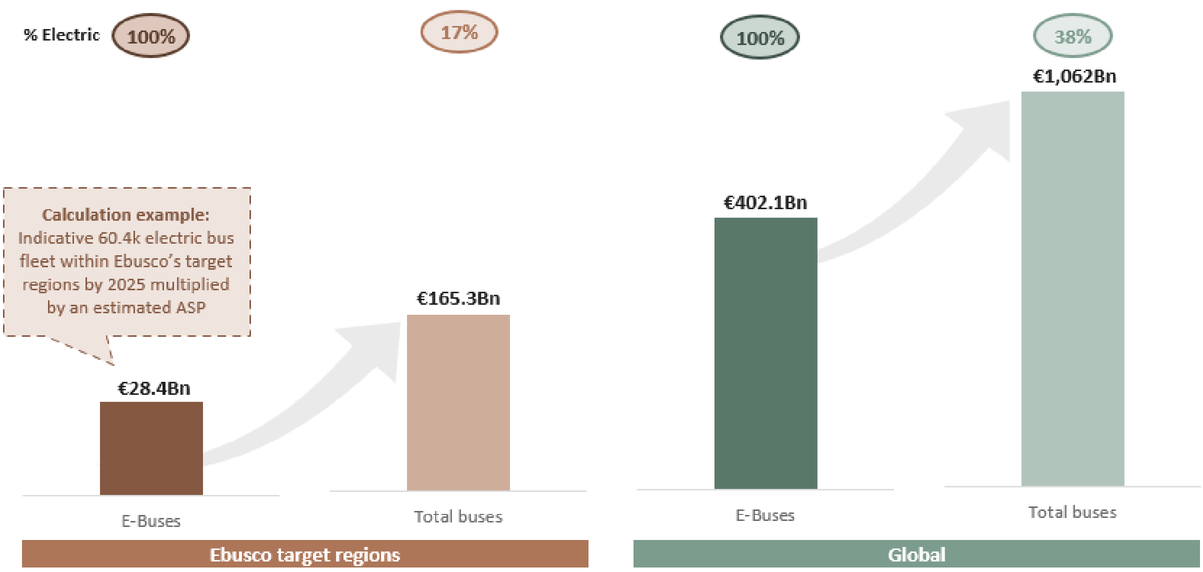
Figure 3 above illustrates that the value of the addressable BE transit bus market in the Company's focus regions is expected to increase from approximately €1.5 billion in 2020 to approximately €8.3 billion in 2025 (based on the estimated 18.3k newly registered buses in that year), representing a CAGR of approximately 41%.

In its projections, Roland Berger has assumed average sales prices of BE buses to decline until 2025 by approximately 5 to 10% resulting from competitive pressure, lower battery costs and, in particular for North America, a negative pricing mix due to relatively lower growth in this relatively higher-priced region.

Figure 4 below illustrates the value of the BE transit bus market relative to the total transit bus market in 2025, for the Company's focus regions only (on the left hand side) as well as globally (on the right hand side). Based on this analysis, the Company expects that approximately 38% of the global transit bus fleet will be electric by 2025.

Bloomberg New Energy Finance forecasts (in its Electric Vehicle Outlook 2021 report) that municipal buses are to electrify faster than any other segment of road transport, with BE buses comprising over 62% of the global bus fleet in 2040, mainly driven by increasing economics of BE buses versus buses with internal combustion engines (ICE), and growing concerns around poor urban air quality and broader decarbonisation goals.

Figure 4: Expected installed base of municipal transit buses in 2025[24]



Source: Company information, Bloomberg NEF Electric Vehicle Outlook 2021, Roland Berger

Trends and drivers of Ebusco's addressable markets

According to Roland Berger, most market trends and drivers are expected to develop in favour of the Company's addressable BE transit bus market, which is illustrated through Figure 5 below.

Figure 5: Key market trends and drivers to 2025

Key drivers and trends		Impact	Magnitude	Comments
General	Macroeconomic factors	↗	◑	Global population growth and urbanisation, especially in developing countries, is predicted to fuel demand for public transportation
General	Covid-19 impact	↘	◔	Covid-19 revived the demand for individual mobility and delayed tenders – No significant long-term impact on bus demand expected
General	Transit infrastructure investments	↗	◑	Transit infrastructure investments were and are being implemented globally to push decarbonisation as well as economic development
Regulation	Emission regulations	↗	●	Regulators expected to increase push for electric buses in both Europe and the US.

24 Analysis includes city & inter-city buses.
- Estimated BE transit bus ASP is based on different prices as well as price reductions per region. Value estimated cumulative vehicle sales in focus geographies 2017- 2025 of c.60.5k (indicative, ignoring scrappage) (source: Roland Berger).
- For 'E-Buses' in the Company's focus regions, the expected battery electric bus fleet size in the Company's focus geographies in 2025 (60.5k vehicles) is multiplied with the estimated BE transit bus average sales price (ASP) (source: Roland Berger).
- For the 'Total Buses' in the Company's focus regions, the 2025E targeted region (Europe, US, Canada & Japan) municipal (city & inter-city) bus fleet (349k vehicles) (source: Bloomberg NEF Electric Vehicle Outlook 2021) is multiplied with the estimated BE transit bus ASP.
- For 'E-Buses' in the global transit bus market, the expected global BE bus fleet size in 2025 (850k vehicles) (source: Roland Berger) is multiplied with estimated BE transit bus ASP.
- For 'Total Buses' in the global transit bus market, the 2025E global municipal (city & inter-city) bus fleet (2,245k vehicles) (source: Bloomberg NEF Electric Vehicle Outlook 2021) is multiplied with the estimated transit bus ASP;

Key drivers and trends		Impact	Magnitude	Comments
				Neutral outlook for China as penetration already high
	City restrictions and targets	↗	●	To reach emission targets, cities around the world are driving the electrification of their bus fleets
	Purchase and tax incentives	↗	◐	Subsidies for electric buses have been introduced in Europe and North America, with continued increases in investment
Technology & Customers	Customer preferences	↗	◐	Operators prefer environmentally friendly solutions as long as basic range and capacity requirements are met and TCO is comparable to other solutions
Technology & Customers	Performance and TCO improvements	↗	◐	The performance of BE buses as well as their cost position is constantly improving –TCO better than diesel buses in many cases

↗ Positive impact → Neutral impact ↘ Negative impact ● High impact ○ Low impact

Source: Roland Berger

General

– **Macroeconomic factors**: Macroeconomic trends such as ongoing global population growth and urbanisation, especially in developing countries, are expected to drive growth in the overall transit and BE transit bus market according to Roland Berger.

Based on estimates of the United Nations (UN), the world population is projected to reach 8.5 billion by 2030, and to increase further to 9.7 billion by 2050[25]. The UN further estimates that by 2030, urban areas are projected to house 60% of people globally and one in every three people will live in cities with at least half a million inhabitants[26]. The Company believes that the changing demographic landscape in combination with a higher concentration of people in urban areas will perpetuate the need for BE transit buses.

– **Covid-19 impact**: Roland Berger estimates that, although the Covid-19 crisis has revived the demand for individual mobility and delayed tenders by PTAs and PTOs, over the long term there is no significant long-term impact on bus demand expected from this crisis. With the increasing vaccination of populations and growing population and urbanisation discussed above, management expects that the adverse impact of Covid-19 on the use of public transportation and the tender activity of the Company's existing and new clients will dissolve over time.

– **Transit infrastructure investments**: Public bus transit is generally in focus of governments around the world, since change to bus transit infrastructure is often easier to implement compared to infrastructure via rail systems, including train, light-rail or subway systems. Globally there are multiple support plans to push decarbonisation through transit infrastructure investments. A selection of plans is provided in the below table.

25 www.un.org/en/global-issues/population
26 UN Report - The World's Cities in 2018

Europe	North America	Asia
– EU Green New Deal, aiming at 100% carbon neutrality by 2050 – transport sector is considered a major area for decarbonisation – €24 billion budget for sustainable transport infrastructure projects across all transport modes[27] – Numerous additional programmes, for example a €750 billion recovery plan and further plans at EU member state level	– Proposed INVEST in America Act considering $105 billion in transit investments to encourage public transport options and support zero emission buses – Proposed American Jobs Act supporting replacement of 50,000 diesel transit vehicles and the electrifying of at least 20% of yellow school buses – Announced $14.9 billion transit funding programme in Canada	– Existing substantial public transportation system investments, especially within mega cities in China (China contributed approximately 98% of global electric bus registrations in 2018) – Strong regulatory approach with targeted subsidies for OEMs, subject to certain new energy vehicle sales quota and technology requirements

Source: Company information based on Roland Berger

On 10 August 2021, the US Senate approved President Biden's electric vehicles agenda with the Senate's passage of the Infrastructure Investment and Jobs Act. While the package includes no major spending on passenger vehicles, there are key electric bus provisions that are expected to help grow the US electric bus fleet. The bill includes up to $5.25 billion for the low- and no-emission grant program, which allows states and municipalities to apply for zero-emission bus grant funding. Separately, $5 billion has been put aside for zero emission and clean school buses. If enacted, the bill could pay for 7,000 to 10,000 electric transit buses. This procurement represents 10% to 14% of the US transit bus fleet according to Bloomberg NEF. The bipartisan bill could also fully fund up to 12,500 school electric buses.

Regulations

Regulations and various incentive schemes are a key driver for the electrification of the bus powertrain in countries around the world, especially in Europe and North America.

– **Emission regulations**: Numerous countries have signed the Paris Agreement, which lays out public policy initiatives for signatory governments worldwide to limit global warming and reduce greenhouse gas emissions. These resolutions for governments to address global climate change also place pressure on them to switch from internal combustion engine to zero emission buses.

In order to comply with the Paris Agreement, the EU adopted a 2030 climate and energy framework. Under this framework, the EU has set an emission reduction target of 30% until 2030 for heavy-duty vehicles. In 2022, the scope is planned to be extended to include other vehicle types such as medium duty trucks, buses and light commercial vehicles (LCVs). Further, in its Clean Vehicle Directive, the EU has set a target of at least 45% of newly registered city buses being equipped with alternative

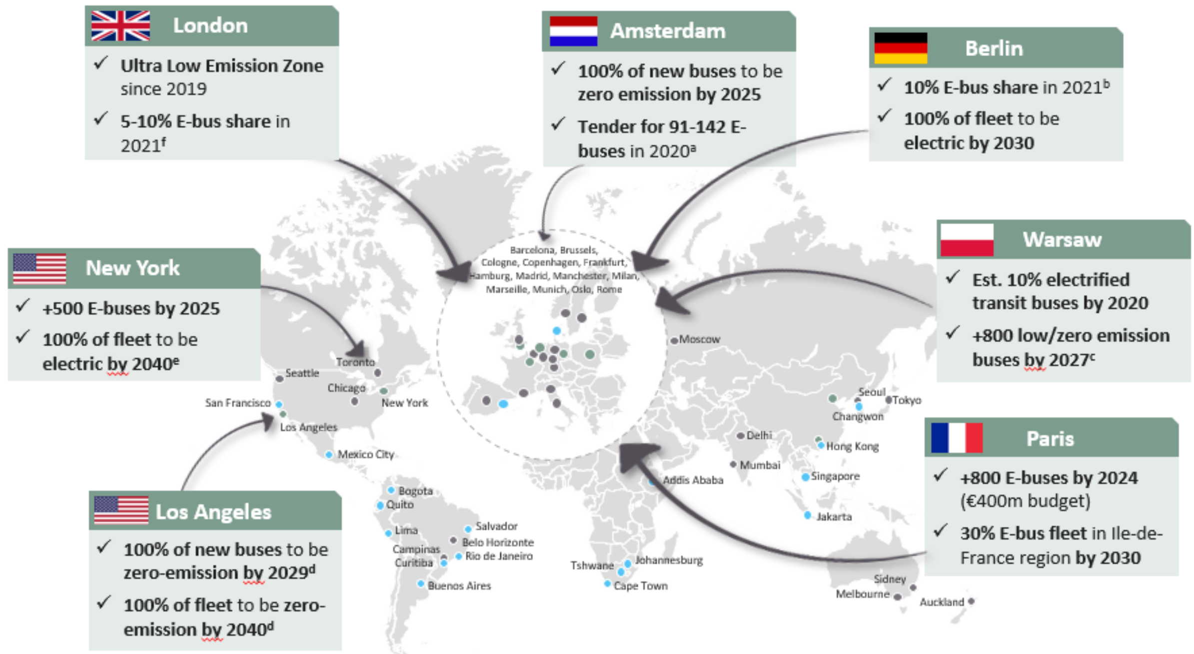
27 Active between 2014-2020 as "Connecting Europe Facility". As of April 2021 the European Climate, Infrastructure and Environmental Executive Agency (CINEA) took over the legacy portfolio

powertrains by the end of 2025 and 50% to 65% by 2030, depending on country[28]. The United Kingdom is aiming to reduce carbon emissions by 68% by 2030.

In the US, the national programme for greenhouse gas emissions (GHG) and fuel economy standards of the Environmental Protection Agency (EPA) also apply to buses. The programme, which is supported by the National Highway Traffic Safety Administration (NHTSA), promotes a new generation of cleaner, more fuel-efficient commercial vehicles (including buses) by encouraging the development and deployment of new and advanced cost-effective technologies. The fuel economy standards of the EPA aim to lower CO2 emissions by approximately 1.1 billion metric tons, save vehicle owners fuel costs of about $170 billion and reduce oil consumption by up to two billion barrels over the lifetime of the vehicles sold under the programme[29].

– **City restrictions and targets**: To reach emission targets, many cities around the world are driving the electrification of their bus fleets:

Figure 6: Strong regulatory push leading to cities imposing restrictions and incentives to reach emission targets



- Initiatives shown
- Additional cities with initiatives to electrify their fleet
- Selected Cities that signed the C40 Clean Bus Declaration

a. Major recent tender (November 2020) for purchase of 91 to 142 electric buses.
b. Estimated electric bus share of all transit buses by end of 2021.
c. Warsaw plans to put 800 low or zero emission buses into operation until 2027 (>half of entire bus fleet).
d. Commitment only.
e. Pledge to increase the electrification share of their bus fleets up to 100%.
f. Estimated electric bus share of all transit buses by end of 2021.

Source: Company information based on Roland Berger, exemplary for Europe and the US

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28 These targets include not only buses with electric powertrains or fuel cells but also those running on biofuels or liquefied gas

29 www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-greenhouse-gas-emissions-commercial-trucks

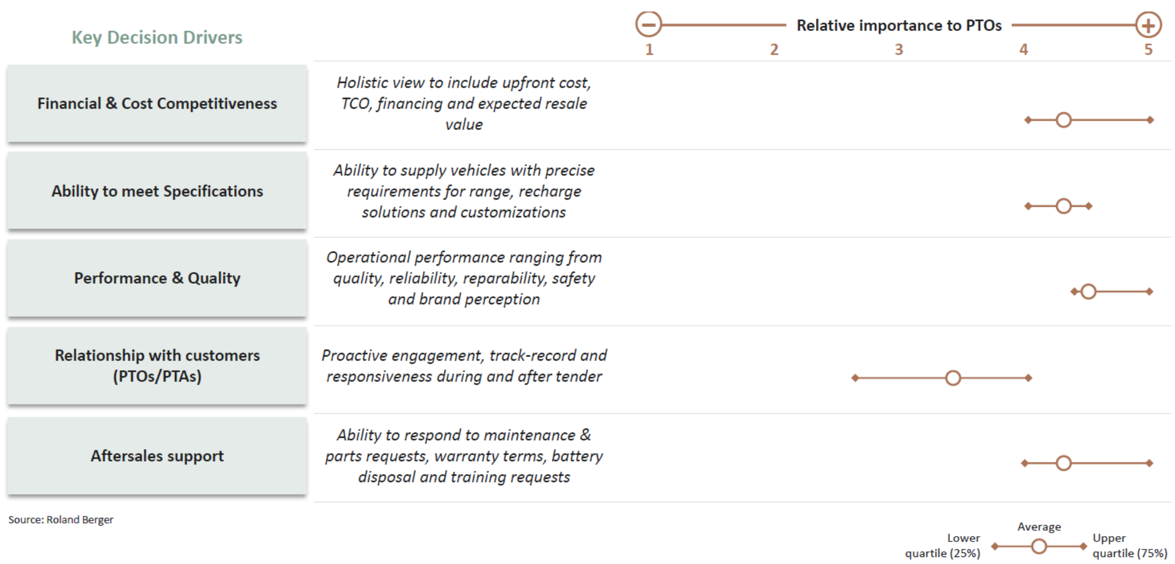
A notable example of a city-led support plan to push decarbonisation is the "C40 Cities" clean bus declaration, which is an initiative of the C40 Cities network, which started in 2015 and aims to increase the share of zero emission buses in city transit systems. Most C40 Cities have pledged to procure only zero emission buses by 2025[30]. London mayor Sadiq Khan has also announced that all new buses ordered by Transport for London (**TfL**) will be zero-emission going forward with a commitment to deliver a 100% zero-emission bus fleet in London brought forward by three years from 2037 to 2034.

– **Purchase and tax incentives**: In addition to the regulatory frameworks and city-led initiatives discussed above, many countries also offer incentive and tax benefit schemes to subsidise and promote the purchase and use of BE buses. For example, in Sweden, subsidies are granted via premiums of up to 20% of the purchase price of electric buses, subject to such premium not being higher than the price difference with a comparable diesel bus. Similarly, in Amsterdam, Netherlands electric buses are subsidized up to €40,000 per bus. In Germany, a federal funding scheme is in place for up to 80% of the additional investment costs or expenses of electric buses, compared to diesel buses, including the required investment in associated charging infrastructure. The government of Denmark has set a similar investment, investing DKK 75 million towards accelerating the transition to green buses (including biogas, bio diesel, electricity or hydrogen) and a tax exemption for commercial charging. In China, national and local level tax reductions are available for electric buses[31].

Technology & Customers

– **Customer preferences**: The regulatory 'push' as described above, but also the increasing preference of PTAs, PTOs and the underlying end-customers for environmentally friendly transportation solutions drive PTOs and PTAs to procure fully-electric transit solutions. Figure 7 below illustrates five key electric bus procurement criteria for operators, including their relative performance. The analysis, based on a survey conducted by Roland Berger[32], demonstrates that financial competitiveness, ability to meet specifications, performance and quality, and after-sales support are currently the key procurement criteria for operators:

Figure 7: Importance of key purchasing criteria for transit bus operators



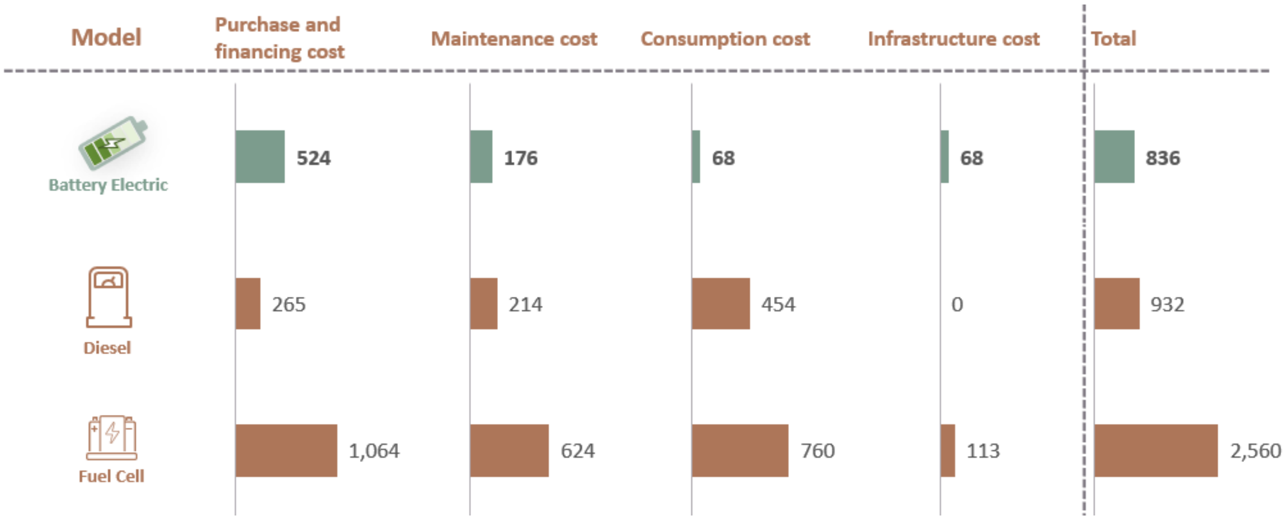
30 www.c40.org/other/clean-air-cities

31 Source: The International Council on Clean Transportation, "Driving a Green Future"

32 Based on 32 interviews with operators from Germany, United Kingdom, Spain, Italy, France, Poland, Netherlands, Sweden, Canada and United States

– **Performance and TCO improvements**: According to Roland Berger, over the last five to six years, BE buses have improved significantly with regard to range, recharging speed and weight, which is the result of rapid technology developments and strong industrialisation efforts by OEMs. A comparison of fuel cell and BE technology in commercial vehicles by Roland Berger has shown that the BE technology is very suitable for transit buses due to the plannable, low-to-medium range routes and "back-to-base" (depot) operations. Figure 8 below illustrates a total cost of ownership analysis of transit buses in the Netherlands in 2020, highlighting the cost competitive nature of BE transit buses versus diesel and fuel cell transit buses[33].

Figure 8: Illustrative TCO comparison of transit buses (2020, in €k)[34]



Source: Roland Berger

Competitive Environment

The BE transit bus market is undergoing rapid transformation with global innovation occurring among a variety of emerging and traditional bus OEMs. Competition is based on a range of mission critical competitive factors, including technological capabilities (e.g. range, battery life, and performance under various conditions), manufacturing capability, customer relationships, and TCO. Relative performance against these (and other) competitive factors among OEMs is expected to define the winners and losers in the sector, over the longer term. Today, the BE transit bus market is heavily fragmented, and mainly consists of manufacturers focused on their respective domestic/regional markets. There are significant barriers to becoming successful cross-border, such as the need for local production, customer relationships, and a product that needs to satisfy high-quality standards and customisation by region.

The Company views itself as very well-positioned versus its main competitors, which can be categorised into the following segments:

– *pure BE bus OEMs*, which includes developers and manufacturers dedicated to BE powertrain technology and buses. Most of these competitors have only entered the market in recent years and none of them have the production and real-road kilometre track-record to match that of the Company, with some players not having reached the commercialisation at all;

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33 A similar TCO comparison of transit buses in Germany in 2020 highlights the cost competitive nature of BE transit buses in a similar manner

34 Illustrative example Netherlands; excluding drivers with assumed lifetime of 10 years and 80k km annual mileage; Assumed energy consumption: 0.9 kWh/km (BE bus); 0.42 l/km (diesel); 0.1 kg/km (FC); Current generation fuel cell stacks typically not with sufficient durability to achieve operating hours comparable to BE or diesel buses, hence one replacement of the FC stack assumed during lifetime; 'Infrastructure costs' includes conservative assumption that no additional diesel petrol stations investments are required for newly purchased transit buses in the future

– *OEMs with an EV focus*, manufacturers that have a production track record in BE transit buses, but also have significant operations in other (zero emission) powertrain technologies, therefore dividing their attention and resources; and

– *traditional OEMs*, incumbent transit vehicle integrators that have served the transit bus market with diesel and diesel-hybrid products, often for decades, and challenged by the current transition to zero emission. Many of them have recently amended their traditional bus manufacturing facilities to be able to manufacture BE buses (often based on their existing ICE bus design) and the Company believes these OEMs predominantly rely on historical customer relationships, rather than a differentiated offering, in order to win tenders.

Figure 9: BE transit bus competitive landscape

Source: Company information

Most other BE transit bus manufacturers are traditional OEMs, some with a developed focus on EV, with only a very limited number of pure BE bus OEMs. In the Company's view, pure BE bus OEMs are at a fundamental advantage over traditional OEMs, which the Company believes are hindered by significant investments in their existing capabilities focused on traditional ICE buses, and by slow decision-making processes due to their complex organisational structures and management layers. It also believes transit buses in general form a non-core segment at many of the traditional OEMs, on the basis that it represents a relatively minor contribution to revenue, and profits of such groups when compared to their passenger car, truck, or other commercial vehicle activities, and often generate low returns. This leads to a reduced allocation of focus, talent and resources, as the success of bus operations is not critical to the overall success of those OEMs. Traditional OEMs also face significant sunk costs in legacy bus platforms and are often amending their traditional bus production lines, following a path of lowest resistance rather than a complete overhaul of bus design and production led by innovation and the required innovation mindset and investments that come with it. In addition, they may face unattractive prospects of significant personnel re-deployment or terminations. The Company believes that if traditional OEMs should decide to invest heavily into BE buses, it still has a significant first-mover advantage of up to six years, the time it takes for a complete re-design of a BE bus including state-of-the-art lightweight technology.

Compared to other pure BE bus OEMs, the Company has by far the most extensive and longest manufacturing and real-road kilometre track-record, and it believes it is the most successful manufacturer in Europe in the markets where it is currently active, based on its 2020 market share. Proterra is the market leader in North America with a 48% share in new electric transit bus registrations in 2020[35]. The Company believes Proterra's success in the US presents a good example of the significant advantage of pure BE bus OEMs over traditional bus OEMs and with that supports the Company's own

[35] Source: Roland Berger

international roll-out ambitions, including in North America. Key performance metrics benchmarking evaluated by ECS in the Technical VDD Report leads to the conclusion that the Company's 3.0 model is superior to leading BE bus OEMs on the market in North America measured by key performance metrics. It delivers better performance in terms of range, energy consumption, charging speed, curb weight, it supports more seats, and delivers at competitive manufacturing cost level. According to ECS and Roland Berger, at 9,500 kilograms, the Ebusco 3.0 is approximately 27% lighter than the next lightest electric bus of the Group's key competitors. Among the pure BE bus OEMs, Ebusco's extensive real road experience sets it further apart with its installed base of BE buses having driven in aggregate over 30 million kilometres as at 1 September 2021while Arrival has none. Furthermore, compared to all pure BE bus OEMs, the Company differentiates itself with its proven ability to operate in an international context, with current operations in seven countries.

In the future, competition may also come from other players planning to introduce BE bus products[36], including from the following regional manufacturers:

– China: Yinlong, FAW, Higer, DFM, SAIC;

– EU: Otokar, Linkker, Renault, Caetano, Hess, Heuliez, Rampini, Sileo, SOR, Van Hool, Optare; and

– RoW: Mahindra, Electra.

Compared to all existing competitors, the Company believes the TCO delivered by its 3.0 model is significantly more attractive than buses currently offered by any other BE bus manufacturer, including OEMs focused on lightweight technology.

Europe – the BE transit bus market in Europe includes mostly traditional OEMs. The Company is rapidly gaining market share as one of a few pure BE bus OEMs, with a market share increase from approximately 0.9% in 2018 to approximately 5.0% in 2020 and approximately 8.4% in the first quarter of 2021[37]. Key to its market share gains is its success with obtaining repeat orders from customers, who reward the Company for delivering the performance it promises and ability to meet customer-specific customisations.

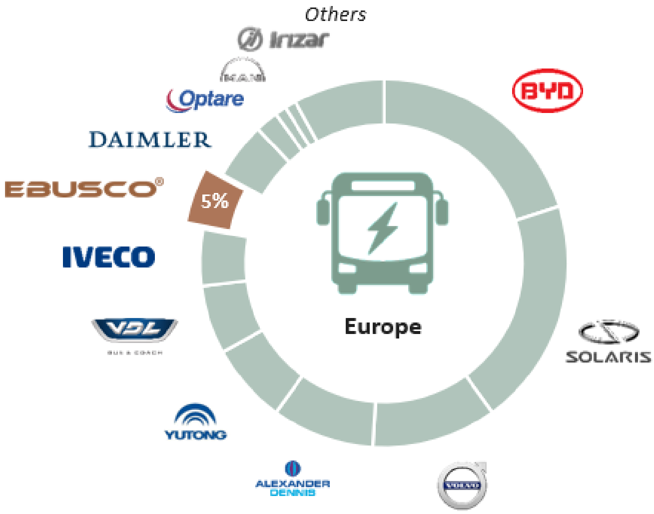
As operators are only at the beginning of a wave to transform their fleets to zero emissions, the Company believes continuing to deliver for its current customers is an important component of its strategy to continue its successful path in Europe. To date only a gradual adoption towards zero emission has taken place at PTAs and PTOs, initially with smaller orders, reflecting a cautious stance ahead of a fundamental transition. However, the Company believes it has obtained more repeat orders with its top customers to date compared to its competitors, including from some of Europe's largest fleet owners. Examples include SWM (relationship tenure 7 years, including 4 repeat orders), PostAuto (relationship tenure 6 years, including 2 repeat orders), Qbuzz (relationship tenure 5 years, including 5 repeat orders), Transdev (relationship tenure 2.5 years, including 4 repeat orders), and Deutsche Bahn (relationship tenure 2.5 years, including 2 repeat orders). The Company believes that by merely keeping its current share of new orders with its existing customers, its production will reach over 3,000 buses per annum over the medium term, in line with its stated medium-term objectives.

Moreover, having secured a sizeable order from Transdev, one of Europe's largest PTOs, the Company is confident in its ability to meet its medium-term objectives. Like many other PTAs and PTOs, Transdev have relied on traditional OEMs for decades and the Company believes its recent large orders wins for BE buses evidences Transdev's and PTO peers' transition towards new suppliers who are better able to deliver superior BE bus performance propositions.

[36] Source: Roland Berger, non-exhaustive and indicative examples

[37] Source: Chatrou CME Solutions – Alternative Drivelines for City buses; Company's market share refers to Western-Europe and Poland. Market share in first quarter of 2021 is based on 46 buses delivered and registered

Figure 10: Market share of BE transit bus OEMs in 2020[38]



According to Roland Berger, Europe is expected to remain a growth market based on high subsidy levels and regulatory "push" for electrification of transit bus fleets.

North America – According to Roland Berger, the competitive landscape in North America is more concentrated than in Europe, with fewer established BE transit bus OEMs (especially Proterra, Canadian-based NFI Group (New Flyer), BYD and Gillig). Like in many other jurisdictions, local production and local relationships with PTOs and PTAs are key. Due to the "Buy America" requirements for federally funded procurement (including buses for federally funded transit authorities), all BE transit buses in the United States need to be manufactured locally, which means that 70% of the bus cost, including components, must be from US suppliers and/or facilities. China-based BYD are able to meet these requirements through its manufacturing site in Lancaster, California. It is worth noting that the current North American BE transit bus landscape includes several players that have a limited or no production track record and have yet to prove their ability to commercialise their products (e.g. Arrival). With Ebusco's planned investments for an OEM plant in the United States as part of its international roll-out plan, the Company will be able to start offering the Ebusco 3.0 in North America. The Ebusco 3.0 is a model superior to the leading BE bus OEMs on the market measured by key performance metrics, such as range, energy consumption, charging speed, curb weight, and number of seats, according to ECS. Moreover the ECS analysis shows that the manufacturing costs of Ebusco buses are lower compared to conventional electric bus designs.

APAC (excluding China) – According to Roland Berger, the level of competition in the Company's focus regions in Asia-Pacific is relatively limited, which coincides with the low penetration rates of BE buses currently. In Australia, New Zealand and Singapore, the main competition is expected to come from companies like BYD (in New Zealand through its partnership with UK-based Alexander Dennis Limited) and Yutong. In Japan, there are a number of local competitors with strong existing connections to local PTOs and PTAs (e.g. Hino); however, these OEMs have a limited BE bus offering and some (e.g. Toyota and Fuso) may invest more heavily in fuel cell buses currently, which are being promoted by the Japanese government.

38 Source: Chatrou CME Solutions. Based on new registrations in the Netherlands, Belgium, Luxemburg, Great Britain, Iceland, Norway, Sweden, Finland, Denmark, France, Germany, Switzerland, Austria, Portugal, Spain, Italy, Greece, Poland. "Others" include Caetano, Alstom, Bluebus, Rampini, Karsan, Temsa and Vectia

China

Chinese OEMs are the largest players in the global market as the Chinese domestic industry represented over 90% of global transit bus vehicle registrations in 2020[39]. However, Chinese OEMs are typically not competing with the Company as their operations remain heavily focused on China, with the exception of BYD who, with manufacturing sites across Asia, North America, Europe and South America, is currently the only BE bus manufacturer with a global footprint. In the Company's view, BYD was able to build up its global position by offering a more advanced product than competitors were able to several years ago, an advantage fuelled by the early adoption of zero emission transit buses by China, a trend that started over a decade ago. Today, as its technological advantage has diminished, BYD mostly wins its tenders on price and by having a manufacturing footprint greater than its competitors.

Ebusco's competitive offering

Although the Company faces strong competition in the transit bus market from new and established competitors alike, based on the Company's key strengths (see "*Business—Key Strengths*"), it firmly believes its product offering with the Ebusco 2.2 and Ebusco 3.0 is highly competitive. This is confirmed by ECS analysis, comparing a number of performance criteria of the Ebusco 2.2 and 3.0 versus competing BE buses with similar lengths (12 metres).

Figure 11: Outperformance Ebusco 2.2 and 3.0 versus selected competitors and criteria[40]

	Model (12 m)	Overall	Range (km)	Battery capacity (kWh)	Range-capacity (km/kWh)	Curb weight (ton)	Passenger capacity (#)
EBUSCO	3.0	#1	575	383	1.50	9.5	95
EBUSCO	2.2	#2	408	363	1.12	12.9	90
YUTONG	E12	#3	370	374	0.99	14.5	96
Mercedes-Benz	eCitaro 12	#4	271	396	0.68	14.8	74
VOLVO	7900 Electric	#5	200	250	0.80	13.0	95
BYD	K9	#6	250	324	0.77	14.4	80
VDL	Citea SLF-120	#7	243	350	0.69	13,3	72
SOLARIS	Urbino 12 Electric	#8	200	316	0.63	13.9	72

Source: Company information based on Roland Berger and ECS.

Adjacent industries in the broader electric vehicle ecosystem

Given the Group's current suite of products and services, which includes products and services across the electric vehicle ecosystem, the Group believes it is well-placed to capture market share in adjacent industries by responding to growth in demand for smart charging infrastructure, energy storage and grid balancing solutions and heavy-duty batteries (for use in ferries, barges and other shipping vehicles).

In addition to the market for BE transit buses, cumulative commercial investment in electric vehicle charging infrastructure is expected to reach approximately €20 billion by the end of 2025 according to estimates by Bloomberg NEF[41].

39 Source: Roland Berger
40 Range potential under ideal conditions. Mercedes-Benz bus refers to Mercedes-Benz NMC 292kWh model and the VDL bus refers to the VDL SLF-120 350kWh model
41 Bloomberg NEF Electric Vehicle Outlook 2020

Using its bus experience, battery know-how and increasing purchasing volumes, the Group may be able to produce and sell competitive commercial vehicle (CV) battery packs to other manufactures (within and outside the bus industry). According to Roland Berger, the global demand for BE medium-duty trucks (MDT), heavy-duty trucks (HDT) and buses is expected to grow continuously until 2030. Global demand for BE CVs (with a weight over six tons) is expected to grow to over 400,000 by 2030, leading to a strong increase in production of BEV CV battery packs. According to Roland Berger, this global BEV CV battery pack market is expected to amount to approximately €12 billion by 2030 (excluding battery demand for fuel cell or hybrid vehicles).

Furthermore, in the long term, the Group has identified additional business opportunities, including, but not limited to, BE coaches, bus rapid transport (BRT) solutions (representing solutions for highly frequented and high-quality bus transport in metropolitan areas), autonomous driving and secure a local partner to penetrate the Chinese market for buses, ESS and charging infrastructure. According to Roland Berger, it is estimated that by 2030 there will be approximately 180,000 to 200,000 registrations for BE coaches (with capacity for more than 8 passengers, excl. mini-buses), of which approximately 10% to 20% are expected to be zero-emission.

CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group's capitalisation and indebtedness as of 31 July 2021, on an actual basis and as adjusted to give effect to (i) the receipt of the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option, an Offer Price at the bottom of the Offer Price Range and taking into account that the Company is offering such number of Offer Shares as will raise gross proceeds of €300 million); (ii) the repayment of the ING Credit Agreement, the RVO loan (both as defined below), the repayment of €10 million of the Facilities Agreement and the repayment of the Group's cumulative preference shares of €10.0 million (collectively each of the items in (ii) above referred to as the **Debt Repayments at IPO**); and (iii) the payment of €25.75 million for the remainder of the Pondus purchase price that the Company must pay after completion of the Offering. The information set out in the tables below is derived from the Group's unaudited management accounts as at 31 July 2021 and should be read in conjunction with and is qualified by reference to the sections "*Important Information—Presentation of Financial and Other Information*", "*Operating and Financial Review*", "*Consolidated Interim Financial Statements*" and "*Special Purpose Consolidated Financial Statements*".

The following table shows the Group's capitalisation as of 31 July 2021.

Capitalisation

	Actual	Adjustment	Adjustment	As Adjusted[(a)]
	As at 31 July 2021 (unaudited)	Net proceeds of the Offering	Debt Repayments at IPO	As at 31 July 2021 (unaudited)
		(€ thousands)		
Total current debt (including current position of non-current debt)[(1)]	**52,390**	**-**	**(51,050)**	**1,340**
Guaranteed[(2)]	5,058	-	(5,058)	-
Secured[(3)]	40,942	-	(39,602)	1,340
Unguaranteed/Unsecured[(4)] .	6,390	-	(6,390)	-
Total non-current debt (excluding current portion of non-current debt)[(5)]	**14,271**	**-**	**(10,000)**	**4,271**
Guaranteed	-	-	-	-
Secured[(6)]	1,541	-	-	1,541
Unguaranteed/Unsecured[(7)] .	12,730	-	(10,000)	2,730
Shareholder equity	**18,708**	**283,000**	**-**	**301,708**
a. Share capital[(8)]	45	139.5	-	184.5
b. Legal reserves[(9)]	9,761	-	-	9,761
c. Other Reserves[(10)]	8,902	282,860.5	-	291,762.5
Total	**85,369**	**283,000**	**(61,050)**	**307,319**

Notes:

[(a)] The As Adjusted column represents the sum of the unaudited financial positions as at 31 July 2021 on an actual basis and as adjusted to give effect to (i) the receipt of the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option), (ii) Debt Repayments at IPO, (iii) the payment of €25.75 million for the remainder of the Pondus purchase price that the Company must pay after completion of the Offering.

(1) Total current debt of €52.4 million, which comprises loans and borrowings (current liabilities) of €51.1 million and current lease liabilities of €1.3 million from the Group's unaudited management accounts as at 31 July 2021.

(2) Guaranteed current debt consists of loans and borrowings (current liabilities) from the Group's unaudited management accounts as at 31 July 2021 which have been guaranteed. This comprises the remaining amount of the Group's RVO loan, which is covered by a parent guarantee granted by Peter Bijvelds Holding and rights of pledge granted by Ebusco B.V. in favour of the lender on assets which are financed by this loan as disclosed in "*Operating and Financial Review—Loans and Borrowings—Netherlands Enterprise Agency Loan*".

(3) Secured current debt consists of the current lease liabilities of €1.3 million, which are secured by leased assets, included in the Group's unaudited management accounts as at 31 July 2021; €7 million of credit facility, which is secured by pledged assets, included in the Group's unaudited management accounts as at 31 July 2021; ING Credit Agreement of €32.5 million, which is secured by the Pondus assets as disclosed in "*Operating and Financial Review—Loans and Borrowings–ING Credit Agreement—Security*" and €0.1 million of interest accrual related to the ING Credit Agreement included in the Group's unaudited management accounts as at 31 July 2021.

(4) Unguaranteed/unsecured current debt consists of loans and borrowings (current liabilities) from the Group's unaudited management accounts as at 31 July 2021 which have not been guaranteed or secured.

(5) Total of non-current debt comprises loans and borrowings (non-current liabilities) of €12.7 million and non-current lease liabilities of €1.5 million from the Group's unaudited management accounts as at 31 July 2021.

(6) Secured non-current debt consists of the non-current lease liabilities included in the Group's unaudited management accounts as at 31 July 2021 which are secured by the leased assets.

(7) Unguaranteed/unsecured non-current debt consists of loans and borrowings (non-current liabilities) from the Group's unaudited management accounts as at 31 July 2021. This comprises the Group's cumulative preference shares of €10.0 million, the Group's other financing of €0.4 million and the Group's Shareholder's loan of €2.3 million.

(8) Share capital from the Group's unaudited management accounts as at 31 July 2021.

(9) Legal reserves include the cash flow hedge reserve of €0.1 million, cost of hedging reserve of €(8) thousand (debit balance) and other legal reserve of €9.7 million as reported in the Group's unaudited management accounts as at 31 July 2021.

(10) Other reserves consist of the share premium of €8.9 million from the Group's unaudited management accounts as at 31 July 2021. Other reserves excludes retained earnings of €12.5 million which represents the balance of retained earnings as at 31 December 2020 from the consolidated statement of financial position included in the Financial Statements and retained earnings of €(399) thousand (debit balance) which represents the balance of retained earnings as at 30 June 2021 from the unaudited condensed consolidated statement of financial position included in the Interim Financial Statements.

Indebtedness

	Actual	Adjustment	Adjustment	Adjustment	As Adjusted[a]
	As at 31 July 2021 (unaudited)	Net proceeds of the Offering	Debt Repayments at IPO	Remainder of Pondus Purchase Price	As at 31 July 2021 (unaudited)
			(€ thousands)		
A. Cash[1]	2,093	283,000	(61,050)	(20,000)[6]	204,043
B. Cash equivalents	-	-	-	-	-
C. Other current financial assets[2]	8,037	-	-	-	8,037
D. Liquidity (A)+(B)+(C)	**10,130**	**283,000**	**(61,050)**	**(20,000)**	**212,080**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[3]	51,050	-	(51,050)	-	-
F. Current portion of non-current financial debt[4]	1,340	-	-	-	1,340
G. Current financial indebtedness (E)+(F)	**52,390**	**-**	**(51,050)**	**-**	**1,340**
H. Net current financial indebtedness (G)-(D)	**42,260**	**(283,000)**	**10,000**	**20,000**	**(210,740)**
I. Non-current financial debt (excluding current portion and debt instruments)[5]	14,271	-	(10,000)	-	4,271
J. Debt instruments	-	-	-	-	-
K. Non-current trade and other payables	-	-	-	-	-
L. Non-current financial indebtedness (I)+(J)+(K)	**14,271**	**-**	**(10,000)**	**-**	**4,271**
M. Net financial indebtedness (H)+(L)	**56,531**	**(283,000)**	**-**	**20,000**	**(206,469)**

Notes:

(a) The As Adjusted column represents the sum of the unaudited financial positions as at 31 July 2021 on an actual basis and as adjusted to give effect to (i) the receipt of the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option), (ii) Debt Repayments at IPO, (iii) the payment of €25.75 million for the remainder of the Pondus purchase price that the Company must pay after completion of the Offering.

(1) Cash and cash equivalents from the Group's unaudited management accounts as at 31 July 2021.

(2) Other current financial assets consist of the Group's trade receivables of €5.1 million, receivables from other related parties of €1.6 million and other financial assets of €1.3 million from the Group's unaudited management accounts as at 31 July 2021.

(3) Current financial debt consists of loans and borrowings (current liabilities) from the Group's unaudited management accounts as at 31 July 2021 and includes but is not limited to the ING Credit Agreement of €32.5 million and associated accrued interest, €0.8 accrued interest from cumulative preference shares, €7.0 million outstanding from the Group's credit facility under the Facilities Agreement, €5.7 million relating to contingent consideration connected to the Pondus acquisition, and the remaining amount of the Group's RVO loan of €5.0 million, which is due within 12 months.

(4) Current portion of non-current financial debt consists of lease liabilities of €1.3 million from the Group's unaudited management accounts as at 31 July 2021.

(5) Non-current financial debt consists of non-current lease liabilities of €1.5 million included in the Group's unaudited management accounts as at 31 July 2021 and loans and borrowings (non-current liabilities) from the Group's unaudited management accounts as at 31 July 2021. This comprises the Group's cumulative preference shares of €10.0 million, the Group's other financing of €0.5 million and Group's Shareholder's loan of €2.3 million.

(6) With respect to the payment of €25.75 million for the remainder of the Pondus purchase price that the Company must pay after completion of the Offering, €5.75 million is reflected in the adjustments column relating to debt repayment at IPO, with the remainder reflected in the adjustments column relating to the remainder of the Pondus purchase price. The adjustments in the debt repayment at IPO relate to liabilities that were accrued in relation to the Pondus acquisition in April 2021 and are reflected in the Group's unaudited management accounts as at 31 July 2021. The amounts reflected in the remainder of the of the Pondus purchase price column relate to liabilities not yet incurred as at 31 July 2021.

As at 21 September 2020, the Group had available credit under the Facilities Agreement between Ebusco B.V., ING, ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (the **Facilities Agreement**) of €80 million. As at 19 April 2021, the Group had available an additional €32.5 million credit facility from ING Corporate Investments Mezzanine Fonds B.V. For information on the Group's undrawn available credit as at 30 June 2021, 31 December 2020, 2019 and 2018, see "*Operating and Financial Review—Liquidity and Capital Resources*" and "*Operating and Financial Review—Loans and Borrowings*".

Significant Changes in Capitalisation and Indebtedness since 31 July 2021

Since 31 July 2021, there has been no material change in any of the information included in the tables above except for the items discussed below:

Due to supply chain disruptions that intensified mid September 2021 that the Group anticipates will impact its operations for the remainder of the year ending 31 December 2021 and into 2022, the Group sought and obtained from the lenders of the Facilities Agreement a conditional waiver from the EBITDA covenant through 29 June 2022. As a result, the EBITDA covenant will next be tested on 30 June 2022, subject to the conditions of the waiver being met, which includes the First Trading Date being no later than 1 December 2021, and the Group will also be required to repay €5 million of the Facilities Agreement by 14 October 2021 and another €5 million by 31 October 2021. The Group's Gearing Ratio covenant will next be tested on 31 December 2022.

On 18 October 2021, the Company agreed to acquire the remaining 20% of the shares in Pondus from persons affiliated with Van der Valk, one of the Existing Shareholders, subject to completion of the Offering. €25.75 million of the net proceeds of the Offering will be used to pay the remainder of the Pondus purchase price that the Company must pay after completion of the Offering.

The Group's share capital as at the date of this Prospectus is described in "*Description of Share Capital and Corporate Structure—Share Capital—Issued Share Capital*". As described in this section, with effect as of the Settlement Date, the issued share capital will amount to €449,990 comprising of 44,999,000 Ordinary Shares.

Indirect and Contingent Indebtedness

On the date of this Prospectus, other than as disclosed in "*Operating and Financial Review—Off-Balance Sheet Arrangements and Contingent Liabilities—Contingencies and commitments*", the Group does not have any indirect or contingent indebtedness.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information of the Company, as at and for the years ended 31 December 2018, 2019 and 2020 and as at and for the six months ended 30 June 2020 and 2021 set out below, has been derived from and should be read together with the Financial Statements and the Interim Financial Statements, respectively, included elsewhere in this Prospectus. The financial information has been presented without material adjustment to the presentation in the Financial Statements and Interim Financial Statements. The Financial Statements have been prepared in accordance with IFRS and the Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The selected consolidated financial information set out below is a summary only. It may not contain all the information that is important to prospective investors and, accordingly, should be read in conjunction with the sections "*Important Information—Presentation of Financial and Other Information*", "*Capitalisation and Indebtedness*", "*Operating and Financial Review*" and "*Risk Factors*".

Selected Consolidated Statement of Profit or Loss and other Comprehensive Income Information

	Year ended 31 December			Six months ended 30 June	
	2020	**2019**	**2018**	**2021**	**2020**
			(€ thousands)		
		(audited)		*(unaudited)*	
Revenue	99,994	48,924	21,357	5,172	16,220
Cost of materials	(60,337)	(32,139)	(13,983)	(4,888)	(9,220)
Employee benefit expenses	(5,286)	(3,603)	(1,898)	(4,903)	(2,062)
Amortisation and depreciation expenses	(3,359)	(3,312)	(2,397)	(2,514)	(1,650)
Other operational expenses	(7,236)	(4,407)	(2,258)	(4,781)	(2,720)
Operational expenses	**(76,218)**	**(43,461)**	**(20,536)**	**(17,086)**	**(15,652)**
Operating profit/(loss)	**23,776**	**5,463**	**821**	**(11,914)**	**568**
Finance expenses, net	(1,289)	(1,213)	(668)	(2,530)	(688)
Share of result of an associate	(112)	(89)	(26)	7,427	(56)
Profit/(loss) before tax	**22,375**	**4,161**	**127**	**(7,017)**	**(176)**
Income tax credit/(expense)	(5,716)	(1,051)	(157)	1,228	45
Profit/(loss) for the period	**16,659**	**3,110**	**(30)**	**(5,789)**	**(131)**
Profit/(loss) for the period attributable to equity holders of the Group	**16,659**	**3,110**	**(30)**	**(5,568)**	**(131)**
Loss for the period attributable to Non-controlling interest	**-**	**-**	-	**(221)**	-

	Year ended 31 December			Six months ended 30 June	
	2020	2019	2018	2021	2020
			(€ thousands)		
		(audited)		(unaudited)	
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss at subsequent periods					
Net gain/(loss) on cash flow hedges	(639)	454	557	612	(94)
Tax effect of changes in cash flow hedges	160	(114)	(140)	(153)	24
Net change in costs of hedging	64	(102)	5	28	337
Tax effect of change in costs of hedging	(17)	26	(1)	(7)	(84)
Other comprehensive income	**(432)**	**264**	**421**	**480**	**183**
Total comprehensive income (loss) for the year attributable to: equity holders of the Group	**16,227**	**3,374**	**391**	**(5,088)**	**52**
Total comprehensive loss for the period attributable to: equity holders of the Group				**(5,088)**	**52**
Non-controlling interest				**(221)**	**-**
Basic earnings per share (in euro) for profit attributable to shareholders of the Group	**694**	**130**	**(1)**	**(124)**	**(5)**
Diluted earnings per share (in euro) for profit attributable to shareholders of the Group	**680**	**127**	**(1)**	**(124)**	**(5)**

Selected Consolidated Statement of Financial Position Information

	As at 31 December			As at 30 June
	2020	2019	2018	2021
		(€ thousands)		
	(audited)		(unaudited)	
Assets				
Non-current assets				
Property, plant and equipment	3,090	2,751	3,968	4,912
Right-of-use assets	1,428	1,382	1,629	2,594
Intangible assets	4,443	3,848	5,564	46,889
Deferred tax assets	909	747	1,373	2,354
Investments in associates	23	135	224	-
Non-current financial assets	305	109	56	305
	10,198	**8,972**	**12,814**	**57,054**
Current assets				
Inventories	3,640	2,687	1,118	4,641
Trade receivables	1,863	12,389	1,072	5,759

	As at 31 December			As at 30 June
	2020	2019	2018	2021
	(€ thousands)			
	(audited)		*(unaudited)*	
Receivables from related parties	505	794	2	1,613
Contract assets	59,989	6,706	6,696	30,343
Other current financial assets	1,402	913	265	1,842
Cash and cash equivalents	26,862	2,810	9,300	5,438
	94,261	**26,299**	**18,453**	**49,636**
Total assets	**104,459**	**35,271**	**31,267**	**106,690**
Equity				
Share capital	24	24	24	45
Share premium	12,630	12,630	12,630	9,566
Legal reserves	2,904	3,791	5,466	9,951
Retained earnings	12,484	(4,508)	(9,372)	(399)
Equity attributable to equity holders of the Group				**19,163**
Non-controlling interest				**7,026**
Total Equity	**28,042**	**11,937**	**8,748**	**26,189**
Liabilities				
Non-current liabilities				
Loans and borrowings	12,877	4,866	4,573	12,707
Provisions	141	81	21	-
Non-current lease liabilities	1,238	1,355	1,563	1,853
	14,256	**6,302**	**6,157**	**14,560**
Current liabilities				
Loans and borrowings	45,188	11,414	11,369	50,068
Trade payables	6,762	1,485	3,013	4,769
Payables to related parties	-	9	52	-
Contract liabilities	190	-	-	190
Other current liabilities	3,332	3,377	1,712	4,104
Current lease liabilities	544	295	216	1,116
Income tax payable	6,145	452	-	5,694
	62,161	**17,032**	**16,362**	**65,941**

	As at 31 December			As at 30 June
	2020	2019	2018	2021
	(€ thousands)			
	(audited)		(unaudited)	
Total liabilities	**76,417**	**23,334**	**22,519**	**80,501**
Total equity and liabilities	**104,459**	**35,271**	**31,267**	**106,690**

Selected Consolidated Cash Flow Statement Information

	Year ended December 31			Six months ended 30 June	
	2020	2019	2018	2021	2020
	(€ thousands)				
	(audited)			(unaudited)	
Net cash flows from operating activities	(11,427)	(4,959)	3,121	8,995	379
Net cash flows from investment activities	(3,994)	(194)	(2,247)	(17,927)	(561)
Net cash flows from financing activities	39,473	(1,337)	6,693	(12,492)	(1,104)
(Decrease)/Increase in cash and cash equivalents	24,052	(6,490)	7,567	(21,424)	(1,286)
Cash and cash equivalents at start of the period	2,810	9,300	1,733	26,862	2,810
Cash and cash equivalents at the end of the period	26,862	2,810	9,300	5,438	1,524

Other financial and statistical data

The following table contains other information provided for the years ended 31 December 2018, 2019 and 2020 as well as for the six months ended 30 June 2020 and 2021. Information for the years ended 31 December 2018, 2019 and 2020 has been derived from the Financial Statements of the Group and from management accounting records. Information provided for the six months ended 30 June 2020 and 2021 has been derived from the Interim Financial Statements and from management accounting records.

The Group monitors several key performance indicators (**KPIs**) to track the financial and operating performance of its business, set out in the table below. Some of these measures are non-IFRS financial measures that are not calculated in accordance with IFRS. For more information regarding the Non-IFRS Measures, see "—*Selected non-IFRS financial measures*".

	Year ended 31 December			Six months ended 30 June	
	2020	2019	2018	2021	2020
	(€ thousands)				
	(audited)			(unaudited)	
Revenue	99,994	48,924	21,357	5,172	16,220
Profit/(loss) for the period	16,659	3,110	(30)	(5,789)	(131)

	Year ended 31 December			Six months ended 30 June	
	2020	2019	2018	2021	2020
	(€ thousands)				
	(audited)			(unaudited)	
Gross profit(1)(6)	39,657	16,785	7,374	284	7,000
Gross profit margin(2)(6)	40%	34%	35%	5%	43%
EBITDA(3)(6)	27,135	8,775	3,218	(9,400)	2,218
EBITDA margin(4)(6)	27%	18%	15%	(182%)	14%
Operating profit/(loss)	23,776	5,463	821	(11,914)	568
Operating profit margin(5)(6)	24%	11%	4%	(230%)	4%

Notes:

(1) For the definition of gross profit and its reconciliation from revenue for the period to gross profit for each of the periods presented, see "*—Selected non-IFRS financial measures*".

(2) For the definition of gross profit margin, see "*—Selected non-IFRS financial measures*".

(3) For the definition of EBITDA and its reconciliation from profit for the period to EBITDA for each of the periods presented, see "*—Selected non-IFRS financial measures*".

(4) For the definition of EBITDA margin, see "*—Selected non-IFRS financial measures*".

(5) For the definition of operating profit margin, see "*—Selected non-IFRS financial measures*".

(6) These figures are unaudited.

Selected non-IFRS financial measures

The tables below present gross profit, gross profit margin, EBITDA, EBITDA margin and operating profit margin as supplemental non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be Alternative Performance Measures (**APMs**). These APMs are prepared in addition to the figures that are prepared in accordance with IFRS.

There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or loss after tax or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Group does not regard these non-IFRS financial measures as a substitute for, or superior to, the equivalent measures that are calculated in accordance with IFRS. The non-IFRS financial measures presented in this Prospectus may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS.

The Group's APMs, the purpose and rationale for their inclusion and an explanation of why they provide useful information for investors in addition to the IFRS measures are described below:

- **Gross profit** is used as the Group believes this is an important ratio for assessing the Group's top-line earnings, being its revenues less cost of materials (being the direct costs of goods sold). The Group believes that this metric allows the Group's generation of revenue, when measured against the costs involved in producing its products and services, to be assessed by itself and its investors.

- **Gross profit margin** is used as it illustrates the gross profit top line earnings (revenues less cost of materials) as a percentage of revenues, which the Group believes is helpful for assessing the percentage of revenue that exceeds the Group's cost of materials. The Group believes this is a useful information for the Group and its investors to quickly assess the relative gross profit (as defined above) as a percentage of revenue from period to period, independent of the absolute revenue amounts.

- **EBITDA** is used as the Group believes that it makes the underlying performance of its businesses more visible by factoring out depreciation and amortisation expenses. The Group believes this increases visibility as to performance on a neutral basis, by correcting operating profit/(loss) for the impact of different tax regimes and capital structures and uses the information for this purpose for the Group and for its investors.

- **EBITDA margin** is used for the same reasons as EBITDA and by expressing EBITDA as a percentage of revenue, the Group believes EBITDA margin is relevant as an internal key performance indicator and for investors to evaluate its EBITDA growth relative to its revenue. EBITDA margin is also used by the Group as one of the Group's medium-term objectives.

- **Operating profit margin** is used as the Group believes this metric helps itself and investors see the percentage of revenue attributed to operating profit during the period under review, with operating profit reflecting the Group's profit prior to subtracting taxes and interest charges.

- **Capital expenditure** is defined as the sum of "investments in property, plant and equipment" and "investments in intangible assets" from its consolidated cash flow statement. This metric is used by the Group to reflect money used to buy, improve, or extend the life of fixed assets in the organisation, and with a useful life for one year or more. The Group also uses this APM to reflect the investments it intends to make in the business over the medium-term, in particular in relation to its international roll-out plan. The Group believes this metric to be useful for investors since it allows investors to evaluate the investments the Group has made and intends to make in the business. Furthermore, the Group intends to use a substantial portion of the net proceeds of the Offering on capital expenditures in connection with the international expansion strategy and further roll out of its ESS business. As a result, this APM will be an important way for investors to evaluate the Group's stated intentions for the use of proceeds of this Offering.

- **Net working capital** is defined as inventories plus trade receivables and contract assets minus trade payables and contract liabilities. The Group uses this APM as a measure of its financial performance as it provides a measure of the Group's liquidity and its ability to meet short-term obligations, as well as fund operations of the business. The Group believes this information is useful for investors since it allows investors to more readily evaluate the working capital available to the Group to be reinvested in the business, which metric is of particular interest in relation to the Group's international roll-out plan. Furthermore, managing its net working capital requirements is a priority of the Group to facilitate its production and assembly operations, so the Group believes this metric will be an important metric for investors to monitor the Group's progress in implementing its international roll-out plan. The net working capital metric reports on the Group's historical performance in relation to net working capital (as defined above) and is more limited in scope than the working capital measured by the Group's working capital statement, which also includes cash and cash equivalents and loans and borrowings and assesses all amounts of capital which the Group reasonably expects to receive against the amounts that are reasonably expected to fall due to be paid for a minium of the 12 months after the date of the Prospectus. Investors should not use net working capital and the working capital statement interchangeably. For that reason, the working capital statement as included in "*Operating and Financial Review—Working Capital Statement*" can not be compared to the working capital as used in this paragraph. See "*Operating and Financial*

Review—Working Capital Statement" for an explanation of how the Group defines working capital as used in the working capital statement.

For each of gross profit, gross profit margin, EBITDA, EBITDA margin and operating profit margin, in addition to IFRS measures, the Group believes that these provide investors with an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business of the Group. The Group also understands that these measures are used by analysts and investors in assessing the Group's performance.

The following discussion provides the Group's APMs over the periods presented, definitions and reconciliations of the APMs to the Group's IFRS measures.

	Year ended 31 December			Six months ended 30 June	
	2020	2019	2018	2021	2020
			(€ thousands)		
		(unaudited)		*(unaudited)*	
Gross profit(1)(6)	39,657	16,785	7,374	284	7,000
Gross profit margin(2)(6)	40%	35%	34%	5%	43%
EBITDA(3)(6)	27,135	8,775	3,218	(9,400)	2,218
EBITDA margin(4)(6)	27%	18%	15%	(182%)	14%
Operating profit margin(5)(6)	24%	11%	4%	(230%)	4%
Capital expenditure(7)	(3,814)	(418)	(1,997)	(1,333)	(561)

Notes:

(1) The Group defines gross profit as revenue less cost of materials. The following table provides a reconciliation from revenue for the period at the Group level to gross profit for each of the periods presented:

	Year ended December 31			Six months ended 30 June	
	2020	2019	2018	2021	2020
			(€ thousands)		
		(audited)		*(unaudited)*	
Revenue	99,994	48,924	21,357	5,172	16,220
Cost of materials	(60,337)	(32,139)	(13,983)	(4,888)	(9,220)
Gross profit	**39,657**	**16,785**	**7,374**	**284**	**7,000**

(2) The Group defines gross profit margin as the ratio of gross profit to revenue, expressed as a percentage.

(3) The Group defines EBITDA as the profit or loss for the period before income taxes, net finance expenses, share of result of an associate and depreciation and amortisation. The following table provides a reconciliation from profit for the period at the Group level to EBITDA for each of the periods presented:

	Year ended December 31			Six months ended 30 June	
	2020	2019	2018	2021	2020
			(€ thousands)		
		(audited)		*(unaudited)*	
Profit/(loss) for the period	16,659	3,110	(30)	(5,789)	(131)
Income tax credit/(expense)	(5,716)	(1,051)	(157)	1,228	45
Finance expenses, net	(1,289)	(1,213)	(668)	(2,530)	(688)
Share of result of an associate	(112)	(89)	(26)	7,427	(56)
Operating profit/(loss)	**23,776**	**5,463**	**821**	**(11,914)**	**568**
Depreciation of property, plant and equipment	1,503	1,500	612	1,262	737
Amortisation of intangible assets	1,856	1,812	1,785	1,252	913

	Year ended December 31			Six months ended 30 June	
	2020	**2019**	**2018**	**2021**	**2020**
			(€ thousands)		
		(audited)		*(unaudited)*	
EBITDA	**27,135**	**8,775**	**3,218**	**(9,400)**	**2,218**

(4) The Group defines EBITDA margin as the ratio of EBITDA to revenue, expressed as a percentage.
(5) The Group defines operating profit margin as the ratio of operating profit to revenue, expressed as a percentage.
(6) The non-IFRS measures in this table have not been audited.
(7) The Group defines and recognises capital expenditures as the sum of "investments in property, plant and equipment" and "investments in intangible assets" from its selected consolidated cash flow statement information.

	Year ended December 31			Six months ended 30 June	
	2020	**2019**	**2018**	**2021**	**2020**
			(€ thousands)		
		(audited)		*(unaudited)*	
Investments in property, plant and equipment	(1,362)	(306)	(1,828)	(1,024)	(543)
Investment in intangible assets	(2,452)	(112)	(169)	(309)	(18)
Capital Expenditure	**(3,814)**	**(418)**	**(1,997)**	**(1,333)**	**(561)**

The following table summarises the Group's net working capital for the periods indicated.

	As at 31 December			As at 30 June
	2020	**2019**	**2018**	**2021**
		(€ thousands)		
	(audited)		*(unaudited)*	
Inventories	3,640	2,687	1,118	4,641
Trade receivables	1,863	12,389	1,072	5,759
Contract assets	59,989	6,706	6,696	30,343
minus: Trade payables	(6,762)	(1,485)	(3,013)	(4,769)
minus: Contract liabilities	(190)	-	-	(190)
Net working capital	**58,540**	**20,297**	**5,873**	**35,784**

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set out in "Selected Consolidated Financial Information" and "Business" and the information in the Financial Statements, including the independent auditor's report thereon, and the Interim Financial Statements, including the independent auditor's review report thereon, which have been included elsewhere in this Prospectus.

Except as otherwise stated, the figures in the Operating and Financial Review are based on the Financial Statements, which have been prepared in accordance with IFRS or the Interim Financial Statements which have been prepared in accordance with IAS 34 Interim Financial Reporting. For a discussion on the presentation of the Company's historical financial information included in this Prospectus, see "Important Information—Presentation of Financial and Other Information".

The following discussion contains forward-looking statements that involve risks and uncertainties. The Group's future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in particular in the sections entitled "Risk Factors" and "Business" elsewhere in this Prospectus. See "Important Information—Presentation of Financial and Other Information" for a discussion of the risks and uncertainties related to those forward-looking statements. Neither the Group's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forward-looking financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forward-looking financial information.

Overview

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. To date, the Group has supplied approximately 345 zero emission buses to 17 cities in the Netherlands, Belgium, France, Germany, Norway, Switzerland and Denmark. The Group has the goal to expand its operations worldwide.

Ebusco's vision is to contribute to a better living environment by enabling a safe, sustainable, emission-free and cost-competitive public transportation ecosystem across the world.

Segments

Based on the Group's business of selling zero emission buses and ancillary revenue streams from these buses the Group has determined it has a single operating segment. During the period under review, the vast majority of the Group's revenue was generated from the sale of zero-emission buses. See Note 5.3 of the Financial Statements. For a breakdown and discussion of the Group's revenue by geography see Note 5.3 of the Financial Statements and "—*Results of Operations*".

As the Group implements its international roll-out plan, the Group may increase its operations in new areas and sales channels, such as after-sales services, which could result in the Group determining under IFRS 8 to include additional operating segments if such areas are material to the Group's operations and in the event such financial information is available and regularly reviewed by the Group's management team. However, the Group currently has no expectation of reporting its financials by segment at this time.

Key Factors Affecting Results of Operations

The Group's results of operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors the Group considers to have affected the Group's results of operations for the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 and 2020 and which could affect its results of operations in the future.

Macroeconomic conditions, the Covid-19 pandemic and supply chain shortages and disruptions

The Group's results of operations can be impacted by macroeconomic conditions and economic cycles globally and in its key markets. Unfavourable macroeconomic conditions such as the absence of, or below-trend, global population growth and urbanisation, a decrease in real gross domestic product (**GDP**), government austerity measures, high unemployment rates or constrained credit markets tend to impact levels of end user demand for public transit and spending on public transit, which in turn leads to reduced spending by governments and the Group's customers on public transport.

Actual or anticipated improvements in economic conditions generally result in higher use and demand for public transport, which generally results in increased government spending on public transit, including for the purchase of buses, like the Group's zero emission buses. Global economic conditions were largely favourable during 2018 and 2019, but became unfavourable during 2020 as a result of the Covid-19 pandemic.

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 have followed with actual or contemplated returns to stringent restrictions on gatherings or commerce or with reduced forms of restrictions that still limit transportation, business activities and other person-to-person interactions. These trends have resulted in limited demand for public transport, which in turn has resulted in a reduced amount of income generated by PTAs and PTOs who responded by offering fewer requests for tenders, bids or quotations for new buses in 2020 and the first half of 2021.

During the year ended 31 December 2020, the Group experienced a decrease in orders for its zero emission buses as a result of the impact of Covid-19 and its impact on the Group's customers. Overall, the Group received 39 secured orders for its zero emissions buses in 2020, which was 121 less secured orders than in 2019, stemming from a decline in the request for tenders and reduced orders by PTOs and PTAs due to the Covid-19 pandemic. The Group continues to see an impact on orders and tender opportunities during the 2021 year to date as a result of the continued uncertainty related to public transit needs in the face of Covid-19 and the related regulatory responses, but its order book has strengthened over the course of 2021. In June 2021, the Group had 140 secured orders (of which 40 were for the Ebusco 3.0) and 331 buses in its tender opportunities pipeline. As at 30 September 2021, the Group had secured orders for 232 buses (of which 42 were for the Ebusco 3.0) and had approximately 2,405 buses in its tender opportunities pipeline from existing and new customers, an increase of 66% and 627%, respectively, since 30 June 2021. See "*—Orders of zero emission buses, timing of shipments and revenue recognition—Order book and tender outlook*" for how the Group measures its secured orders and tender opportunities pipeline.

Despite the slowdown in customer activity and orders during 2020, as well as some disruption to production and deliveries due to supply chain challenges, in each case as a result of Covid-19, the Group's revenue was not significantly impacted in 2020 as much of it was generated from customer orders in 2019 and was then recognised in 2020 in accordance with the Group's revenue recognition policy for its Ebusco 2.2 zero emission buses.

However, customer orders have continued to be subdued in 2021 as a result of Covid-19, the effect of which on the Group's revenues has been compounded by further supply chain disruptions that have reflected reduced production capacity at certain suppliers of the Group which scaled back production in response to Covid-19. As a result, the Group has experienced further delays in bus production and shipments in 2021 and anticipates that it may continue to do so into 2022. Consequently, Ebusco expects its revenue for the year ended 31 December 2021 to be approximately one-fifth to one-quarter of its revenue in the year ended 31 December 2020. Furthermore, if there continues to be supply chain challenges, the Group may be unable to recognise as much revenue in 2022 as anticipated from its existing order book and its Class A and Class B opportunities (assuming such opportunities become secured contracts). 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 and its expectations relating to its revenue in the year ending 31 December 2021 could be further impacted if its assumptions around these disruptions are wrong, see "*Risk Factors—Risks Relating to the Company's Business—The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects*", for additional detail of risks of delays and shortages experienced by the Group in its supply chain and "*Risk Factors—Risks Relating to the Company's Business—The Group's business and profitability may be materially adversely affected by supply chain disruptions or supply shortages*" for a discussion of risks and how penalties that could arise from any supply chain disruptions that impact the delivery of the Group's buses could impact the Group's result of operations. The Company is taking pro-active steps to manage the risk of further impact from the supply chain disruptions by rebuilding its safety stock, shipping components by air rather than ships (where this is an option and feasible from a cost perspective), 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.

Roland Berger estimates that, although the Covid-19 crisis has revived the demand for individual mobility and delayed tenders by PTAs and PTOs, over the long term there will be no significant adverse impact expected on demand for public transportation from this crisis. With the increasing vaccination of populations and growing population and urbanisation, management expects that the adverse impact of Covid-19 on the use of public transportation and the tender activity of the Group's existing and new customers will dissolve over time. The Group monitors and believes that after the year ending 31 December 2021, the Group will experience an increase in revenue from the year ended 31 December 2020 revenue level driven in part by pent-up orders that were placed on hold during the Covid-19 period and as a result of the Group's innovative Ebusco 3.0, which it expects will generate additional customer interest against other options available from competitors and is expected to result in earlier revenue recognition. The Group believes initial evidence of such pent-up demand is reflected in the strong growth in its tender opportunities pipeline between June 2021 and 30 September 2021 (from approximately 331 buses to approximately 2,405 buses, or by 627% since 30 June 2021), reflecting a large increase in the number of additional tenders that were launched by PTAs and PTOs during this period. See "*—Orders of zero emission buses, timing of shipments and revenue recognition*".

According to Roland Berger, macroeconomic trends during the coming years are expected to drive growth in the overall transit and addressable electric bus market and the Group anticipates this will contribute to additional customer orders and revenue growth for the Group, alongside the growth in revenue that the Group also anticipates as a result of increasing its production capacity and in connection with its international roll-out plan. For instance, global population growth and urbanisation has shown steady signs of increase and is predicted to fuel demand for public transportation in the subsequent years. Transit infrastructure investments have been and are being implemented globally with emphasis on decarbonisation as well as economic development, both of which create a favourable market for the Group's zero emission buses. Real GDP is expected to recover from the effects of the Covid-19 pandemic and rebound, which would increase municipal budgets for public transit and zero emission bus investments.

The impact of the regulatory environment

Given the increasing incentive that zero emission policy initiatives are creating for public transit options, such as the Group's zero emission buses, laws and regulations create a favourable environment which have in the past and are expected in the future to continue to contribute to creating demand for the Group's zero emission buses. For example, the EU has set out stringent objectives for reducing CO2 emissions by at least 55% by 2030 and numerous countries have signed the Paris Agreement which lays out public policy initiatives for signatory governments to limit global warming and reduce greenhouse gas emissions, like those emitted from diesel buses. Moreover, governments across the world have already implemented and are implementing transit infrastructure investments that push towards decarbonisation as well as economic development. For example, the United States has proposed the American Jobs Plan which would provide $105 billion in transit investments to encourage public transit options and support zero emission buses. Furthermore, if the Infrastructure Investment and Jobs Act, passed by the US Senate in August 2021, becomes law, it includes up to $5.25 billion for the low- and no-emission grant program, which allows states and municipalities to apply for zero-emission bus grant funding. Separately, $5 billion has been put aside for clean school buses, with $2.5 billion explicitly for zero-emission buses and the other half open to competition with low-emission options. If enacted, the bill could pay for 7,000 to 10,000 electric transit buses in the US market. See "*Industry—Trends and drivers of Ebusco's addressable markets*" for additional information about the pending legislation. Canada has announced a $14.9 billion transit funding programme in Canada. The EU Green New Deal aims at 100% carbon neutrality across the EU by 2050 and decarbonising the transportation segment has been a key focus area for investment. China, which relies on a massive public transport system, has made equally large investments in zero emission public transit options. To implement these initiatives, public bus transit has been a focus for governments as this change can be affected directly and is easier to implement when compared to rail or subway. Such policy and regulatory initiatives as well as such strategic investments creates a favourable environment for zero emissions buses and will likely have a positive effect on the Group's financial and operational performance in the medium term. See "*Industry*" for additional information about the Group's addressable markets and additional information about the trends and drivers expected to impact these markets more generally.

Orders of zero emission buses, timing of shipments and revenue recognition

The number of zero emission buses assembled according to customised orders for customers is the principal driver of the Group's revenue. The Group's order book reflects the number of zero emission buses that the Group needs to deliver to customers under contractually binding agreements, but also the number of zero emission buses under tenders won, but not yet signed. Because the period of time from the entry into a contract until the shipment and pre-delivery and inspection of the Group's Ebusco 2.2, zero emission bus typically takes between eight to ten months and due to the Group's revenue recognition policies, bus orders placed during one year may not appear in the Group's revenue until the following year. This pattern of revenue recognition will continue with the Group's Ebusco 3.0, although the period of time before revenue is recognised is expected to typically be around five to seven months during the assembly and pre-delivery and inspective phases.

Order book and tender outlook

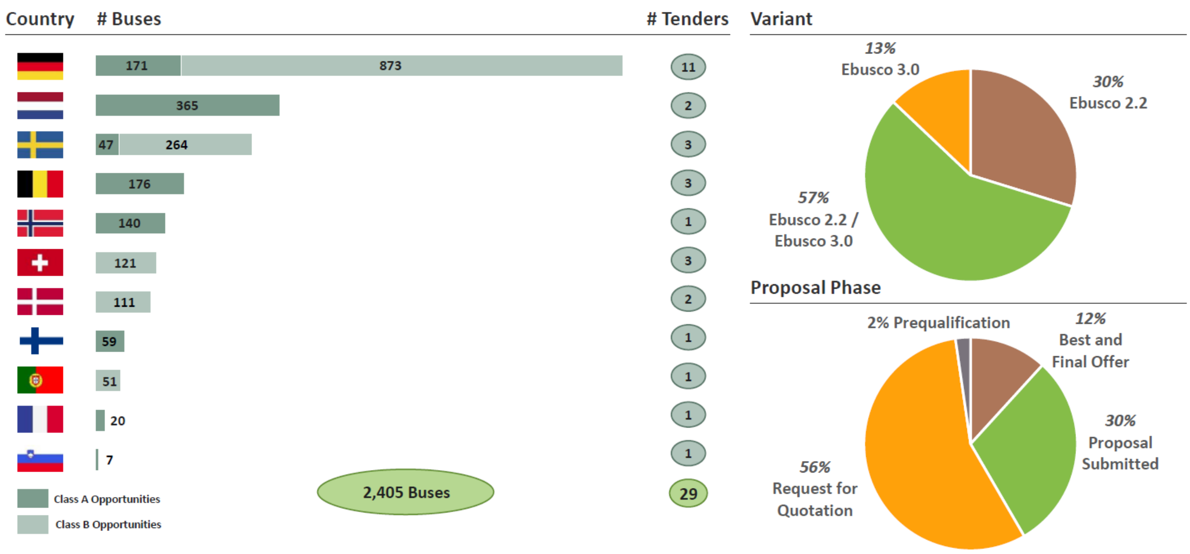
The Group tracks its order book and tender opportunities by number of zero emission buses in three types of categories: secured orders, Class A opportunities and Class B opportunities.

- Secured orders are those for which the Group has either a signed contract or won and not yet signed the contract.
- Class A opportunities are tender or related opportunities for which the Group generally estimates there is a reasonably likely win rate based on the Group's well-established relationship

with the respective customer and strong competitive advantage of the Group in the tender process.

- Class B opportunities are tender or related opportunities for which the Group generally estimates less than 50% win rate based on the competitive nature of the tender process.

Ebusco expects to assemble and therefore recognise revenue from the Group's secured orders, as well as certain Class A and Class B opportunities that are converted into secured contracts. As at 30 September 2021, the Group had 232 secured contracts, more than half of which are not expected to result in substantial revenue recognitition until the year ending 31 December 2022. As at 30 September 2021, the Group has 2,405 buses in its tender opportunities pipeline, of which approximately 985 were Class A opportunities and approximately 1,420 were Class B opportunities. Most of the Group's Class A and Class B opportunities are expected to relate to revenue for 2022 (in the event that these opportunities and become secured contracts), while the remainder are expected to relate to revenue after 2022. The majority of these opportunities also relate to tenders for the Ebusco 2.2, though the Group expects this percentage to shift once negotiations begin and it discusses the Ebusco 3.0 with customers further and once the Group's capacity to produce the Ebusco 3.0 is fully online. The following charts show the breakdown of the Group's tender opportunities pipeline as at 23 September 2021 by geography, bus type (Ebusco 2.2 or Ebusco 3.0), as well as the stage of the tender process the opportunities are within.



Timing of Orders, Shipments and Deliveries

In addition to the overall number of orders, the timing of orders for the Group's zero emission buses also impacts the Group's revenue. As a result, quarterly and half-year revenue are not generally reflective of the Group's expectations with regard to its overall annual revenue. The building and delivery of buses is not typically spread over the year, but is tied to the timing of when orders are due to be delivered to the customer, which often results in shipments being concentrated in a particular quarter. The Group often makes deliveries at the start of a concession period and these typically start at the beginning of the summer or winter. As a result, the development of work in progress and receivables is not steady over the year, but shows peak moments. For example, in the years ended 31 December 2018, 2019, 2020, most of the Group's revenue was recognised in the fourth quarter, third quarter and third quarter, respectively, when the largest portion of the Group's secured order book for the respective years was assembled and shipped. However, while this pattern of peak periods of revenue is expected to hold for 2021, the Group is not expecting its shipments of its secured order book in the year ending 31 December 2021 to catch up to the number of shipments it had in 2020, due to the decrease in the size of the Group's order book for 2021 as a result of the Covid-19 crisis, which resulted in fewer sales in

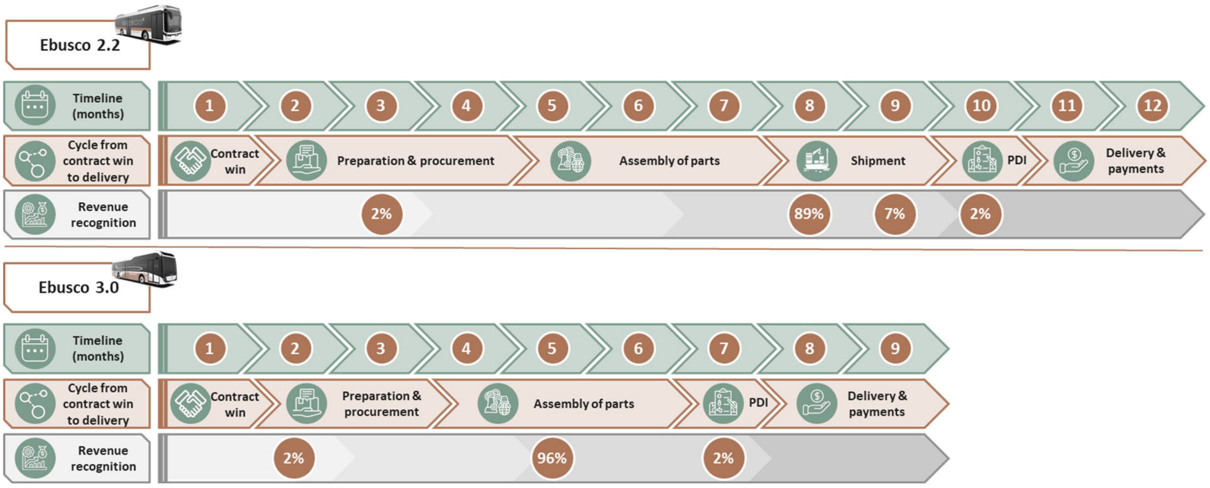
2020. The costs associated with these peak moments, including the cost of the preparation of sales orders (sales department and engineering), are included in the Group's employee benefit expenses and in other operational expenses, which means that, with the exception of the direct cost of materials, costs are not always incurred in the same period as the revenue of the Group occurs. Peaks in revenue during the year as a result of the timing of orders and timing of the shipment of the buses are expected to diminish over time when the Group grows in line with its international roll-out plan as the Group grows its customer base and has markets with a greater amount of PTAs and PTOs with varying concession timetables.

During the period under review, there was a limited number of PTO and PTA customers that the Group sold to, but the Company is not dependent on any one customer. Due to the nature of orders, the Group may receive a large order from a particular customer one year, but then not have repeat orders from that same customer in the following year. For example, in 2020, one of the Group's customers represented 84% of revenue in that year. In 2019, one different customer represented 79% of revenue and in 2018, the customer which represented 79% of revenue in 2019, represented 87% of the Group's 2018 revenue. In making these calculations on customer concentration, PTAs or PTOs with a common parent were classified as one customer.

Revenue recognition

Revenue recognition policies also impact the revenue of the Group in a particular period. During the period under review, the Group used its third-party supplier in China to assemble its Ebusco 2.2. Under the Group's revenue recognition policies, under this production model approximately 89% to 96% of the revenue for its zero emission buses was recognised at shipment, which occurred on average approximately eight to nine months after the Group entered into a contract with a customer. The Group will continue to produce the Ebusco 2.2 through most of the medium term and expects revenue for this zero emission bus to continue to be recognised in this manner. For the Ebusco 2.2, in the assembly stage the 'ownership' of the buses is with Weichai, the Group's assembly partner for the Ebusco 2.2, so no revenue recognition occurs for the Ebusco 2.2 during the assembly stage, and revenue recognition instead occurs when the 'ownership' transfers to the Group in the shipment stage. However, the Group began its in-house production of the Ebusco 3.0 for commercial purposes during 2020, with additional scale-up for this production occurring in 2021. Under the Group's revenue recognition policies, which recognise revenue on the basis of progress toward completion, the Group expects approximately 96% of the revenue for the Ebusco 3.0 to be recognised during the assembly of parts phase, which takes place approximately five to six months after the Group enters into a contract with a customer. As a result of the Group's shift toward more in-house production during 2021, the Group expects the period of time between its entry into a contract with a customer and the Group's recognition of revenue will decrease as it increases its sales and production of its Ebusco 3.0 over the medium term.

The chart below illustrates the typical difference in timing in the revenue recognition for the Group's Ebusco 2.2 and Ebusco 3.0, with most revenue for the Ebusco 2.2 being recognised at the time of shipping due to the bus being under the "ownership" of its assembly partner until that time and most revenue for the Ebusco 3.0 being recognised during the assembly stage:



To illustrate the peak moments in revenue recognition discussed above, the table below shows the zero emission bus deliveries and shipments made during the periods indicated. As the zero emission bus deliveries and shipments during these periods were all Ebusco 2.2 buses, most of the revenue was recognised in the shipment stage. The deliveries help illustrate how the timing of these are not meaningful to the Group's revenue in a particular period; instead, the shipments drive the revenue recognised in a period.

	2018					2019					2020					2021		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	HY
Bus Deliveries	0	3	2	0	**5**	13	24	1	63	**101**	22	8	0	73	**103**	38	35	**73**
Shipments	0	0	0	37	**37**	0	0	64	30	**94**	0	32	98	52	**182**	5	0	**5**
Revenue (€m)					**21.4**					**48.9**					**100.0**			**5.2**

Cost of materials and operating expenses

The Group'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 transport costs, import duties, and spare parts.

The price of the Group's zero emission buses is agreed with customers ahead of their production which means that the Group, rather than its customers, bears the potential price increase of raw materials, parts and other components. Here, the effects on costs of raw materials and other components are more pronounced in the production costs of the Group's Ebusco 3.0, as it is produced in-house by the Group. The key materials that the Group uses and sources from third-party suppliers to use in manufacturing its zero emission buses are batteries, assembled Ebusco 2.2 buses, motor, drive line and axles, brakes, air systems, compressors, charger plugs, fleet tracking systems and other software systems. The Group also purchases carbon, resin, fibres and foam. The prices of these materials and the parts and components containing them are influenced by global or regional supply and demand dynamics, transportation costs, government regulations and tariffs, geopolitical events, changes in currency exchange rates, price controls, the economic climate and other circumstances. The battery is the most expensive component used in the Group's zero emission buses and the cost of batteries in the market have generally decreased. Bloomberg NEF reported in its Electric Vehicle Outlook 2021 that, based on its December 2020 price survey, the price of a lithium-ion battery pack was $137 per kWh in 2020, which represents an 88% decline since 2010. Bloomberg NEF expects the volume-weighted average price of battery packs to drop below $100 per kWh in 2024 driven by reduced cell and pack material costs, improvements in energy density and more-efficient production processes. The Group's cost of materials related to batteries have also generally decreased over the period under review.

As a result of discounted prices that the Group can obtain from suppliers as it increases the volume of parts, components or other supplies ordered, the Group's cost of materials on a per bus basis will typically benefit as the Group increases the number of buses it produces. The Group began to see the impact of this cost saving as a result of its increase in volume of buses produced, particularly comparing its costs for the year ended 31 December 2019 to those in the year ended 31 December 2020, where the Group saw an estimated savings of approximately 10% on its costs of parts. The Group expects these trends and volume benefits to increase if the Group's sales of buses increase in line with its expectations in connection with the Group's international roll-out plan.

The Group's cost of materials and the timing of such costs are impacted by the manner in which the Group produces its zero emission buses. During the period under review, the Group contracted with Weichai to produce its zero emission buses utilising letters of credit and a large part of the Group's overall cost of materials each period is associated with the costs of Weichai in assembly and sourcing materials for the Ebusco 2.2. Approximately half of the costs of materials sold associated with producing each Ebusco 2.2 were typically paid by the Group to Weichai following the delivery of the zero emission buses to customers (reflecting the cost for Weichai to assemble the bus and the cost of materials sourced by them for the assembly of the bus). During the period under review, typically the Group received payment for its zero emission buses before the Group had to pay Weichai for its costs (because letters of credit were used with extended payment of 180 days after shipment), which meant the Group often had received the payment for its zero emission bus prior to the time its bill amount to Weichai was due. The Group expects the timing of its cost of sales to shift in connection with the Group's in-house production of the Ebusco 3.0. As the Group will be producing this model, the Group will be incurring expenses for materials earlier in the process, which will increase the Group's working capital needs since it will generally be required to pay suppliers in advance of receiving payment from customers for the buses as it did with its Ebusco 2.2. The Group expects to continue to utilise letters of credit to finance its Ebusco 2.2 production by its third-party supplier and to finance battery purchases for both the Ebusco 2.2 and 3.0. The Group expects to temporarily fund its initial increase in working capital needs for the in-house production of its Ebusco 3.0 using some of the net proceeds from the Offering, but also intends to finance its working capital needs with a regular revolving credit facility (to be secured and entered into in the future) in addition to the existing Facilities Agreement (as defined below). See also "*Reasons for the Offering and Use of Proceeds*" for further information and additional explanation around how the Group intends to utilise the net proceeds on a temporary basis for its net working capital needs.

During the periods under review, the Group was not allowed to take a provision for warranty costs due to accounting regulations under IFRS. As a result, warranty costs are accounted for the moment they arise and are shown in the cost of materials. The Group expects to be able to account for a provision for warranty costs in the future once it has an established track record of warranty costs that will allow for them to be provisioned under IFRS in the near term. The Group estimates that the warranty cost provisions will have an estimated 2% to 3% adverse impact on EBITDA margin once such provisions can be made.

The Group expects its cost of goods sold and operating expenses as a percentage of revenue to shift over time as a result of the international roll-out plan and the transition from the external assembly of the Ebusco 2.2, (which is expected to end by the end of calendar year 2023), to a fully in-house assembly of the Ebusco 3.0 over time. The main difference is that cost of material and cost of work contracted out are now combined in an invoice of the third-party supplier of the Group that assembles the Ebusco 2.2 zero emission buses in China. In shifting to an in-house assembly of the Ebusco 3.0, the different components as cost of materials and direct labour will be shown separately in the Group's results of operations. Furthermore, because components do not need to be shipped from Europe to China and zero emission buses do not need to be shipped back to Europe from China, the Group will have the benefit of lower cost of transportation and import duties. The Group also expects that an increase in purchasing power will result in lower cost of materials. Operational expenses are expected to increase in absolute terms due to the implementation of the international roll-out plan, including through the ramping up of the Group's sales organisation and the manufacturing plants, which will lead to, among others, higher personnel and production facility related (e.g. lease) expenses. As a percentage of revenue, however, the Group's operating expenses are expected to decrease in the medium term.

Employee benefit expenses and other operational expenses

The Group's results of operations are significantly affected by employee benefit expenses. Salaries, wages and social security contributions make up the Group's employee benefit expenses.

In the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021, the Group's employee benefit expenses were €1.9 million, €3.6 million, €5.3 million and €4.9 million, respectively, highlighting an increase in employee benefit expense as the Group increased its employee numbers in connection with its growth during the period under review. As the Group prepares to launch its Ebusco 3.0, it hired more personnel in 2020 and the first six months of 2021 to work on its in-house production and as the Group begins to implement the scale-up of its operations in Deurne in connection with the Group's international roll-out plan, and it will continue to hire additional staff during the remainder of 2021 to support the Group's expansion into new markets. The Group anticipates that its employee benefit expenses will continue to increase during 2021 and in the coming years as it hires additional personnel to advance its international roll-out plan. As outlined in the Group's international roll-out plan, the Group expects to incur certain employee benefit costs, such as those related to hiring Door Openers or senior sales managers in new markets, other sales personnel and other personnel (as well as capital expenditure and other expenses that will also be incurred in connection with the Group's international roll-out) in order to establish itself in new markets, which expenses are expected to be incurred prior to revenue being generated in those markets. To the extent that the Group does not sell as many zero emission buses in its new markets as anticipated or on the time-frame anticipated, the Group may have higher employee benefit expenses for upcoming periods that is not accompanied by higher revenue, but the Group expects to align its hiring as much as possible with its progress on developing sales and new business in the markets it enters. Approximately 2,500 additional FTEs (comprising both employees, as well as contract and other temporary workers) are targeted to be hired in the medium term under the Group's international roll-out plan.

The Group's other operational expenses include marketing expenses, other staff expenses and other expenses (including facility expenses and general expenses). The staff expenses include temporary, contract and flexible staffing arrangements that are used to establish a flexible model in order to cope with the peak moments that the Group has encountered during the periods under review in the delivery of its zero emission buses and in connection with its enhanced efforts in relation to research and development.

It is foreseen that the Group will continue to work with contractors as it makes decisions about staffing in connection with its international roll-out plan to sustain its flexibility in skilled labour as production orders are not always equally spread over a production year. A proper balance between employed and contracted labour will allow the Group to more flexibly scale up and down and better manage fluctuations in its operating expenses.

Ebusco 3.0 and international roll-out plan and international expansion strategy

The introduction of the Ebusco 3.0 and the accompanying international roll-out plan and international expansion strategy has affected the Group's results of operations, with certain expenses beginning in the year ended 31 December 2020 and in the six months ended 30 June 2021. However, most of the Group's international roll-out expenses are expected to be incurred and affect the Group's results of operation in the future.

In the year ended 31 December 2020 and the six months ended 30 June 2021, the Group's results of operations were impacted by initial expenses associated with the Group's international roll-out plan and costs associated with the shift to in-house production for the Group's Ebusco 3.0. During this period, the primary impact has been expenses associated with a marketing and sales office in Australia and France as certain preparatory expenses for increasing production capacity of the Ebusco 3.0 in Deurne. Most of the expenses associated with the Group's international roll-out plan and international expansion strategy are not yet reflected in the Group's historical financial information but will be incurred in future periods.

The Group's international roll-out and international expansion strategy consists of three primary parts: (1) core roll-out; (2) other growth capital expenditure; and (3) other capital expenditure. In addition to these three parts, the Group also expects to incur capital expenditure in relation to (4) research and development and other ecosystem enhancements.

The net proceeds of the Offering are expected to fund the initial phase of the Group's international expansion strategy through 2023. In addition, the Group's business plan assumes it will require a further estimated €100.0 million in the medium term for capital expenditure to fully implement its international expansion strategy, which the Group will need to secure through other equity, equity-linked or debt financing. The additional funding requirements that relate to capital expenditure beyond the initial phase of the Group's international expansion strategy to fully implement the Group's international expansion strategy are also described in the Group's capital expenditure plans outlined below.

(1) Core roll-out

The core roll-out consists of:

- ***Scale up of Deurne:*** The Group's scale-up of its OEM production facility in Deurne is expected to grow its production capacity from 250 buses per year for each of the four phases of manufacturing and assembly to a capacity of 500 buses per year for each of the four phases of manufacturing and assembly. This scale-up is expected to be completed before the year ended 31 December 2022.

- ***International roll-out:*** The Group's international roll-out will consist of 2 OEMs (including the expansion at Deurne), 3 CKD and 8 PDI Facilities. The international roll-out is expected to be completed over the short to medium term. The production facilities above are expected to increase the Group's overall capacity to:

    - 6,500 buses per year for phase 1 of the production process (500 per year of capacity of which will come from Deurne); and

    - 5,000 buses per year for phases 2 to 4 of the production process (500 per year of capacity of which will come from Deurne).

- ***Core roll-out capital expenditure:*** The Group estimates that its core roll-out will result in capital expenditure of approximately €113.5 million to €115 million, most of which is expected to be incurred during 2022 and 2023, and will primarily consist of capital tooling and equipment since the OEMs, CKDs and PDI Facilities that are part of the core roll-out are expected to be leased. This capital expenditure is expected to all be funded using part of the net proceeds of the Offering.

- The chart below illustrates the Group's scale-up at Deurne and its international roll-out for the OEM and CKD facilities, reflecting the approximate lead time required, current status, anticipated capacity at each facility, and approximate total capital expenditure expected for each facility.

	Netherlands	France	Poland	Australia	United States
Production facility	OEM	CKD	CKD	CKD	CKD (short term) OEM (medium term)
Lead time[1]	Scale-up[2]: 6 months OEM: 18-22 months	9-12 months	9-12 months	9-12 months	CKD: 9-12 months OEM: 9-12 months
Status[3]	Start → Fully op.	Start → Fully op.	Start → Fully op.	Start → Fully op.	Start → Fully op.
Capacity[4,5]	Current: 250 buses Scale-up: 500 buses OEM: 2,180 buses[6]	500 buses	500 buses	500 buses	CKD: 500 buses OEM: 1,680 buses
Total investment	c. €37m	c. €10m	c. €10m	c. €10m	c. €37m
Served markets	RoE[7]			APAC	

(1) Lead time as of start construction. The Group has a current OEM in Deurne, Netherlands with capacity for 250 buses by the end of 2021. The construction for the scale-up of that OEM has begun. The Group has not commenced construction for any of the other facilities planned as part of the international roll-out plan, including the CKDs. In France, the Group has engaged in preliminary discussions with certain local authorities and is exploring properties that might be available, but no definitive steps have been taken.

(2) Scale-up of current Deurne facility from a capacity of 250 buses to 500 buses per annum (phase 1–4).

(3) Status of the fully complete roll-out per respective country.

(4) Capacity is presented on a per-year basis.

(5) Capacity for phase 1 of the manufacturing and assembly process only is expected to be 3,000 buses.

(6) Includes the capacity for the scale-up in Deurne (to 500 buses).

(7) Rest of Europe consists of Denmark, Belgium, Switzerland, Austria, Luxemburg, Portugal, Czech Republic and Finland.

(2) Other growth capital expenditure

The Group's other growth capital expenditure is expected to consist of:

- ***Growth capex ESS:*** Investments to establish fundamentals and further roll-out of the Group's ESS initiative(s), including the Group's mobile energy storage containers for the Dutch barge market and other applications. This capital expenditure is expected to be approximately €2 million and is anticipated to be largely incurred prior to the end of the year ending 31 December 2021. This capital expenditure is expected to all be funded using part of net the proceeds of the Offering.

- ***Growth capex China:*** The Group intends to spend approximately €17 million to allow the Group to enter and penetrate further into the Chinese market in combination with Weichai or another selected partner. These investments will primarily be used for building an OEM facility in which Phase 1 of the production process can take place (which phase relates to the manufacturing of composite bus bodies). This capital expenditure, which is expected to largely occur in 2022, is expected to all be funded using part of the net proceeds of the Offering. The Group anticipates it will require approximately €3 million in additional funding to complete its international expansion plans in relation to the Chinese market in the medium-term.

(3) Other capital expenditure

The Group's other capital expenditure is expected to consist of:

- The Group expects to spend between approximately €30.5 million and €32.5 million on general maintenance and general capital expenditure in connection with its core roll-out plan. This capital expenditure is expected to all be funded using part of the net proceeds of the Offering.

- The general maintenance capital expenditure is expected to be used for maintenance and replacement of capital tooling and equipment through 2023 (with such capital tooling and equipment originally obtained as part of the scale-up and initial core roll-out). The Group targets maintenance capital expenditure based on a five-year depreciation and amortisation schedule and expects to reinvest in its capital tooling and equipment in an amount proportional to depreciation.

- The general capital expenditure is expected to cover general expenditures like office equipment over the medium term and will support the Group in the large capital expenditures required in this area as it scales up its number of staff in connection with its international roll-out plan.

- Most of this other capital expenditure expense is expected to be incurred in 2022 and 2023.

- The Group anticipates it will require approximately €55 million to €63 million in additional funding for general maintenance and general capital expenditure to support its international expansion plans in the medium-term.

(4) Research and development and ecosystem enhancement

The Group's research and development ecosystem enhancement capital expenditure is expected to consist of:

- The Group intends to make recurring investments for demo buses to use with customers as well as in prototype buses for research and development purposes.

- The capital expenditure for demo buses is expected to be between approximately €19.5 million and €20.0 million through 2023. This capital expenditure is expected to all be funded using part of the net proceeds of the Offering. The Group anticipates it will require approximately €10 million to €15 million in additional funding for demo buses to support its international expansion plans in the medium-term.

- The capital expenditure for prototype buses is expected to be approximately €16 million in the medium term. This capital expenditure is expected to all be funded using part of the net proceeds of the Offering. The Group anticipates it will require approximately €9 million to €14 million in additional funding for prototype buses to support its international expansion plans in the medium-term.

For a discussion of the use of any remainder of the net proceeds of the Offering, in particular in the event the Over-Allotment Option is exercised in full or in part,, see "*Reasons for the Offering and Use of Proceeds—Use of Proceeds*".

In addition to capital expenditure and other investments to make in connection with the Group's international roll-out plan, the Group has hired and will continue to hire Door Openers (i.e. senior sales directors with local market expertise and contacts); tender support staff; after-sales support; and other sales and tender staff in the Group's existing and international expansion markets. The Group currently has 9.2 full-time equivalent Door Openers and other key tender support staff located in the Netherlands, France, Germany, Australia and the GCC, with an additional Door Opener for North America contracted to begin shortly. By 30 June 2022, the Group expects to have approximately 60-70 FTE Door Openers, account managers and other tender support staff in these same markets as well as in Poland and in China. From that time through the medium term, the Group expects to enter into the additional international expansion markets in its international roll-out plan and to have the additional Door Openers, account managers and other tender support staff in these markets, with FTE staff growing to between 130 and 140. The Group's current and short-term targets in relation to the Group's sales team members and the depth of its relationships with customers in certain of the Group's existing and international expansion markets are reflected below:

	Netherlands	France	Poland	Australia	United States
"Door opener[1]" already hired	✓	✓	-	✓	✓
Tender support in place	✓	✓	-	-	-
After-sales support in place	✓	-	-	-	-
# of sales / tender FTE post roll-out	1 / 2	6 / 8	4 / 8	8 / 8	6 / 8
Est. PTO[2] relationships[3]	●	◔	○	◕	○

(1) Degree of relationship measured against number of established contacts in other targeted countries, with the Netherlands being the reference country since the Group has the most established relationships with customers in that market.

Foreign exchange rate fluctuations

A portion of the Group's operations, assets, liabilities, revenue and expenses are denominated in currencies other than the euro. The Group's predominate exposures are currently in Chinese yuan, the US dollar, the Danish Kroner, the Australian dollar and the Swedish krona. Changes in the exchange rates between these currencies therefore affect the Group's operations and financial position, as a result of transactional exchange rate effects.

The Group experiences translational effects of exchange rate fluctuation because its financial results are measured in the currency of the primary economic environment in which it operates, its functional currency (**functional currency**). The Group prepares its consolidated financial statements in euros and derives its revenue and/or incurs costs in several different currencies, including the Chinese yuan, the US dollar, the Danish Kroner, the Australian dollar and the Swedish krona. As a result, fluctuations in the foreign currency exchange rates may increase or decrease the euro value of the Group's non-euro assets, liabilities, revenue and costs, even if their value has not changed in their local currency. The Group is particularly exposed to such effects with respect to its cost of sales and the Chinese yuan.

The Group also experiences transactional effects of exchange rate fluctuations as it enters into a sale or purchase transaction in a currency other than its functional currency. The Group's largest transactional exposure arises in situations where the Group has a mismatch between its earnings and any foreign currency and its costs that are denominated in that currency. For example, the assembly of the Ebusco 2.2 bus as well as parts like the battery are contracted in the Chinese yuan or the US dollar, whereas revenue has historically been mainly in Euro. However, the Group enters into hedging arrangements in connection with each of the letters of credit it issues in Chinese yuan and uses hedging instruments in relation to other exposures to decrease the risk of foreign adverse exchange rate fluctuation. As the Group continues to expand in new markets under its international roll-out plan, these foreign exchange rate fluctuation effects are expected to become more pronounced and will continue to affect the Group's results of operations and financial position.

Current Trading and Recent Developments

In the nine months ended 30 September 2021, the Group had shipped 17 Ebusco 2.2 zero emission buses, compared to five Ebusco 2.2 zero emission buses in the six months ended 30 June 2021. As at 30 September 2021, the Group's secured order book was at 232 zero emission buses (compared to a secured order book of 140 zero emission buses as at June 2021, a growth of 66%), which included orders from Nobina, Transdev and the City of Stuttgart, amongst others.

As at 30 September 2021, the Group had 2,405 buses in its tender opportunities pipeline, of which approximately 985 were Class A opportunities and approximately 1,420 were Class B opportunities. This represents an increase of 627% in its tender opportunities pipeline since June 2021. See "*—Key Factors Affecting Results of Operations—Orders of zero emission buses, timing of shipments and revenue recognition—Order book and tender outlook*" for how the Group measures its tender opportunities pipeline. The Group believes the increase in its tender opportunities pipeline is due in part to the regular tender opportunities it would expect to occur at this time of year as well as a result of an increase in tenders due to the number of tenders that were placed on hold during the prolonged Covid-19 period.

Similar to the year ended 31 December 2020, the Group expects that its revenue from its second half will be greater than those in the first half of the year. However, during both the year ended 31 December 2020 and the six months ended 30 June 2021, customer orders have been subdued as a result of Covid-19, which has resulted in a smaller order book and thus less buses to be produced and recognised as revenue in the year ended 31 December 2021. Revenue recognition is also expected to be impacted further by supply chain disruptions, which could impact the Group's ability to produce and ship its zero emission buses during the remainder of the year ending 31 December 2021 and could also carry into 2022. Consequently, the Group expects its revenue for the year ended 31 December 2021 to be approximately one-fifth to one-quarter of its revenue in the year ended 31 December 2020. Furthermore, if there continues to be supply chain challenges, the Group may be unable to recognise as much revenue in 2022 as anticipated from its existing order book and its Class A and Class B opportunities (assuming such opportunities become secured contracts).

On 22 July 2021, the Group was awarded a five-year international framework agreement with Transdev for the delivery of electric buses. Under the international framework agreement, the Company will be eligible to be a primary supplier to Transdev in France, Germany and the Netherlands, where Transdev has a fleet of 6,400, 1,559 and 2,553 buses, respectively, reflecting a combined fleet of over 10,500 buses. In these countries, Ebusco will be able to compete for Transdev orders as one of only a limited number of selected electric bus manufacturers. The Group has received two requests for quotation under the international framework agreement in August 2021, which included a request for quotation for 20 zero emission buses in France and 2 zero emission buses in Germany. The international framework agreement may be expanded later in 2021 to included additional European countries.

Following the acquisition of 20% of the shares in Pondus in 2018, on 19 April 2021, the Company acquired an additional 60% of the shares in Pondus from entities ultimately majority-owned and controlled by Mr Bob Fleuren, one of the Group's Managing Directors. On 18 October 2021, the Company agreed to acquire the remaining 20% of the shares in Pondus from persons affiliated with Van der Valk, one of the Existing Shareholders, subject to completion of the Offering.

As a result, subject to completion of the Offering, the Group will hold 100% of the shares in Pondus. The aggregate purchase price paid by the Group for the acquisition of the 80% stake in Pondus amounts to €42.35 million. Upon payment of the aggregate purchase price, no further obligations or payments are due by the Company in relation to the Pondus acquisition. The Existing Shareholders have also made further financial arrangements amongst themselves in the context of the broader pre-IPO restructuring, part of which include settlements in relation to Pondus, but these have no consequence to the Company.

The non-conditional purchase price for the additional 60% of Pondus on 19 April 2021 was funded using some of the funds from the ING Credit Agreement (as defined below) of €32.5 million entered into by the Group on 19 April 2021, which was also used to repay the existing financial indebtedness of Pondus Holding B.V., described in "*—Loans and Borrowings—ING Credit Agreement*". In that context, the Group also entered into the Intercompany Loan (as defined below) with Pondus Operations B.V. in the amount of €5,254,465 as described in "*—Loans and Borrowings—Intercompany Loans*" and "*Major Shareholders and Related Party Transactions—Related Party Transactions*".

As at 30 June 2021, the Group's intangible assets amounted to €46.9 million, which represents an increase of €42.4 million compared to 31 December 2020. This increase was mainly due to the acquisition of Pondus and the subsequent consolidation of Pondus into the Group's accounts as from 29 April 2021 and is comprised of €39.5 million in goodwill and €3.9 million in other intangible assets of Pondus, including development assets. The effects of the acquisition by the Group of the remaining 20% in Pondus, subject to the completion of the Offering, will be reflected in the Group's financial statements for the year ending 31 December 2021. See also "*Capitalisation and Indebtedness*" for the impact of the acquisition on the Group's financials as at 31 July 2021, with the actual results reflecting the initial 60% share acquisition in April 2021, combined with the 20% share held as a result of the stake acquired in 2018, and the adjusted column reflecting the impact on the Group's capitalisation and indebtedness as at 31 July 2021 of the payment of €25.75 million from the net proceeds of the Offering for the remainder of the Pondus purchase price that the Company must pay after completion of the Offering.

The Company obtained a waiver from its lenders of the Facilities on 9 September 2021 for its breach of the EBITDA covenant as at the last twelve months ended 30 June 2021, a waiver of its obligation to comply with its Financial Covenants under the Facilities Agreement from 1 July 2021 through 30 December 2021 and a waiver from its requirement for liquidity reporting for the period ended 30 June 2021 to be provided to its lenders within 45 days. The Company has also obtained a conditional waiver from the lenders of the Facilities Agreement from its EBITDA covenant through 29 June 2022. The Group also has a covenant holiday from its Gearing Ratio covenant through 30 September 2022, with the Gearing Ratio covenant next tested on 31 December 2022. See "*—Loans and Borrowings—Facilities Agreement—Amendments and Waivers*" for more details regarding the amendments and waivers obtained in relation to the Facilities Agreement.

Medium-Term Objectives

The Group has established the following aspirational operational and financial medium-term objectives:

- ***Buses:*** produce over 3,000 zero emission buses per year;
- ***Revenue:*** to be greater than €1.5 billion; and
- ***EBITDA margin:*** greater than 35%.

The Group is seeking to achieve each of the medium-term objectives towards the end of the medium-term period when it has fully ramped up its international roll-out. The Group's net proceeds of the Offering are only expected to fund the initial phase of the Group's international expansion strategy through 2023 and the Group's business plan assumes it will require a further estimated €100.0 million in the medium term for capital expenditure to fully implement its international expansion strategy, which the Group will need to secure through other equity, equity-linked or debt financing. If the Group does not raise the additional funding required for the remainder of its international expansion strategy, it would materially adversely affect the Group's medium-term objectives.

The Group (i) is targeting capital expenditure to amount to approximately €200 million in the initial phase of the Group's international expansion strategy through 2023, with an additional €100.0 million in the medium term for capital expenditure, (ii) is targeting its net working capital funding requirement to be €300 million to €400 million towards the end of the medium-term period (with the Company anticipating that it will need to secure additional facilities to support such net working capital requirements in addition to its existing Facilities Agreement and the cash it expects to generate from operations) and (iii) has assumed an effective corporate tax rate of approximately 25% for each year in the medium-term period. The financial year in which the Group expects to spend the highest amount of capital expenditure will be 2022, with an expected capital expenditure of €111 million. See "*Reasons for the Offering and Use of Proceeds*" for more information.

While the Group's revenue-related medium-term objective largely relates to revenue generated from the sale of zero emission buses, its Energy Storage Systems are expected to contribute to a portion of the Group's medium-term objective for revenue, though this contribution is expected to be less than 3% of the revenue objective towards the end of the medium-term period, with the number of units anticipated to be sold in the medium term being less than 100 units.

The Group's medium-term objective for revenue does not include any revenue attributed to the Group's ambition to have a local Ebusco-owned plant (phase 1 only) in which composite bodies are manufactured to supply to local Chinese bus OEMs.

Key value drivers for the Group's medium-term objectives

With respect to the Group's aspirational medium-term objectives, these assume the successful implementation of its international roll-out plan, which will greatly expand the markets in which the Group sells its zero emission buses and ancillary products and services. Key drivers for the Group to achieve its medium-term objectives include (i) ongoing investment in the strength of its customer relationships, which is expected to lead to an acceleration of the growth of orders, (ii) disciplined execution of the Group's international roll-out plan, (iii) obtaining funding, whether through debt, equity or equity-linked, to cover an additional €100.0 million in the medium term for capital expenditure anticipated by the Group to fully implement the remainder of its international expansion strategy, (iv) the use of the Group's operational leverage and scale advantages to drive margin expansion and (v) further expansion of the Group's competitive leadership through continued innovation.

Global economic conditions were largely favourable during 2018 and 2019 and the start of 2020, which have, in combination with other drivers of the ongoing electrification of the global transit bus fleet and the Group's competitive offering, contributed to a strong track record by the Group in terms of development of revenues and operational profitability over the 2018-to-2020 period. These factors helped the Company achieve revenue for the year ended 31 December 2020 of €100.0 million, EBITDA of €27.1 million and an EBITDA margin of 27%.

However, from March 2020, global economic conditions became unfavourable due to the Covid-19 crisis, which resulted in limited demand for public transport and less income generated by PTAs and PTOs. In turn, this led to fewer orders and requests for tenders, bids or quotations for new buses by PTAs and PTOs in 2020 and in the six months ended 30 June 2021, as reflected by the decline in the Group's revenue in the six months ended 30 June 2021 to €5.2 million from €16.2 million for the six months ended 30 June 2020. See also "*—Key Factors Affecting Results of Operations—Macroeconomic conditions, the Covid-19 pandemic and supply chain shortages and disruptions*" for further information. Revenue recognition is also expected to be impacted further by supply chain disruptions, which could impact the Group's ability to produce and ship its zero emission buses during the remainder of the year ending 31 December 2021 and could also carry into 2022. Consequently, Ebusco expects its revenue for the year ended 31 December 2021 to be approximately one-fifth to one-quarter of its revenue in the year ended 31 December 2020. Furthermore, if there continue to be supply chain challenges, the Group may be unable to recognise as much revenue in 2022 as anticipated from its existing order book and its Class A and Class B opportunities (assuming such opportunities become secured contracts). The Group has in the past experienced, and continues to experience, supply chain disruptions and shortages as a result of the prolonged Covid-19 pandemic.The Group's expectations relating to its medium-term objectives could therefore be adversely effected if its assumptions regarding the normalisation of its supply chain and production issues in the future are incorrect. See "*Risk Factors—Risks Relating to the Company's Business—The Group has been and may continue to be impacted by macroeconomic and other conditions resulting from the Covid-19 pandemic, including by disruptions to its supply chain and production, which could materially adversely affect the Group's business, financial condition, results of operations or prospects*", for additional detail of risks of delays and shortages experienced by the Group in its supply chain and "*Risk Factors—Risks Relating to the Company's Business—The Group's business and profitability may be materially adversely affected by supply chain disruptions or supply shortages*" for a discussion of risks and how penalties that could arise from any supply chain disruptions that impact the delivery of the Group's buses could impact the Group's result of operations.

Nevertheless, based on the Group's historical financial performance prior to the impact of Covid-19, its secured order book, its tender opportunities pipeline and its unchanged outlook for the continued electrification of the global transit bus fleet over the coming years, the Group is confident in achieving its medium-term revenue objective towards the end of the medium-term period.

In order to support its international expansion strategy to be able to service the expected rapidly growing demand as the adverse impact of the Covid-19 pandemic continues to subside, the Group has continued to invest to further strengthen its business and manufacturing capabilities in the year ended 31 December 2020 and in the six months ended 30 June 2021 and plans to continue to do so over the medium term. As a consequence, the Group's operational expenditures have and are expected to continue to increase, both in absolute terms and as a percentage of revenues in the year ending 31 December 2021 relative to the year ended 31 December 2020. After the year ending 31 December 2021 and for the balance of the medium-term period, the Group's operational expenditures are expected to increase in absolute terms, but decrease as a percentage of revenues.

The feasibility of the Group's objective to achieve an EBITDA margin of over 35% towards the end of the medium-term period is based on several assumptions. ECS estimates that the production of the Ebusco 3.0 may lead to a manufacturing cost reduction potential amounting to approximately 17% compared to the Ebusco 2.2 manufacturing cost levels towards the end of the medium-term period as a result of economies of scale (e.g. increasing purchase volumes), a favourable battery price development, as well as increasing efficiencies in production (or 11% in cost savings compared to the cost level of a conventionally designed bus at the end of the medium-term period, as a result of a number of factors, including a more simplified assembly process and lower costs for some core components, such as axles (the Ebusco 3.0 offers a solution with a simpler, single-wheel concept instead of a twin-wheel concept as well as a simpler integration due to lower weight of the bus)). Of the expected EBITDA margin improvement, a very small percentage (approximately 1%) is attributed to the increase in volume estimated from the operations in China and ESS. The Group has thus far only been able to benefit from economies of scale to a limited degree with its zero emission bus production. As the number of buses produced increases, this is expected to lead to greater economies of scale, reducing expenses relative to revenues and benefiting the Group's EBITDA margin towards the end of the medium-term period. The Group believes that it will be able to realise cost advantages from its pure BE transit bus focus, with production and other processes that are dedicated to electric vehicles exclusively, and not production and other processes that were adapted from traditional bus manufacturing that lack efficiencies of the Group's tailored manufacturing and design process.

Meaning of medium-term and other limitations

The Group has not defined, and does not intend to define, "medium-term". The Group's medium-term objectives should not be read as forecasts, projections or expected results and should not be read as indicating that the Group is targeting such metrics for any particular year. They are merely objectives that result from the pursuit of its international expansion strategy.

The Group's ability to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond its control. The objectives are also subject to known and unknown risks, uncertainties and other factors that may result in the Group being unable to achieve them.

As a result, the Group's actual results may vary from the medium-term objectives established herein and those variations may be material. The material risks and uncertainties known to the Group that would impact the Group's medium-term objectives are described in "*Risk Factors*". The Group does not undertake to publish updates as to its progress towards achieving any of the above aspirational objectives, including as it may be impacted by events or circumstances existing or arising after the date of this Prospectus or reflect the occurrence of unanticipated events or circumstances. See also "*Important Information—Presentation of Financial and Other Information*" and "*Important Information—Information regarding Forward-Looking Statements*" for further information.

Description of Key Statement of Income Line Items

Revenue

The Group sells zero emission buses and related charging systems customised 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 ten to fifteen months. The Group classifies these sales contracts as construction contracts. Construction contracts are carried at realised contract costs plus attributable profit (provided this can be reliably measured) less a provision for expected losses. The Group recognises revenue based on the extent of progress toward completion of the contract at a given point in time.

The Group also sells ancillary items and services in addition to its buses. These goods and services consist of additional parts for the Group's buses or represent services, including repair and maintenance services, which support the customer's use of zero emission buses sold by the Group. The Group also offers limited bus leasing arrangements, which leasing arrangements may initially increase as the Group expands into new markets as part of its international roll-out plan.

Cost of Materials

Cost of materials includes costs of materials (including parts and other components), raw materials, 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 transport costs, import duties, and spare parts. Once provisions for batteries may be reflected, the Group expects those expenses to appear in its cost of materials in future periods.

Employee benefit expenses

Salaries, wages and social security contributions make up the Group's employee benefit expenses. Salaries and wages consist primarily of salary and wage-based compensation paid or payable to employees. Social security and pension costs consists of the Group's social security contributions and defined contribution pension premiums paid by the Group.

Amortisation and depreciation

The Group's amortisation of intangible fixed assets comprises the amortisation of its cost of development assets (which includes zero emission bus prototypes and other development projects) and software.

The Group's depreciation of tangible fixed assets is associated primarily with the depreciation of the Group's right-of-use assets arising from its application of IFRS 16 to its lease agreements (which largely consist of manufacturing tooling), transportation assets (which consist of Group-owned zero emission buses, including leased buses and buses used for demonstration purposes) and equipment.

Other operational expenses

The Group's main other operational expenses are marketing expenses (which include marketing and promotional costs and costs associated with making products available for delivery to customers), other staff expenses (which includes employee costs that are not directly related to salaries and social security charges, including temporary staffing, management fees and travel and related expenses), and other expenses (which consist of diverse expenses that incur as part of the Group's daily operations such as non-lease-related car expense (which represent car insurance and repairs), facilities expenses (which represent insurance, utilities, maintenance, cleaning and security expenses), office expenses, and general and operating expenses).

Finance expenses, net

Finance expenses, net consists primarily of the costs of the Group's hedging contracts (which are related to foreign exchange instruments), interest expenses associated with lease liabilities, and interest associated with letters of credit.

Income taxes

The Group's income tax charges primarily represent expenses on tax due in the jurisdictions in which the Group operates. The Group will offset income tax charges with deferred tax assets to the extent realisable.

Share of result of an associate

For certain of the periods covered by the Financial Statements and the Interim Financial Statements, the Group held a 20% equity interest in and exercised significant influence over Pondus Holding B.V. This line item includes the Group's share of loss from Pondus in proportion to its equity interest. The Group did not control or have a controlling interest in Pondus and did not consolidate this entity during the periods covered by the Financial Statements and the Interim Financial Statements. However, the Group acquired an additional 60% equity interest in Pondus on 19 April 2021 and agreed to acquire the remaining 20% equity interest in Pondus on 18 October 2021, subject to completion of the Offering. As a result, the Group expects to consolidate Pondus and its subsidiaries results in the Group's financial statements from 19 April 2021 (when it gained a controlling stake in Pondus). See "—*Current Trading and Recent Developments*".

Results of Operations

The following table summarises the Group's financial performance for the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021.

	Year ended 31 December			Six months ended 30 June	
	2020	2019	2018	2021	2020
			(€ thousands)		
		(audited)		(unaudited)	
Revenue	99,994	48,924	21,357	5,172	16,220
Cost of materials	(60,337)	(32,139)	(13,983)	(4,888)	(9,220)
Employee benefit expenses	(5,286)	(3,603)	(1,898)	(4,903)	(2,062)
Amortisation and depreciation expenses	(3,359)	(3,312)	(2,397)	(2,514)	(1,650)
Other Operational expenses	(7,236)	(4,407)	(2,258)	(4,781)	(2,720)
Operational expenses	**(76,218)**	**(43,461)**	**(20,536)**	**(17,086)**	**(15,652)**
Operating profit/(loss)	**23,776**	**5,463**	**821**	**(11,914)**	**568**
Finance expenses, net	(1,289)	(1,213)	(668)	(2,530)	(688)
Share of result of an associate	(112)	(89)	(26)	7,427	(56)
Profit/(loss) before tax	**22,375**	**4,161**	**127**	**(7,017)**	**(176)**
Income tax credit/(expense)	(5,716)	(1,051)	(157)	1,228	45
Profit/(loss) for the period	**16,659**	**3,110**	**(30)**	**(5,789)**	**(131)**

Comparison of the Six Months Ended 30 June 2020 and 2021

Revenue

Revenue for the six months ended 30 June 2021 decreased by €11.0 million or 68%, from €16.2 million for the six months ended 30 June 2020 to €5.2 million for the six months ended 30 June 2021. Revenue of buses is recognised based on percentage of completion and during both periods in 2020 and 2021 only limited activities were performed on buses in Deurne and mainly on preparation of the assembly of buses in China, which has only resulted in limited revenue being recognised in each of the six months ended 30 June 2020 and 2021. In the course of the six months ended 30 June 2021, five buses were shipped from China to the Company, whereas 32 buses were shipped in the six months ended 30 June 2020.

The following table sets out the geographic breakdown of the Group's revenue for the six months ended 30 June 2020 and six months ended 30 June 2021.

	Six months ended 30 June	
	2021	2020
	(€ thousands)	
	(unaudited)	
Benelux	2,947	15,366
DACH*	2,143	630
Nordics	69	51
Rest of the World (RoW)	13	173

	Six months ended 30 June	
	2021	2020
	(€ thousands)	
	(unaudited)	
Total	**5,172**	**16,220**

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

Revenue by Geography

The Group's revenue in the Benelux region for the six months ended 30 June 2021 decreased to €2.9 million, representing a decrease of €12.4 million or 81%, from the six months ended 30 June 2020 when revenue amounted to €15.4 million. This decrease was primarily due to the fact that in the six months ended 30 June 2020, 31 buses were shipped (from China to the Company) for a Dutch customer, whereas in the six months ended 30 June 2021 one bus was shipped for a Dutch customer, reflecting the impact of a lower order book in 2020 as a result of the Covid-19 pandemic, which resulted in less revenue being recognised in the six months ended 30 June 2021, as well as a reflection of the impact that timing of customer orders, which tend to be concentrated on peak moments and which were not present during the six months ended 30 June 2021. Revenue in the Benelux region in the six months ended 30 June 2020 also benefited from a combination of market dynamics, with the region, particularly the Netherlands, being a frontrunner in the conversion to zero emission buses, which led to a significant number of tenders in that region which were won by the Group in prior periods and then subsequently resulted in revenue being recognised in relation to such orders in the six months ended 30 June 2020 in accordance with the Group's revenue recognition policies. In addition, the Group's revenue in the Benelux region also reflects the Group's success in winning one of the largest tenders in Europe in September 2019, which had a number of zero emission buses shipped in the six months ended 30 June 2020, driving the revenue in that period.

The Group's revenue in the DACH region for the six months ended 30 June 2021 increased to €2.1 million from €0.6 million for the six months ended 30 June 2020, representing an increase of €1.5 million or 240%. This increase was primarily due to the fact that in the six months ended 30 June 2020 one bus was shipped for a German customer, whereas in the six months ended 30 June 2021 four buses were shipped for a German customer, reflecting the impact that timing of customer orders and customer concentration can have on results, with a peak moment of recognising revenue from orders to the DACH region occurring in the six months ended 30 June 2021 that was not present during the six months ended 30 June 2020. While the Group has been present in the DACH region for a number of years, it saw a steady increase in tenders won in prior periods, which contributed positively to the Group's results in the six months ended 30 June 2021 compared to the six months ended 30 June 2020, which the Group believes reflects the DACH region's steady adoption and shift to zero emission buses, positively impacting demand.

Cost of materials

Cost of materials for the six months ended 30 June 2021 decreased to €4.9 million from €9.2 million for the six months ended 30 June 2020, representing a decrease of €4.3 million, or 47%. This decrease was primarily due to the fact that the Group incurred lower costs of materials in connection with buses shipped in the six months ended 30 June 2021. In the six months ended 30 June 2020 positive price differences of components of €0.4 million were recognised, which did not occur in the six months ended 30 June 2021, and in the six months ended 30 June 2021, more costs of services were incurred.

Employee benefit expenses

Employee benefit expenses for the six months ended 30 June 2021 increased to €4.9 million from €2.1 million for the six months ended 30 June 2020, representing an increase of €2.8 million or 138%. This increase was primarily due to an increase in full-time employees from 111 as of 30 June 2020 to 158 as of 30 June 2021.

Amortisation and depreciation

Amortisation for the six months ended 30 June 2021 increased to €1.3 million from €0.9 million for the six months ended 30 June 2020, representing an increase of €0.4 million or 44%. This increase was primarily due to amortisation of software and intangible assets acquired through the Group's acquisition of a controlling interest in Pondus.

Depreciation for the six months ended 30 June 2021 increased to €1.3 million from €0.7 million for the six months ended 30 June 2020, representing an increase of €0.6 million or 86%. This increase was primarily due to an increase in equipment associated with the Ebusco 3.0 bus, warehouse racks, and office furniture and equipment in the six months ended 30 June 2021 versus the six months ended 30 June 2020 and a corresponding increase in depreciation.

Other operational expenses

Other operational expenses for the six months ended 30 June 2021 increased to €4.8 million from €2.7 million for the six months ended 30 June 2020, representing an increase of €2.1 million or 76%. This increase was primarily due to the higher cost of temporary workers and self-employed staff due to the starting up of production facilities in Deurne in connection with the international roll-out plan and additional IT costs, for example for ERP (enterprise resource planning) system implementation.

Finance expenses, net

Finance expenses, net for the six months ended 30 June 2021 increased to €2.5 million from €0.7 million for the six months ended 30 June 2020, representing an increase of €1.8 million, or 268%. This increase was primarily due to an increase in interest expense associated with letters of credit, costs of hedging, and interest on new credit facilities. The Group uses letters of credit funding as project based financing, and given the high amount of contract assets as at 31 December 2020 in comparison to 31 December 2019, the interest expenses on the project based financing through letters of credit were higher.

Share of results of an associate

Share of results of an associate for the six months ended 30 June 2021 amounted to €7.4 million, representing an increase of €7.5 million from a loss of €56,000 for the six months ended 30 June 2020. This was due almost entirely to the €7.4 million gain on the Company's equity investment in Pondus. The Group recognised a gain of €7.4 million as a result of remeasuring the carrying amount of its 20% 'Investment in associates' stake in Pondus at fair value.

Income Taxes

Income tax credit for the six months ended 30 June 2021 increased to a €1.2 million tax credit from €45,000 tax credit for the six months ended 30 June 2020, representing an increase of €1.1 million. This increase was primarily due to the higher commercial loss before tax in the six months ended 30 June 2021 compared to the six months ended 30 June 2020. The effective tax rate was negative 25% for both the six months ended 30 June 2021 and the six months ended 30 June 2020.

Loss for the period

Loss for the period increased by €5.7 million from €0.1 million for the six months ended 30 June 2020 to €5.8 million for the six months ended 30 June 2021. This increase was primarily due to a reduction in buses shipped and thus less revenue being recognised, higher employee benefit costs, and higher operating and financing expenses for the period ended 30 June 2021.

Comparison of the Years Ended 31 December 2018, 2019 and 2020

Revenue

Revenue increased by €51.1 million or 104%, from €48.9 million in 2019 to €100.0 million in 2020. This increase was primarily due to increased orders of zero emission buses, a number of which were orders made during 2019 for which revenue was recognised in 2020.

The Group's revenue growth in 2020 was adversely impacted by the outbreak of the Covid-19 pandemic early in 2020, which resulted in a delay in tenders and a decrease in zero emission bus orders. The Group's order book of zero emission buses decreased from 160 buses at year-end of 2019 to 12 at year-end 2020. The impact of the Covid-19 outbreak also caused delays in the post-production and delivery of zero emission buses in 2020. As a consequence, fewer zero emission buses were delivered in 2020 than was originally intended. As a result, the Group's revenue from zero emission buses in 2020 was lower than anticipated prior to the outbreak of the Covid-19 pandemic.

For 2019, revenue of €48.9 million represented an increase of €27.6 million or 129% compared to revenue of €21.3 million in 2018. This increase was primarily due to orders from prior periods for buses under construction being shipped during the period, with 37 zero emission buses shipped in the year ended 31 December 2018 compared to 94 buses being shipped in the year ended 31 December 2019, which resulted in a corresponding increase in revenue recognised in the year ended 31 Decemer 2019.

The following table shows revenue per region of the Group's revenue for the years ended 31 December 2018, 2019, and 2020.

	Year ended 31 December		
	2020	**2019**	**2018**
		(€ thousands)	
		(audited)	
Benelux	90,153	41,425	19,726
DACH*	9,446	7,094	1,544
Nordics	75	90	86
Rest of the World (RoW)	320	314	1
Total revenue	**99,994**	**48,924**	**21,357**

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

Revenue by Geography

The Group's revenue in the Benelux region increased by €48.7 million or 118%, from €41.4 million in 2019 to €90.2 million in 2020. This increase was primarily due to an increase in the number of buses shipped for a new customer in the Benelux region (at that time the largest order for electric buses in Europe). The Group's growing sales in the Benelux region between 2019 and 2020 benefitted from increasing demand over time in the Benelux region, particularly the Netherlands which is a frontrunner in the transition to zero emission buses, combined with its success in winning tenders in prior periods or at the start of the period that was recognised as revenue in the 2020.

For 2019, the Group's revenue in the Benelux region of €41.4 million represented an increase of €21.7 million or 110% compared to the Group's revenue in the region in 2018. This increase was primarily due to an increase in number of buses shipped for an existing customer in the Benelux region (at that time the largest order for electric buses in Europe). The Group attributes its growing sales in the Benelux region between 2018 and 2019 to favourable market conditions that drove demand and its success in winning tenders, as discussed above.

The Group's revenue in the DACH region increased by €2.4 million or 33%, from €7.1 million in 2019 to €9.4 million in 2020. This increase was primarily due to an increase in number of buses shipped for both existing and new customers in the DACH region. The market for electric buses is also growing in the DACH region and the Group's results in 2020 reflected the benefit it experienced from these market drivers.

For 2019, the Group's revenue in the DACH region of €7.1 million represented an increase of €5.6 million or 359% compared to the Group's revenue in the region in 2018. This increase was primarily due to an increase in number of buses shipped for both new and existing customers in the DACH region. Between these periods, the market was changing and the Group found more customers that were willing to try an electric bus rather than a traditional diesel bus and also benefited from existing customers placing repeat orders in 2019.

Cost of materials

Cost of materials increased by €28.2 million or 88%, from €32.1 million in 2019 to €60.3 million in 2020. This increase was primarily due to increased orders for zero emission buses and the associated costs to fulfil them, including, but not limited to, increased customer contracts (orders) and costs with the Group's supplier in order to fulfil the customer contracts and purchase of components for the buses. However, the Group began to see the impact of cost savings as a result of the increase in the volume of buses produced, which increase in the purchase power resulted in a slight decrease in the cost price per bus in year ended 31 December 2020 compared to the prior year. A major result of this increased purchasing power is reflected in the fact that the Group negotiated a lower price per kilowatt hour for battery costs in the year ended 31 December 2020 compared to its battery costs in the year ended 31 December 2019.

For 2019, cost of materials of €32.1 million represented an increase of €18.2 million or 130% compared to cost of materials of €14 million in 2018. This increase was primarily due to increased orders for zero emission buses and sales of goods and services and the costs to fulfil them

Employee benefit expenses

Employee benefit expenses increased by €1.7 million or 47%, from €3.6 million in 2019 to €5.3 million in 2020. This increase was primarily due to an increase in headcount. As of 31 December 2020, the Group had 137 FTEs (excluding contractors), as compared to 100 (excluding contractors) as of 31 December 2019, representing an increase of 37%.

For 2019, employee benefit expenses of €3.6 million represented an increase of €1.7 million or 90% compared to employee benefit expenses of €1.9 million in 2018. This increase was primarily due to an increase in the number of personnel employed. As at 31 December 2019, the Group had 52 FTEs (excluding contractors), as compared to 28 (excluding contractors) as at 31 December 2018, representing an increase of 86%.

Amortisation and depreciation

For 2020, amortisation of €1.9 million increased by €43,000 or 2% compared to the prior year when it was €1.8 million. This was due to the fact that the same assets (development assets and software) were being depreciated on a straight-line basis. The development asset related to the Ebusco 3.0 bus which was capitalised in December of 2020 and its effect upon annual amortisation cost was minimal. Similarly, in 2019 amortisation costs of €1.8 million was stable compared to €1.8 million in 2018. This was due to the fact that the same assets (development assets and software) were being depreciated on a straight-line basis.

Depreciation was broadly stable with a slight decrease by €3,000 or 0.2%, from €1.5 million in 2019 to €1.5 million in 2020. This was due to the fact that predominantly the same assets were depreciated on a straight-line basis other than an addition of assets under construction which were not available for use and not depreciated. For 2019, depreciation of €1.5 million represented an increase of €0.9 million or 148% compared to depreciation of €0.6 million in 2018. This increase was primarily due to an increase in equipment and furniture & fixtures which led to a correspondingly higher amount of depreciation.

Other operational expenses

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

	Year ended 31 December		
	2020	**2019**	**2018**
		(€ thousands)	
		(audited)	
Other staff expenses	3,728	2,248	919
General expenses	1,207	643	571
Marketing expenses	1,130	761	319
Facility expenses	142	73	90
Car expenses	117	103	67
Office expenses	108	77	39
Other operating expenses	804	502	253
Total other operational expenses	**7,236**	**4,407**	**2,258**

Other operational expenses increased by €2.8 million or 64%, from €4.4 million in 2019 to €7.2 million in 2020. This increase was primarily due to an increase in other staff expenses, marketing expenses, general expenses and other operating expenses. Other staff expenses include temporary and flexible staff that the Group hires to establish flexibility to cope with the peaks in the production and delivery of its zero emission buses and in connection with enhanced research and development efforts. The Group hired more temporary and flexible personnel during the year ended 31 December 2020 in order to set-up the Ebusco 3.0 in-house production and expand operations in Deurne. During the same period, marketing and sales office expenses in Australia and France were an additional driver of other operational expense. General expenses mainly include management fees charged by the Management Board, advisory fees and insurance fees. The increase in general expenses in 2020 was driven by an increase in the banking costs and the advisory costs of a new banking contract. Facility expenses increased due to the implementation of the roll-out plan and ramping up of the Group's manufacturing plants.

For 2019, other operational expenses of €4.4 million represented an increase of €2.1 million, or 95%, compared to other operational expenses of €2.3 million in 2018. This increase was primarily due to an increase in other staff expenses which includes an increase in the costs of temporary and flexible staff due to the increase in the Group's deliveries and pre-delivery inspection activities tied to peak moments driven by customer order schedules in 2019 compared to 2018 and additional travel costs associated with the Group's relationship with its third-party supplier in China for the assembly of the Ebusco 2.2.

Finance expenses, net

Finance expenses, net increased by €76.000, or 6.3%, from €1.2 million in 2019 to €1.3 million in 2020. This increase was primarily due to the increase in hedging costs associated with the issuance of letters of credit which are issued in connection with new contracts. The Group's increased sales in 2020 resulted in the need for additional letters of credit which contributed to the increased finance expenses, net.

For 2019, finance expenses, net of €1.2 million represented an increase of €0.5 million, or 82% compared to finance expenses, net of €0.7 million in 2018. This increase was also mainly driven by an increase in hedging costs related to the issuance of additional letters of credit from increased sales in 2019.

Share of result of an associate

Share of result of an associate increased by €23,000 or 26%, from €89,000 loss in 2019 to €112,000 loss in 2020. This increase was entirely due to the Group's share in the loss of its 20% holding in Pondus.

For 2019, share of result of an associate of €89,000 loss represented an increase of €62,000 or 242% compared to 2018 when the share of result of an associate was €26,000 of a loss. This is attributable entirely to the Group's share in the loss of its 20% holding in Pondus.

Income Tax

Income tax expense increased by €4.7 million or 444%, from €1.1 million in 2019 to €5.7 million in 2020.This increase was due to higher taxable profits and a corresponding increase in taxes payable.

Income tax expense increased by €0.9 million or 569% from a €0.2 million tax expense in 2018 to €1.1 million tax expense in 2019. During 2019, the Group used its remaining deferred tax asset resulting from previous operating losses to offset part (but not all) of its taxable profit.

The effective tax rate in 2019 and 2020 was 25%.

Profit for the period

Profit for the period increased by €13.5 million or 436%, from €3.1 million in the year ended 31 December 2019 to €16.7 million in the year ended 31 December 2020. This increase was primarily due to increased orders of zero emission buses, a number of which were orders made during 2019 for which revenue was recognised in 2020. The increase in revenue contributed to the increase in profit for the period despite the higher employee benefit expenses, other operational expenses, finance expenses and income tax expenses.

Profit for the period increased by €3.1 million, from a loss of €30 thousand in the year ended 31 December 2018 to €3.1 million in the year ended 31 December 2019. This increase was primarily due to increased orders of zero emission buses. The increase in revenue contributed to the increase in profit for the period despite the higher employee benefit expenses, other operational expenses, finance expenses and income tax expenses.

Liquidity and Capital Resources

Overview

The Group's primary source of liquidity during the period under review were the cash flows generated from financing (which includes the Group's Facilities Agreement) and cash flows generated from operations. 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 and as further detailed in "—*Cash Flows*".

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 and the Interim Financial Statements.

	Year ended 31 December 31			Six months ended 30 June	
	2020	**2019**	**2018**	**2021**	**2020**
			(€ thousands)		
		(audited)		*(unaudited)*	
Net cash flows from operating activities	(11,427)	(4,959)	3,121	8,995	379
Net cash flows from investment activities	(3,994)	(194)	(2,247)	(17,927)	(561)
Net cash flows from financing activities	39,473	(1,337)	6,693	(12,492)	(1,104)
(Decrease)/Increase in cash and cash equivalents	**24,052**	**(6,490)**	**7,567**	**(21,424)**	**(1,286)**
Cash and cash equivalents at the start of the period	2,810	9,300	1,733	26,862	2,810
Cash and cash equivalents at the end of the period	**26,862**	**2,810**	**9,300**	**5,438**	**1,524**

Comparison of the Six Months Ended 30 June 2020 and 2021

Cash flows from operating activities

Net cash from operating activities for the six months ended 30 June 2021 was €9.0 million, an increase of €8.6 million or 2,273% from net cash from operating activities of €0.4 million for the six months ended 30 June 2020. This increase was primarily due to a conversion of higher balances of contract assets offset by reduced payables and higher receivable balances at the end of 2020 that were converted into cash in the period ended 30 June 2021.

Cash flows from investing activities

Net cash outflow from investing activities for the six months ended 30 June 2021 was €17.9 million, an increase of €17.3 million or 3,096% from net cash outflow of €0.6 million for the six months ended 30 June 2020. This increase was primarily due to cash paid for the Group's acquisition of a controlling interest in Pondus.

Cash flows from financing activities

Net cash outflow from financing activities for the six months ended 30 June 2021 was €12.5 million, an increase of €11.4 million or 1,032%, from net cash outflow of €1.1 million for the six months ended 30 June 2020. This increase was primarily due to a higher repayment of borrowings due to delivery of buses and repayment of borrowings associated with those buses in the six months ended 30 June 2021 offset by the ING Credit Agreement that the Company entered into in April 2021.

Comparison of the Years Ended 31 December 2018, 2019 and 2020

Cash flows from operating activities

Net cash outflow from operating activities for 2020 was €11.4 million, an increase of €6.5 million or 130% from net cash outflow of €5 million for 2019. This increase was primarily due to an increase in the number of construction contracts entered into offset by a decrease in trade receivables as a result of collection of outstanding accounts receivables from customers and an increase of trade and other payables.

Net cash outflow from operating activities for 2019 was €5 million, an increase of €8 million or 259% from net cash inflow of €3.1 million in 2018. The increase in net cash outflow was largely due to an increase in trade receivables as a result of a delivery of zero emission buses to customers for which payment was not collected.

Cash flows from investing activities

Net cash outflow from investing activities for 2020 was €4 million, an increase of €3.8 million or 1.959% from net cash outflow of €0.2 million for 2019. This increase in cash outflow was due mainly to an increase in purchases of intangible assets, including cash outflows related to a development asset related to the Ebusco 3.0 bus, and increased spending on software.

Net cash outflow from investing activities for 2019 was €0.2 million, a decrease of €2 million or 91% from net cash outflow of €2.2 million for 2018. The decrease in cash outflow from investing activities was largely due to comparatively lower purchases of property, plant and equipment when compared to 2018, when the Group invested in four additional bus assets for demonstration and engineering purposes.

Cash flows from financing activities

Net cash inflow from financing activities for 2020 was €39.5 million, an increase of €40.8 million or 3.052% from net cash outflow of €1.3 million for 2019. This increase in net cash inflow was largely due to an increase in proceeds from borrowings resulting from extended payments from letters of credit associated with project financing and proceeds from issuing shares. The share issuance resulted from the existing shareholders investing a further €10.0 million into the Group on a proportional basis in order to provide funding for ramping up manufacturing capacity in Deurne and additional working capital for use by the Group.

Net cash outflow from financing activities for 2019 was €1.3 million, a decrease of €8 million or 120% from net cash inflow of €6.7 million for 2018. The decrease was due to a repayment (decrease) in payables to credit institutions as compared to an increase in 2018 as well as a lack of borrowing in 2019 when compared to 2018 when the Group received proceeds from a subordinated loan from its shareholders.

Net Working Capital

The Group calculates net working capital as inventories plus trade receivables and contract assets minus trade payables and contract liabilities. The net working capital metric is more limited in scope than the working capital measured by the Group's working capital statement and cannot be used interchangeably.

As at 31 December 2020, 2019, 2018 and as at 30 June 2021, the Group's net working capital amounted to €58.5 million, €20.3 million, €5.9 million, €35.8 million, respectively.

Contract assets

The increase of the net working capital is mainly caused by the increase of contract assets. 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 the right to consideration becomes unconditional. Contract assets are related to work in progress assets for zero-emission buses and an increase in orders results in a correspondingly higher amount of contract assets.

Contract assets as at 30 June 2021 amounted to €30.3 million, a decrease of €29.6 million or 49%, from contract assets of €59.9 million as at 31 December 2020. This decrease was due to completion of the work-in-progress contracts and recognition of the earned consideration as unconditional in trade receivables.

Contract assets increased by €53.2 million or 795%, from €6.7 million as at 31 December 2019 to €59.9 million as at 31 December 2020. This increase was mainly due to the increase in contracts with customers for this period.

Contract assets increased by €10 thousand, or 0.2%, from €6.7 milllion as at 31 December 2018 to €6.7 million as at 31 December 2019. This was primarily driven by a slight increase in contracts with customers during the period under review.

Net working capital funding

Historically, the Group has funded its net working capital requirements through loans, including the Facilities Agreement (which includes letters of credit), and equity contributions from existing shareholders. From April 2021, the Group also utilised the ING Credit Agreement, in part for its net working capital requirements. Managing its net working capital requirements is a priority of the Group to facilitate its zero emission bus production and assembly operations.

For the Group to meet its medium-term objective to produce over 3,000 zero emission buses per year towards the end of the medium-term period, it anticipates it will require a net working capital funding requirement of €300 million to €400 million towards the end of the medium-term period. In the early years of the medium term period, the Group expects the net working capital requirements to be relatively small and that these requirements will be funded temporarily through the net proceeds of the Offering and cash generated from operations. See "*Reasons for the Offering and Use of Proceeds*" for an explanation of how the Group will temporarily utilise the net proceeds for net working capital. In the second part of the medium term period, however, when the production of the Ebusco 3.0 is expected to ramp up substantially, the Company anticipates that it will also finance its ongoing net working capital needs with a regular revolving credit facility (to be secured and entered into in the future once the Group's precise net working capital needs are more clear) in addition to the existing Facilities Agreement (or any replacement of such Facilities Agreement) and cash generated from operations.

The Group, as it implements its international expansion and becomes more mature, sees opportunities for further net working capital optimisation, in line with industry standards. For example, as the Group's international roll-out plan is implemented, the Group believes it will be able to optimise production time, reducing overall production time and reducing the time zero emission buses are classified as a contract asset and the number of days its inventory is outstanding. In addition, as the Group grows, it also expects to be able to extend its payment terms with its suppliers, which will also improve its net working capital.

Loans and Borrowings

The Group's loans and borrowings consist primarily of financial debt incurred in borrowing money. The Group primarily requires borrowings for the letters of credit it issues in connection with its production and assembly of buses in China. The following table presents the Group's interest-bearing loans and borrowings for the periods indicated.

	As at 31 December			As at 30 June
	2020	2019	2018	2021
	(€ thousands)			
	(audited)			(unaudited)
Loans and borrowings (current)				
Debts to credit institutions	41,788	8,214	7,514	5,992
Loan from RVO	3,000	1,200	1,820	5,026
Loan from shareholders	-	2,000	2,035	32,500
Dividend on cumulative preference shares	400	-	-	800
Contingent consideration and earnout Pondus	-	-	-	5,750
Total	**45,188**	**11,414**	**11,369**	**50,068**
Loans and borrowings (non-current)				
Non-current loans and borrowings	441	420	400	452
Cumulative preference shares	10,000	-	-	10,000
RVO loan	2,436	4,446	4,173	-
Loan from shareholders	-	-	-	2,255
Total	**12,877**	**4,866**	**4,573**	**12,707**
Loans and borrowings	**58,065**	**16,280**	**15,942**	**62,775**

Facilities Agreement

On 21 September 2020, Ebusco B.V. (as company, original borrower and original guarantor) and Ebusco Manufacturing B.V. (as original borrower and original guarantor) entered into an €80 million Dutch law facilities agreement with, ING, Coöperatieve Rabobank U.A. and ABN AMRO Bank N.V. (as, among other capacities, original lenders) (as amended, amended and restated or otherwise modified from time to time, the **Facilities Agreement**). As at 30 June 2021, the Group's Facilties Agreement had unused credit facilities of €73.8 million (€68.8 million under its letter of credit facility and €5.0 million under its revolving credit facility).

Pursuant to the Facilities Agreement, the following facilities have been made available:

(i) a multicurrency revolving facility in an aggregate amount equal to €70 million to Ebusco B.V, to be utilised by way of letters of credit (**Facility A**), with an (uncommitted) accordion option subject to a condition that the increase of the total commitments as a result of the exercise of the accordion options may not exceed €30 million in aggregate; and

(ii) a revolving credit facility in an aggregate amount equal to €10 million to Ebusco B.V. and Ebusco Manufacturing B.V. (**Facility B** and, together with Facility A, the **Facilities**), to be utilised by way of ancillary facilities (each an **Ancillary Facility**), with all amounts borrowed thereunder to be applied for (a) issuing performance guarantees or performance bonds, with a maximum tenor of 36 months, or (b) towards the general working capital purposes of the borrowers, with an (uncommitted) accordion option subject to a condition that the increase of the total commitments as a result of the exercise of the accordion options may not exceed €30 million in aggregate. The borrowers have entered into (a) a €1 million Ancillary Facility with ING, (b) a €1 million Ancillary Facility with ABN AMRO Bank N.V. and (c) a €1 million Ancillary Facility with Coöperatieve Rabobank U.A.

Interest

Facility A carries no interest, but fees are charged on letters of credit in accordance with the details listed below under "—*Fees*". The interest rate for each loan under Facility B is the percentage rate per annum which is the aggregate of the applicable margin and EURIBOR, subject to a floor of 0%.

Fees

The following fees are, or will be, applicable with respect to the Facilities:

(i) a commitment fee applies to Facility B at a rate of 35% of the applicable margin per annum on the lender's available commitment under Facility B;

(ii) a letter of credit fronting fee at the rate of 0.15% on the outstanding amount which is counter-indemnified by the other lenders of each letter of credit requested by a borrower;

(iii) 1.10% per annum on the outstanding amount of each letter of credit requested by a borrower; and

(iv) other customary fees and expenses, such as customary agency fees to the agent and security agent, being ING.

Maturity

Facility A matures two years after the date of the Facilities Agreement (being 21 September 2022, the **Termination Date**). Facility B matures one month prior to the Termination Date. The Termination Date can be extended at the request of Ebusco B.V., at the discretion of the lenders, on the first and second anniversary of the Facilities Agreement by up to an aggregate of two years. Any amounts still outstanding at the time of maturity will then be due and payable.

Repayment, voluntary prepayment and mandatory prepayment

Each letter of credit shall be repaid in full on the Termination Date or the date on which that letter of credit becomes due and payable. Each loan made under Facility B shall be repaid on the last day of such loan's interest period, subject to a borrower's right to request one or more rollover loans in the customary manner.

Subject to conditions and fees, the borrowers may prepay any part of the Facility B loan and all or part of Facility A and/or B may be cancelled (in each case by a minimum of €1 million). Any part of Facility B which is prepaid or repaid may be reborrowed in accordance with the terms of the Facilities Agreement.

In addition to customary provisions relating to illegality of a lender or an issuing bank, the Facilities Agreement contains mandatory prepayment provisions which are triggered when there is a change of control in relation to Ebusco B.V. or when the ultimate beneficial owner of a borrower changes, which gives an individual lender the right to cancel its commitments and declare that its participations in all outstanding utilisations, together with accrued interest and all other amounts accrued to it in connection with the Facilities Agreement, shall become due and payable.

Guarantees and security

The borrowers guarantee the obligations under the Finance Documents (as defined in the Facilities Agreement) and have pledged under Dutch law their bank accounts, intercompany receivables, insurance receivables, trade receivables, moveable assets (which includes for the avoidance of doubt, all current and future buses), goods in transit and intellectual property to ING as the security agent, who holds the pledge for each Finance Party (as defined in the Facilities Agreement). Furthermore, Ebusco B.V. and Ebusco Manufacturing B.V. granted a first-ranking Belgian law governed right of pledge in October 2020, in favour of ING, over all current and future buses which are or will be transported or located in Belgium or subjected to the property laws of Belgium and owned or acquired by one of the pledgors.

Representations, Warranties, and Covenants

The Facilities Agreement contains customary representations and warranties and affirmative covenants.

The Facilities Agreement also contains customary undertakings that, subject to exceptions, limit the ability of the borrowers and its subsidiaries to, among other things:

- incur additional financial indebtedness;
- create or permit to subsist additional security interests on assets;
- change its business;
- dispose of all or any part of its assets;
- make acquisitions or merge or consolidate with another company or person; and
- subject to exceptions (which permit up to €250,000 in dividends per year), pay any dividend on or make any distribution or pay any other amounts in respect of, or redeem, its share capital, capital stock or other securities.

Financial Covenants

The Facilities Agreement requires Ebusco B.V. to meet the following financial ratios (the **Financial Covenants**, consisting of the Gearing Ratio covenant and EBITDA covenant (defined below)), pursuant to Financial Covenant amendments made to the Facilities Agreement in July 2021, to be tested semi-annually:

(a) ratio of Senior Total Net Debt to Net Worth (each as defined in the Facilities Agreement) ratio shall not exceed 1.50:1.00 (the **Gearing Ratio covenant**); and

(b) EBITDA, after deducting capital expenditure, in each case for any applicable preceding 12-month period, shall be greater than €15 million for each relevant period in any financial year after 2020, except for the periods ending 31 December 2021, 31 March 2022, 30 June 2022 and 30 September 2022, at which times, EBITDA, after deducting capital expenditure, shall be greater than negative €2.5 million (the **EBITDA covenant**).

Events of Default

The Facilities Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including breach of the Financial Covenants described above and a cross-default to debt of the borrowers or its subsidiaries. The agent under the Facilities Agreement, may, and shall if so directed by the majority lenders, on the occurrence of an event of default which is continuing, among other things, upon written notice to Ebusco B.V., accelerate all or part of the outstanding loans, cancel the commitments, declare all or part of the cash cover in respect of each letter of credit and the other amounts accrued or outstanding under the finance documents payable on demand or exercise its other rights under the Facilities Agreement and other finance documents.

Amendments and Waivers

Certain amendments have been made to the Facilities Agreement and certain waivers have been granted in relation to the Facilities Agreement pursuant to an amendment and waiver letter dated 15 July 2021 (the **Letter**). The Company obtained the Letter and certain covenants were adjusted to facilitate the increase in capital expenditure being undertaken and to be undertaken by the Group in connection with its international roll-out plan. The Letter includes two amendments of the Facilities Agreement, as described above, concerning:

(i) the requirements of a utilisation request for letters of credit; and

(ii) the calculation of Ebusco B.V.'s EBITDA for the purpose of the Financial Covenants.

The Letter also includes certain waivers. More specifically, the lenders approved:

(a) the request to waive the right to receive:

  (i) the 2020 audited consolidated financial statements of Ebusco B.V.;

  (ii) the 2020 audited financial statements of each Obligor (as defined in the Facilities Agreement) and Ebusco Holding B.V.; and

  (iii) an unaudited consolidation statement (*consolidatiestaat*) regarding the Obligors and regarding the Group (each as defined in the Facilities Agreement),

(together the **2020 Financial Statements**) within 180 days after the end of the financial year 2020, provided that the Company shall deliver the 2020 Financial Statements no later than 30 September 2021 (which was subsequently further extended to 1 November 2021 by the lenders);

(b) the request to wave their right to receive a liquidity forecast for a period of 12 months, including expected Utilisations of Letters of Credit and Loans and buyback guarantees that materialise during the next 12 months (the **Q1 Liquidity Forecast**, and together with the 2020 Financial Statements, the **Reporting Covenants**) within 45 days of 31 March 2021, on the basis that the Company shall deliver the Q1 Liquidity Forecast on 21 June 2021;

(c) the request to waive non-compliance with the Senior Total Net Debt to Net Worth ratio (which at all times shall not exceed 1:50:1.00) from the first financial quarter of the financial year 2022 up to and including the third financial quarter of the financial year 2022, being from 1 January 2022 up to and including 30 September 2022, meaning the next test for the Gearing Ratio covenant will be on 31 December 2022; and

(d) the provision of a €8 million subordinated shareholder loan by Ebusco Holding B.V to Ebusco B.V. This subordination agreement is dated 15 July 2021 and made between Ebusco B.V. (as debtor), Ebusco Holding B.V. (as junior creditor) and ING (as agent).

On 9 September 2021, the Company obtained a waiver from the lenders of the Facilities Agreement for its breach of the EBITDA covenant as at the last twelve months ended 30 June 2021, a waiver of its obligation to comply with its Financial Covenants under the Facilities Agreement from 1 July 2021 through 30 December 2021, as well as a waiver from its requirement for liquidity reporting for the period ended 30 June 2021 to be provided to the lenders within 45 days.

On 24 September 2021, the Company obtained from the lenders of the Facilities Agreement a conditional waiver from its EBITDA covenant through 29 June 2022. As a result, the Group's EBITDA covenant will next be tested on 30 June 2022. The waiver is conditional upon the following:

i. the First Trading Date being no later than 1 December 2021;

ii. by no later than 1 December 2021, any and all documentation required by any party in relation to or for purposes of the First Trading Date occurring shall have been signed and delivered to the relevant parties in a manner as provided for in the documentation, without any delay, breach of any provision or occurrence of any default thereunder, however described; and

iii. the Company shall prepay the following outstanding amounts drawn under Facility B:

  a) first, in an aggregate amount of €5 million, ultimately by 14 October 2021; and

  b) second, in a subsequent aggregate amount of €5 million (resulting in an aggregate total prepaid amount equal to the Total Facility B Commitments), ultimately by 31 October 2021.

Until the foregoing conditions have been complied with or satisfied, the Facility B Commitments cannot be drawn down again.

ING Credit Agreement

On 15 April 2021, Ebusco Holding B.V. (as borrower) and ING Corporate Investments Mezzanine Fonds B.V. (as lender) entered into a €32.5 million Dutch law credit agreement (the **ING Credit Agreement**). Various standard ING terms and conditions apply.

The loan under the ING Credit Agreement may be utilised for the purpose of:

(i) the acquisition of 60% of the shares in Pondus by Ebusco Holding B.V.;

(ii) repayment of the existing financial indebtedness of Pondus;

(iii) financing of the costs involved in the run-up to a potential listing or private placement of shares of Ebusco Holding B.V.;

(iv) financing of initial investments for the realisation of the Group's international roll-out plan; and

(v) working capital financing required by the Group and not covered by the Facilities Agreement.

As at 30 June 2021, the Group had utilised the total €32.5 million of the ING Credit Agreement.

Interest

The interest rate for the ING Credit Agreement is equal to (i) 3.50% per annum until 15 July 2021, (ii) 4.00% per annum from 15 July 2021 to 15 October 2021 and (iii) 4.50% per annum from 15 October 2021 until the maturity date.

Maturity, voluntary prepayment and mandatory prepayment

The loan matures 11 months after the date of the ING Credit Agreement, at which time it must be repaid in full together with all accrued interest.

The net proceeds from the Offering must be applied in repayment of the amounts outstanding under the ING Credit Agreement. Ebusco Holding B.V. may prepay the loan in full. See "*Reasons for the Offering and Use of Proceeds*".

Representations, Warranties, and Covenants

The ING Credit Agreement contains customary covenants that, subject to exceptions, limit the ability of the borrower and its subsidiaries to, among other things:

- incur additional financial indebtedness;
- create or permit to subsist additional security interests on assets;
- dispose of all or any part of its assets;
- make acquisitions or merge or consolidate with another company or person;
- make investments; and
- pay any dividend on shares.

In addition, the ING Credit Agreement also contains customary representations and warranties and affirmative covenants.

Security

Ebusco Holding B.V. granted first-ranking rights of pledge to the lender over the 60% stake acquired by Ebusco Holding B.V. in Pondus Holding B.V. on or about the date of the ING Credit Agreement.

Events of Default

The ING Credit Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including a cross-default to debt of the borrower (or subsidiaries of the borrower). The occurrence of an event of default would allow the lender under the ING Credit Agreement to, among other things, upon written notice to the borrower, accelerate all or part of the outstanding loan, cancel the commitments, declare all or part of the loan payable on demand, and exercise its other rights under the ING Credit Agreement and other finance documents.

Netherlands Enterprise Agency Loan

On 20 December 2013, Ebusco B.V. entered into a €4,551,008 Dutch law loan agreement with the Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland*) (as amended and restated from time to time) (the **RVO loan**), which was granted for the development of new products by Ebusco, such as the Ebusco 2.0, the Ebuco 2.1 and related bus types. The entire loan amount has been drawn in full and any amounts repaid cannot be redrawn. The credit balance as at 30 June 2021 was €5.4 million. Interest accrues on all amounts outstanding under the loan at a rate of 7% per annum and the total interest amount is payable at the maturity date of 1 June 2022. This financing agreement is covered by a parent guarantee granted by Peter Bijvelds Holding and rights of pledge granted by Ebusco B.V. in favour of the lender on assets which are financed by this loan. The parent guarantee includes the requirement that Peter Bijvelds Holding, if and insofar as it holds shares in Ebusco B.V., will not dispose shares in Ebusco B.V. during the term of the agreement, if this results in Peter Bijvelds Holding losing the majority of the shares of the company or losing its control over the company. The Dutch Minister of Economic Affairs may grant an exemption for this requirement.

Ebusco B.V. created a first-ranking right of pledge in favour of the lender on all tangible and intangible assets of Ebusco B.V., including movable assets and intellectual property rights, that have been co-financed with the RVO loan, which assets were consented to be included as security under the Facilities Agreement by the RVO loan lender. Ebusco B.V. shall (i) not transfer or dispose of the pledged assets unless explicitly permitted under the conditions of the RVO loan and (ii) shall not create any (successive) security rights on the aforementioned assets, without the prior written approval of RVO.

The net proceeds from the Offering will be applied to repay the amounts outstanding under the RVO loan. See "*Reasons for the Offering and Use of Proceeds*".

Intercompany Loans

Om 19 April 2021, Ebusco Holding B.V. (as lender) entered into a €5,254,465.41 Dutch law loan agreement with Pondus Operations B.V. (as borrower) (the **Intercompany Loan**). The Intercompany Loan has been granted for the purpose of the repayment of existing financial indebtedness of Pondus Operations B.V. with the Netherlands Enterprise Agency. Interest accrues on all amounts outstanding under the loan at a rate of 7% per annum. Pondus Holding B.V. and Pondus R&D B.V. guarantee the obligations of Pondus Operations B.V under the Intercompany Loan. Each of Pondus Holding B.V., Pondus Operations B.V. and Pondus R&D B.V. have granted rights of pledge over assets in favour of Ebusco Holding B.V. securing the repayment of the Intercompany Loan, consisting of:

- all its present and future claims, receivables and other rights vis-à-vis third parties to Ebusco Holding B.V. by way of undisclosed pledge;
- all its present and future movable assets to Ebusco Holding B.V. by way of non-possessory pledge; and
- all its present and future intellectual property (including know-how, patents, trademarks, servicemark, designs, business or trade names, copyrights, inventions, utility models, trade secrets or other intellectual property to which that security provider is or becomes entitled),

each connected to "Project Pondus", which represents the composite lightweight bus body, as described in the Intercompany Loan.

On 15 July 2021, Ebusco Holding B.V entered into a subordinated shareholder loan of €8 million to Ebusco B.V. This subordination agreement is made between Ebusco B.V. (as debtor), Ebusco Holding B.V. (as junior creditor) and ING (as agent). See "*—Facilities Agreement—Amendments and Waivers*" for additional information about the entry into the shareholder loan.

Capital Expenditures and Investments

	Year ended 31 December 31			Six months ended 30 June	
	2020	**2019**	**2018**	**2021**	**2020**
			(€ thousands)		
		(audited)		*(unaudited)*	
Investments in property, plant and equipment	(1,362)	(306)	(1,828)	(1,024)	(543)
Investment in intangible assets	(2,452)	(112)	(169)	(309)	(18)
Capital expenditure[(1)]	**(3,814)**	**(418)**	**(1,997)**	**(1,333)**	**(561)**

Notes:

(1) See "*Selected Consolidated Financial Information—Selected non-IFRS financial measures*" for a definition of capital expenditure.

In the year ended 31 December 2018, capital expenditure of investments in intangible assets, being part of the Group's capital expenditure, consisted mainly of certification and homologation costs and the design costs associated with the Ebusco 2.2 zero emission bus. Similarly, in the year ended 31 December 2019, capital expenditure consisted mainly of certifications and homologation costs of several versions of the Ebusco 2.2 zero emission bus and of investment in enterprise software. In the year ended 31 December 2020, capital expenditure consisted mainly of investment in software (€0.9 million) related to the implementation of a management warehouse system and the capitalisation of development costs of the Ebusco 3.0 (€1.5 million).

In the first six months of 2020, capital expenditure consisted mainly of investments in property, plant and equipment, which totalled €482,000 for assets under development.

In the first six months of 2021, capital expenditure consisted mainly of purchases of equipment related to the production of Ebusco 3.0 buses, warehouse racks, and investments in office furniture and equipment.

Working Capital Statement

In the opinion of the Company, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

Off-Balance Sheet Arrangements and Contingent Liabilities

The Group uses customary off-balance sheet arrangements, such as purchase commitments, operating leases and guarantees, to help finance its business. None of these arrangements has had or is likely to have a material effect on the results of operations, financial condition or liquidity of the Group.

Contingencies and commitments

Contingent liabilities

The Facilities Agreement comprises an €80 million credit facility agreement of which €10 million as a revolving credit facility and €70 million facility which can be utilised by way of letters of credit. The facility was established on 21 September 2020, replacing previous arrangements of €60 million in 2019 (2018: €23 million). An amount of €46 million was used in the year ended 31 December 2020.

For the year ended 31 December 2020, an amount of €8 million (for the year ended 31 December 2019: €6 million, for the year ended 31 December 2018: €8 million) of the Group's bank account has been blocked as coverage of outstanding letter of credit amounts. An amount of €462,000 in the year ended 31 December 2020 (in the year ended 31 December 2019: €131,000, in the year ended 31 December 2018: €131,000) of the Group's bank account has been blocked as coverage of outstanding bank guarantee for the rental agreement of the Group's premises in Deurne and two prepayments from a customer (2020).

Purchase commitments

The Group made purchase commitments for electric buses with a value of €0 as at 31 December 2020 (as at 31 December 2019: €43 million, as at 31 December 2018: €16 million).

Leasing and rental commitments

The Group entered into a contract to rent extra office space in December 2020. As the commencement date of the updated agreement was 1 February 2021, the related right-of use asset and lease liability in the amount of €1.5 million was only recognised in the balance sheet as from that date.

Buy-back guaranties

The Group has issued buy-back guarantees after a particular period in some of its sales contracts with customers with a nominal value of:

	30 June 2021
	(€ thousands)
With a term less than or equal to one year	0
With a term of more than one to less than or equal to five years	200
With a term of more than five years	874
Total	**1,074**

Qualitative and Quantitative Disclosures regarding Financial Risks

The Group's activities expose it to a variety of financial risks that include liquidity risks, market risks, interest rate risks, and credit risks, which arise in the normal course of business. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's operational and financial performance. For more information on financial risks, please refer to Note 12 of the Financial Statements.

Critical Accounting Estimates and Judgements

The preparation of the Group's consolidated historical financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts. These estimates may differ from the actual results. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The Group's revenue recognition policies are in line with IFRS 15. In determination of its recognition of revenue, the Group applies the five -step model in line with IFRS 15. 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 customised 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 eight to 14 months. The Group classifies these sales contracts as construction contracts. Construction contracts are carried at realised contract costs plus expected margin (provided this can be reliably measured); and

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, which support the customer's use of zero emission buses sold by the Group. The Group also offers limited bus leasing arrangements, income from which is recognised in accordance with IFRS 16.

The Group's revenue recognition policies recognise revenue recognised over time and revenue recognised at a point in time. Revenue recognised over time relates to contracts regarding the sale of zero emission buses, all other support services and lease (lessor) income which relates to buses leased out to customers (refer to Note 20, Leases, of the Financial Statements). Revenue recognised at a point in time relates to contracts for the sale of charging systems and ancillary services and goods. Transfer of control occurs when the Group has transferred physical possession of the asset and revenue is recognised at that point of time. With respect to revenue recognised over time, 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 ten to 15 months. The Group classifies these sales contracts as construction contracts. Construction contracts are carried at realised contract costs plus attributable profit (provided this can be reliably measured) less a provision for expected losses. The Group recognises revenue based on the extent of progress toward completion of the contract at a given point in time.

For additional detail relating to the Group's revenue recognition policies, see Note 5 of the Financial Statements, and for a description of the Group's other significant and critical accounting policies and key sources of estimation uncertainty, see Note 4 of the Financial Statements.

Recent Accounting Pronouncements

The Group has assessed the IFRS accounting standards to become effective in 2021 and onwards to have no material impact on its financial statement. For more information on recent accounting pronouncements, please refer to Note 28 of the Financial Statements.

MANAGEMENT AND CORPORATE GOVERNANCE

General

This section gives an overview of the material information concerning the Management Board, the Supervisory Board, the Group's employees and its corporate governance. It is based on, and discusses, relevant provisions of Dutch law in effect as at the date of this Prospectus, the Articles of Association as these will be in effect ultimately on the First Trading Date and the Board Rules (as defined below). The Articles of Association (in the governing Dutch language and in an unofficial English translation) and the Board Rules (in English) will be available on the Company's website (www.ebusco.com) and at the Company's business address at Vuurijzer 23, unit C 5753 SV Deurne, the Netherlands during regular business hours.

This overview does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of Dutch law as in force on the date of this Prospectus and the Articles of Association.

Management Structure

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is the statutory executive body (*bestuur*) of the Company and consists of three members as at the date of this Prospectus. The Management Board together with three non-statutory members forms the Company's Management Team which is responsible for the day-to-day management of the Company. The Supervisory Board (*raad van commissarissen*) supervises and advises the Management Board and consists of five members.

Each Managing Director and each Supervisory Director owes a duty to the Company to properly perform the duties assigned to each director and to act in the Company's corporate interest. Under Dutch law, the Company's corporate interest extends to the interests of all its stakeholders, including its Shareholders, creditors and employees.

Management Board

Powers, Responsibilities and Functions

The Management Board is the executive body and is entrusted with the management of the Group and is responsible for the continuity of the Group under the supervision of the Supervisory Board. The Management Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, 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 known to the Management Board and the Supervisory Board in a timely manner. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association (see "—*Management Board Meetings and Decisions*"). The Management Board may delegate duties and powers to individual Managing Directors and/or committees consisting of two or more Managing Directors whether or not assisted by staff officers. In fulfilling their responsibilities, the Managing Directors must act in the interest of the Company and give specific attention to the relevant interests of the Company's employees, Shareholders, lenders, customers, suppliers and other stakeholders.

The Management Board shall timely provide the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Management Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on all important matters. The

Management Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the management and control systems.

Subject to statutory exceptions, the Management Board as a whole is authorised to represent the Company. Additionally, each Managing Director is singly authorised to represent the Company. See "—*Conflict of Interest*". Pursuant to the Articles of Association, the Management Board may appoint officers with general or limited power to represent the Company. Each officer will be authorised to represent the Company, subject to the restrictions imposed on him or her.

Dutch law provides that resolutions of the Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. See "—*Management Board Meetings and Decisions*" for further information on the approval of the General Meeting required for such major changes.

Management Board Rules

Pursuant to the Articles of Association, the Management Board may adopt rules and regulations, allocating duties to one or more Managing Directors and regulating any such subjects as the Management Board deems necessary and/or appropriate (the **Management Board Rules**).

Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the number of Managing Directors is determined by the Supervisory Board after consultation with the Management Board. The Supervisory Board appoints one of the Managing Directors as CEO, who is also the chair of meetings of the Management Board.

The General Meeting appoints the Managing Directors upon nomination by the Supervisory Board.

A resolution of the General Meeting to appoint a Managing Director, other than in accordance with a nomination 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 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 part of the Company's issued capital represented.

The Articles of Association provide that a Managing Director may be suspended or dismissed by the General Meeting at any time, provided that such suspension or dismissal does not occur before the Managing Director in question has had an opportunity to be heard by the General Meeting with regard to the intended dismissal. A resolution of the General Meeting to suspend or remove a Managing Director 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 part of the Company's issued capital represented.

A Managing Director may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may be discontinued by the General Meeting. A resolution of the Supervisory Board to suspend a Managing Director can be adopted by a majority of the votes cast.

Term of Appointment

Any new Managing Director that is appointed is appointed for a maximum period of four years per term, provided that, unless a Managing Director resigns earlier, his appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his appointment. A Managing Director may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The Company's diversity policy drawn up in accordance with the Supervisory Board Rules will be considered in the preparation of the appointment or reappointment.

Management Board Meetings and Decisions

The Management Board meets in accordance with a schedule for its meetings adopted annually, at the latest at the last scheduled meeting of the preceding year. Furthermore, the Management Board must meet whenever one of the Managing Directors has called a meeting.

The Managing Directors aim to adopt resolutions by unanimous vote. If and when the Managing Directors cannot agree unanimously on a resolution, such resolution shall be adopted by a majority vote of the Managing Directors present or represented. Resolutions can only be adopted if the majority of the Managing Directors then in office who do not have a conflict of interest are present or represented. Each Managing Director has one vote. If there are more than two Managing Directors in office and entitled to vote, the chair shall have a casting vote in the event of a tie within the Management Board. In other cases, a proposal shall be deemed rejected in case of a tie of votes within the Management Board.

The Management Board may also adopt resolutions without convening a meeting, provided that all Managing Directors – with the exception of any Managing Director who has a conflict of interest – have been consulted and none of them has raised an objection to adopting resolutions in this manner. If no resolution can be adopted by the Management Board as a consequence of a conflict of interest of all Managing Directors, the relevant resolution will be referred to the Supervisory Board.

Dutch law and the Articles of Association provide that resolutions of the Management Board entailing a significant change in the identity or character of the Company or its business require the approval of the General Meeting, in any case concerning:

(a) the transfer of (nearly) the entire business of the Company to a third party;

(b) entering into or terminating a long-term cooperation between the Company or a subsidiary (*dochtermaatschappij*) and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company; and/or

(c) acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one-third of the sum of the assets of the Company according to its balance sheet and explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet and explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary (*dochtermaatschappij*).

Resolutions of the Management Board identified in the Articles of Association or the Board Rules or identified pursuant to a resolution of the Supervisory Board from time to time on the basis of the relevant provisions in the Articles of Association require the prior approval of the Supervisory Board.

The approval of the Supervisory Board is required for:

(a) the allocation of duties of the Management Board to individual Managing Directors;

(b) the establishment of an executive committee;

(c) all transactions between the Company and natural or legal persons who hold at least 10% of the Ordinary Shares in the Company that are of material significance to the Company and/or such persons;

(d) all transactions in which there are conflicts of interest with Managing Directors that are of material significance to the Company and/or the relevant Managing Directors;

(e) all transactions in which there are conflicts of interest with Supervisory Directors that are of material significance to the Company and/or the relevant Supervisory Directors;

(f) the appointment and dismissal of the Company Secretary;

(g) the appointment and dismissal of the senior internal audit function;

(h) the internal audit plan; and/or

(i) all other acts that require the approval by legislation, the Articles of Association, the Board Rules, the Dutch Corporate Governance Code or any other applicable legislation.

The lack of approval from the General Meeting and/or the Supervisory Board does not affect the authority of the Management Board or the Managing Directors to represent the Company.

Conflict of Interest

Dutch law provides that a member of the management board of a Dutch public limited liability company, such as the Company (following conversion of the Company prior to Settlement), may not participate in the deliberation or decision-making of a relevant management board resolution if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it. Such a conflict of interest in any event exists if in the situation at hand a Managing Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Each Managing Director having a (potential) personal conflict of interest shall immediately report such conflict to the chair of the Supervisory Board and to the other Managing Directors, and shall provide all information relevant to the conflict to such persons. The Supervisory Board must determine whether a reported (potential) conflict of interest qualifies as a conflict of interest under Dutch law and/or the Articles of Association, in which case the conflicted Managing Director shall not be permitted to participate in the decision-making and deliberation process on a subject or transaction in relation to which such Managing Director has a conflict of interest. Such transaction must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board. In addition, if there is a conflict of interest concerning one or more Managing Directors, the Supervisory Board may, whether or not on an ad hoc basis, authorise one or more persons to represent the Company with respect to the matters in which a (potential) conflict of interest exists between the Company and one or more Managing Directors. The Managing Director who, due to a conflict of interest, is unable to participate in the deliberation and decision-making of the Management Board with respect to the relevant matter giving rise to the conflict of interest, will to the extent of that inability be regarded as a Managing Director who is unable to perform its duties (*belet*).

If as a consequence of one or more Managing Directors having a conflict of interest no resolution can be adopted by the Management Board, a resolution may be adopted by the Supervisory Board. In addition, if a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and the Managing Director concerned may be held liable towards the Company. As a general rule, the existence of a (potential) conflict of interest does not affect a Managing Director's authority to represent the Company as described under "*—Powers, Responsibilities and Functions*". Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its management board that is adopted with the participation of a managing director who had a conflict of interest with respect to the matter cannot be annulled. However, under circumstances, a company may nullify such agreement or transaction if the counterparty misused the relevant conflict of interest.

Managing Directors

As of the Settlement Date, the Management Board is composed of the following members:

Name	*Age*	Position	Member since	End of current term
Peter Bijvelds...........	43	CEO	1 April 2010	AGM 2025
Paul van Beers	56	CFO	1 October 2020	AGM 2023
Bob Fleuren.............	43	COO/PMO	7 October 2021	AGM 2024

Peter Bijvelds is the CEO and founder of the Company. He helped found Ebusco B.V., along with Walter Luijten in 2012 in Helmond, the Netherlands. At the Company, he started developing 100% electric buses including setting up production, a sales network, an after-sales network and homologation. Before founding the Company, Peter Bijvelds was the CEO of Landwind Motor Company where he was responsible for bringing the first Chinese vehicle including full European type approval to the European market.

Paul van Beers is the Group's CFO. He joined the Company in 2016 as CFO, and was appointed as Managing Director on 1 October 2020. Paul van Beers has more than 20 years of experience in M&A and corporate finance. Before joining the Company, he was the Chief Risk Officer of Ruvabo B.V. Before that, he was a partner at Witlox Van den Boomen between 1998 and 2014 and worked as a chartered accountant for Baker Tilly Berk for more than eight years between 1989 and 1998. Paul van Beers holds a degree from the Post-Master Accountancy Programme from Tilburg University, the Netherlands, a degree in Environmental Accountancy from the University of Amsterdam, the Netherlands, a degree in Business Valuation from the Erasmus University in Rotterdam, the Netherlands and a degree in Business Valuation from Duisenburg School of Finance in Amsterdam, the Netherlands. He also followed a course in Technology for boards and a course designed for supervisory directors at Nyenrode Business University in Breukelen, the Netherlands.

Bob Fleuren is the Group's COO and PMO since 2021 and the inventor of the Group's lightweight technology. Further, he is a board member (since 2016) and founder of Pondus Holding B.V. Before joining the Company in 2021, Bob Fleuren was managing director at De Mandemakers Groep between 2016 and 2021. Between 2008 and 2016, Bob Fleuren worked at Fokker Landing Gear B.V. (**Fokker**). Between 2014 and 2016, he was a member of the Management Board and as Director Business Development & Composites responsible for the Business Development activities with new customers and new programmes with existing customers. Before joining Fokker in 2008, Bob Fleuren worked for the Ministry of Defence where he held multiple key positions, including Lieutenant, Chief Aircraft Mechanics, Captain, Senior Engineer and Major, and Project Manager in which role he was responsible for the procurement and introduction of F-16 and AH-64 Apache subsystems. He holds a Major rtd. in Airforce Electronics from the Royal Military Academy in Breda, the Netherlands and a degree in Business Administration from the Defence Middle Management Course. He further holds a Master's degree in Marketing & Supply Chain Management from the Open University in Amsterdam, the Netherlands.

Management Board Committees

The Management Board shall appoint from among its members a Safety Board. The Safety Board receives safety incident reports, identifies safety issues and remediates those issues. The CTO is the chair of the Safety Board.

Management Team

As of the Settlement Date, the Managing Directors comprise the Management Team of the Company together with the following non-statutory members:

Name	Age	Position	Member since	End of current term
Will Bierens	61	CPO	1 May 2021	n/a
Tjaard Sijpkes	59	CTO	4 December 2017	n/a
Judith Beurskens......	39	HRM	1 February 2018	n/a

Will Bierens is the Group's CPO. Immediately prior to joining the Company, Will Bierens was adviser to the CEO of Mowasalat in Qatar. In this role, he was responsible for the transport of fans, officials, players, staff and other visitors of the FIFA World Cup 2022 and the purchasing of electric and diesel buses. Before joining the Company, he gained a vast experience in the public transportation sector. Between 2015 and 2020, he was Director Procurement at Connexxion and between 2005 and 2015, he worked at Veolia Transport Netherlands, first as Project Manager and later (between 2009 and 2015) as Purchase Director. Will Bierens holds a Bachelor's degree in Commercial Economics from HEAO in Eindhoven, the Netherlands.

Tjaard Sijpkes is the Group's CTO since 2017. Furthermore, he is a member of the Advisory commission Aerospace Vehicles of the Netherlands Aerospace Centre, a member of the Advisory Board of the Lectorate Plastics Technology at Windesheim Hogeschool in Almere, the Netherlands and Chair of the Advisory Board of Fontys Hogeschool Engineering in Eindhoven, the Netherlands. Before joining the Company in 2017, Tjaard Sijpkes worked at Fokker between 2004 and 2016 from which he was the CTO between 2014 and 2016. Between 1993 and 2004, Tjaard Sijpkes worked as Director Engineering at SP Aerospace and Vehicle Systems. He holds a Master's degree in Mechanical Engineering from the Technical University Delft, the Netherlands.

Judith Beurskens is the Group's HR Manager. She has more than ten years of experience in HR and Recruitment. Before joining the Company in 2018, she worked as an HR Manager at Econox and Brabant Alucast and as an HR adviser at Fokker. She holds a Bachelor's degree in Management, Economics and Law from Fontys Hogescholen in Eindhoven, the Netherlands.

Supervisory Board

Powers, Responsibilities and Functions

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. The Supervisory Board also provides advice to the Management Board. In performing their duties, the Supervisory Directors are required to focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the Company's financial reporting. The Supervisory Directors assist the Management Board with advice. In the fulfilment of their duty, the Supervisory Directors must act in the interest of the Company and give specific attention to the relevant interests of the Company's employees, Shareholders, lenders, customers, suppliers and other stakeholders.

Supervisory Board Rules

Pursuant to the Articles of Association, the Supervisory Board may adopt rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary and/or appropriate (the **Supervisory Board Rules**). The Supervisory Board Rules are expected to become effective as of the Settlement Date.

Composition, Appointment and Removal

The Articles of Association provide that the Supervisory Board must consist of a minimum of three Supervisory Directors. The exact number of Supervisory Directors shall be determined by the General Meeting with due observance of the minimum set out in the Articles of Association. If the number of Supervisory Directors is less than three, the Supervisory Board must promptly take any required measures to increase the number of Supervisory Directors. As of the Settlement Date, the Supervisory Board will consist of five Supervisory Directors. All five Supervisory Directors will be appointed effective as of the Settlement Date. In accordance with Dutch law, only natural persons may be appointed as Supervisory Directors.

According to the Articles of Association, the Supervisory Board must prepare a profile (*profielschets*) for its size and composition, taking account of the nature and activities of the Company's business, the desired expertise and background of the Supervisory Directors, the desired diverse composition and size of the Supervisory Board and the independence of the Supervisory Directors. The Supervisory Board shall discuss the profile every time an amendment thereof is discussed in the General Meeting.

The General Meeting appoints the Supervisory Directors upon nomination by the Supervisory Board. The Supervisory Board must inform the General Meeting of the nomination. When a proposal or recommendation for the appointment of a person as a Supervisory Director is made, the following information must be stated: the age, the profession, the number of Ordinary Shares held by such person and the positions held or previously held by such person, insofar as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of any legal entities of which the proposed or recommended person already is a managing or supervisory director must be indicated. If those include legal entities that belong to the same group, a reference to that group is sufficient. The proposal or recommendation must furthermore state the reasons on which such proposal or recommendation is based. As from the Settlement Date, each of the Existing Shareholders, another major Shareholder of the Company, for as long as such Shareholder continues to hold more than 10% of the Ordinary Shares, shall have the right (but shall not be required) to nominate one Supervisory Director for appointment by the General Meeting. See "*Major Shareholders and Related Party Transactions—Related Party Transactions—Relationship Agreement*".

A resolution of the General Meeting to appoint a Supervisory Director 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 part of the Company's issued capital represented.

The Supervisory Board must inform the General Meeting in a timely manner, when, why and in accordance with what profile a vacancy in the Supervisory Board has to be filled. The Articles of Association provide that the General Meeting has the authority to suspend and remove a Supervisory

Director. Under the Articles of Association, a resolution of the General Meeting to suspend or remove a Supervisory Director other than pursuant to a proposal by the Supervisory Board requires a majority 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 part of the Company's issued capital represented.

Term of Appointment

The Supervisory Directors will be appointed for a maximum period of four years, provided that, unless a Supervisory Director resigns earlier, his appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his or her appointment. Supervisory Directors may be reappointed once more for another four-year period and then subsequently be reappointed again for a period of two years, which reappointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, the profile as prepared by the Supervisory Board should be observed. The Supervisory Board will prepare a retirement schedule for the Supervisory Directors.

Supervisory Board Meetings and Decisions

The Supervisory Board meets in accordance with a schedule for its meetings adopted annually and at least six times per year. The schedule for its meetings in the next year will be adopted each year, at the latest at the last scheduled meeting of the then current year.

Pursuant to the Articles of Association and the Supervisory Board Rules, resolutions of the Supervisory Board are adopted by an absolute majority vote in a meeting of the Supervisory Board, in which at least the majority of the Supervisory Directors are present or represented. Each Supervisory Director has one vote. In the event of a tie in voting, the chair of the Supervisory Board will have a deciding vote, but only if more than two Supervisory Directors are present. If all Supervisory Directors are present and agree, the Supervisory Directors may resolve on issues not on the agenda.

The Supervisory Board may also adopt resolutions in writing, provided the proposal concerned is submitted to all Supervisory Directors then in office and none of them objects to this form or adoption. Adoption of resolutions in writing shall be effected by statements in writing, which can also be issued through a proxy, from all the Supervisory Directors. A statement from a Supervisory Director who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.

Conflict of Interest

Similar to the rules that apply to the Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited company, such as the Company, may not participate in deliberating or decision-making within the Supervisory Board if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it.

Pursuant to the Supervisory Board Rules, a Supervisory Director that has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution should immediately report this to the chair of the Supervisory Board and provide all information relevant to such conflict. If the chair of the Supervisory Board has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution, he should immediately report this to the vice-chair of the Supervisory Board. The Supervisory Board, without the relevant Supervisory Director being present or represented, determines whether a reported (potential) conflict of interest qualifies as a conflict of interest. A Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest. The Supervisory Director who, due to a conflict of interest, is unable to participate in the deliberation and decision-making of the Supervisory Board with respect to the relevant matter giving rise to the conflict of interest, will to the extent of that inability be regarded as a Supervisory Director who is unable to perform their duties (*belet*).

If, as a result of such a conflict of interest a resolution cannot be adopted, the resolution will be adopted by the General Meeting. In addition, if a Supervisory Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this Supervisory Director may be held liable towards the Company. Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its Supervisory Board that are adopted with the participation of a Supervisory Director who had a conflict of interest with respect to the matter cannot be annulled. However, under circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Members of the Supervisory Board

As of the Settlement Date, the Supervisory Board is composed of the following members:

Name	Age	Position	Member since	End of term
Derk Haank (1)	68	Chair	as of the Settlement Date	AGM 2025
Carin Gorter (1)	58	Vice-chair/Chair Audit Committee	as of the Settlement Date	AGM 2024
Jeroen Drost	60	Member/Chair Nomination Committee	as of the Settlement Date	AGM 2024
Ruud Spoor	63	Member	as of the Settlement Date	AGM 2025
Roelf de Boer	72	Member/Chair Remuneration Committee	as of the Settlement Date	AGM 2023

Notes:

(1) The Supervisory Director is classified by the Group as independent in the sense that he/she is not nominated by Peter Bijvelds Holding, Van der Valk or ING Participaties.

Derk Haank will be the chair of the Supervisory Board as of the Settlement Date. Derk Haank has extensive experience as CEO and supervisory board member. Between 1991 and 1998, he was the CEO of publishing company Misset, between 1998 and 2004, he was the CEO of academic publishing company Elsevier, and board member of ReedElsevier plc., and between 2004 and 2017, he was the CEO of Springer Nature, a worldwide publishing company of scientific journals. Derk Haank also has extensive experience as a supervisory board member. Between 2009 and May 2021, he was a member of the supervisory board of telecommunications company KPN. He currently is a non-executive board member at Albelli, SPI Technologies (until 15 October 2021) and the Chairman of TomTom. Derk Haank holds a bachelor's degree in Economics and a master's degree in Business Administration, both from the University of Amsterdam, the Netherlands.

Carin Gorter will be the vice-chair of the Supervisory Board and chair of the Audit Committee as of the Settlement Date. Carin Gorter has extensive experience in audit matters and as a manager, managing director and supervisory director. In 1987, she started at accountancy firm Moret Ernst & Young. Between 1994 and 1997, she worked at Rabobank and between 1997 and 2008, she held various management positions at ABN AMRO. Since 2008, she held positions in various advisory boards and supervisory boards, including for ING Group, the Monitoring Committee Accountancy, CBR, Coöperatie VGZ and OLVG. Currently, she is a member of the supervisory boards of Dutch insurance company TVM Verzekeringen N.V. (since 2013), fitness company Basic-Fit (since 2016), technology company TKH Group (since 2017), legal and financial services provider DAS Holding (since 2019) and NTS (*Nederlandse transplantatie Stichting*) (since 2020). She is also a member of the external audit committee of the Ministry of Justice and Security. She holds a master's degree in Business Economics and a postgraduate degree in Accountancy, both from the University of Groningen, the Netherlands.

Jeroen Drost will be a member of the Supervisory Board as of the Settlement Date. Jeroen Drost has extensive experience as CEO and as supervisory board member. Jeroen Drost started his career in 1986 at ABN AMRO where he held various positions. Between 1990 and 2006, he held various management positions at the bank in London, Hongkong and Asia, and between 2006 and 2008, he was the CEO of ABN AMRO Asia. Between 2008 and 2014, he was the CEO of commercial bank NIBC and between 2015 and 2016, he was the CEO of investment company NPM Capital. Since 2014, he held various positions as supervisory board member, including for Fidea, Deli Maatschappij, Dura Vermeer, Vanderlande and Klépierre. Currently, he is a member of the management board of the Joop van Caldenborgh Stichting (endowment Stichting Voorlinden) (since 2018), and a member of the general management of national employers' federation Vereniging VNO-NCW (since 2016). He is also the chair of the management board of Dutch trading company SHV Holdings (since 2016), in which role he was also a member of the supervisory board of trading company SHV Interholding AG (between 2016 and 2019) and is director of other SHV related companies, a member of the supervisory board of transport company Mammoet Holding B.V. (since 2016) and a member of the supervisory board of industrial service provider Eriks (since 2016). He holds a bachelor's degree in Economics, and a master's degree in Business Economics, both from the Erasmus University in Rotterdam, the Netherlands.

Ruud Spoor will be a member of the Supervisory Board as of the Settlement Date. Ruud Spoor has 40 years in experience in banking and finance, which includes ten years of experience in private equity. Ruud Spoor started his career in 1981 at ABN AMRO where he held various positions. He further gained experience at Dinvest B.V. Between 2006 and 2011, he was the managing director of investment firm BL Capital. Since June 2010, he is the CEO and major shareholder of Trackwise Investment Management B.V., an investment management and consultancy firm. Ruud Spoor is currently also a managing director at Trackwise Participations B.V., Silverwise B.V., Covest Investments B.V. and Stichting Administratiekantoor De Groot Fresh Group B.V and a supervisory director at Crossyn Holding B.V. He holds a degree in Commercial Economics from the H.E.A.O. in Rotterdam, the Netherlands.

Roelf de Boer will be a member of the Supervisory Board as of the Settlement date. After he started his career as an officer in the Royal Dutch Marine Reserve Corps between 1969 and 1971, he held various positions in the port and transport industry, amongst others at Koninklijke Nedlloyd Groep N.V. (between 1972 and 1984), Furness N.V. (director of Furness Shipping & Agency and president of the group management board Shipping Agencies between 1984 and 1989), Lehnkering Logistics (member of the group management board between 1989 and 1999) and Europese Waterweg Transporten B.V. (CEO between 1999 and 2002). In 2002, Roelf de Boer was the president of the Rotterdam Chamber of Commerce. Between 2002 and 2003, he was minister of Transport, Public Works and Water Management and deputy prime minister of the Netherlands and between 2006 and 2007, he was Alderman for Economy, Port Affairs and Environment for the City of Rotterdam. Roelf de Boer also has extensive experience as managing and supervisory director. Between 2005 and 2006, he was the president of KNV (The Royal Dutch Transport Federation), between 2009 and 2014, he was the president of the Rai Vereniging (the Association of the Cycling and Automotive Industry), between 2012 and 2015, he was the president of the Koninklijke Nederlandse Jagers Vereniging (the Royal Dutch Hunters' Association) and between 2015 and 2020, he was the chair of the supervisory board of RAI Holding B.V. He is currently chair of the board of logistics service provider Verbrugge

International B.V. Roelf de Boer followed several management courses in financial management, logistics management, general management and communication & media.

Supervisory Board Committees

Audit Committee

The Supervisory Board shall appoint from among its members an audit committee (the **Audit Committee**). The function of this committee is to assist in the decision-making of the Supervisory Board. According to the charter of the Audit Committee, 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. Working within the Supervisory Board, the Audit Committee is charged in particular with (a) the monitoring of the financial reporting process and preparation of proposals to safeguard the integrity of the process, (b) the monitoring of the effectiveness of the internal control system, the internal audit system (if any) and the risk management system in relation to the financial reporting of the Company, (c) the monitoring of the statutory audit of the annual accounts and the consolidated accounts, and in particular the performance of the audit, taking into account the assessment of the AFM in accordance with Section 26 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, (d) the review and monitoring of the independence of the external auditors or the audit firm, in particular the provision of additional services to the Company, (e) the adoption of 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 annual accounts and (f) the 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 consists of Supervisory Directors and has a minimum of two members. The members of the Audit Committee, its chair and secretary shall be appointed by the Supervisory Board. As at the Settlement Date, the Audit Committee will be composed of Carin Gorter (chair) and Ruud Spoor.

The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee, but in any event at least four times a year and additionally whenever one or more members have requested a meeting. In addition, the Audit Committee must meet at least before the publication of the annual results. Meetings are in principle called by the secretary of the Audit Committee in consultation with the chair of the Audit Committee. The external auditor may, under special circumstances, request a special meeting with the Audit Committee to be held. Subject to applicable law and regulations, the Supervisory Board may occasionally decide at its sole discretion not to comply with the charter of the Audit Committee.

Remuneration Committee

The Supervisory Board shall appoint from among its members a remuneration committee (the **Remuneration Committee**). The function of this committee is to assist in the decision-making of the Supervisory Board. According to the charter of the Remuneration Committee, the Remuneration Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the remuneration policy. Within the Supervisory Board, the Remuneration Committee is especially charged with (a) submitting a clear and understandable proposal to the Supervisory Board for the remuneration policy to be pursued for the Managing Directors, (b) making proposals concerning the remuneration of individual Managing Directors in accordance with the remuneration policy, (c) preparing the remuneration report of the Company and (d) making proposals to the Supervisory Board for the remuneration of the individual Supervisory Directors.

The Remuneration Committee consists of Supervisory Directors and has a minimum of two members. The members of the Remuneration Committee, its chair and secretary shall be appointed by the Supervisory Board. As at the Settlement Date, the Remuneration Committee will be composed of Roelf de Boer (chair) and Derk Haank.

The Remuneration Committee shall meet as often as required for a proper functioning of the Remuneration Committee, but in any event at least twice a year and additionally whenever the chairman of the Nomination Committee or two or more members have requested a meeting.

Nomination Committee

The Supervisory Board shall appoint from among its members a nomination committee (the **Nomination Committee**). The function of this committee is to assist in the decision-making of the Supervisory Board. According to the charter of the Nomination Committee, the Nomination Committee undertakes preparatory work for the Supervisory Board's decision-making regarding selection and appointment of Managing Directors and Supervisory Directors. The Nomination Committee is within the Supervisory Board especially charged with (a) drafting selection criteria and appointment procedures for Managing Directors and Supervisory Directors, (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 individual Managing Directors and Supervisory Directors, and report their findings to the Supervisory Board, (e) drafting a plan for the succession of Managing Directors and Supervisory Directors, that is aimed at retaining the balance in the requisite expertise, experience and diversity, (f) making proposals for (re)appointments of Managing Directors and Supervisory Directors, (g) to supervise the policy of the Management Board on the selection criteria and appointment procedures for senior management, including the members of the Executive Committee and (h) preparing the decision-making process of the Supervisory Board (i) on the acceptance by a Managing Director of the membership of the supervisory board or of the position of non-executive director of a listed company and (ii) concerning any conflicts of interest that may arise in the acceptance by the Supervisory Directors of additional positions.

The Nomination Committee consists of Supervisory Directors and has a minimum of two members. The members of the Nomination Committee, its chair and secretary shall be appointed by the Supervisory Board. As at the Settlement Date, the Nomination Committee will be composed of Jeroen Drost (chair) and Derk Haank.

The Nomination Committee shall meet as often as required for a proper functioning of the Nomination Committee, but in any event at least twice a year and additionally whenever the chair of the Nomination Committee or two other members of the Nomination Committee have requested a meeting. Meetings of the Nomination Committee are in principle called by the Secretary of the Nomination Committee in consultation with the chair of the Nomination Committee.

Remuneration Information Management Board

Remuneration Policy – Management Board

The remuneration policy applicable to the Management Board was or will be adopted by the General Meeting on or shortly after the date of this Prospectus (the **Remuneration Policy**). Any subsequent amendments to the Remuneration Policy are subject to adoption by the General Meeting. A new remuneration policy will be proposed to the General Meeting for adoption at least every four years. The remuneration of, and other agreements with, the Managing Directors are required to be determined by the Supervisory Board, with due observance of the Remuneration Policy.

The Company's Remuneration Policy aims to attract, motivate and retain qualified executives with the required background, skills and experience to implement the strategy of the Company. It is transparent and aligns the interests of the Company, shareholders and other stakeholders in the medium and long term to deliver sustainable performance in line with the strategy, purpose and values of the Company.

The level of remuneration of the Managing Directors is determined based on a variety of factors. When determining the remuneration levels of the Management Board, the Remuneration Committee also considers the remuneration arrangements for other employees in the Company, the internal pay ratios and the views within society to ensure that the remuneration of the Management Board remains reasonable.

Based on the Remuneration Policy, the remuneration of the Managing Directors may consist of the following components:

- fixed compensation – annual service fee;
- short-term incentive – Annual Bonus Plan;
- long-term incentive plan – Performance Share Unit Plan; and
- pension allowance and other benefits.

Annual Service Fee

The service fee is a fixed compensation and is set by the Supervisory Board taking into account a variety of factors such as the benchmark of the companies as contained in the remuneration reference group.

The service fee will be evaluated periodically by the Supervisory Board, taking also into account factors such as the Company's and individual development, experience, capability and marketability of the Management Board, the nature of the individual's roles and responsibilities, historic salary levels of the individual, internal pay levels as well as general market developments.

The service fees of Managing Directors will be determined by comparing the service fee levels around the median level of a remuneration reference group. The Remuneration Committee will make a proposal for the Management Board's fixed compensation for determination by the Supervisory Board.

Short-term Incentive Plan

The Management Board may be eligible to receive an annual, performance related bonus in cash. The objective is to incentivise strong financial and personal performance in line with the Company's strategy and annually defined targets.

The 'at target' short-term incentive opportunity for the Management Board is 30% of the annual service fee. The maximum annual bonus opportunity in case of overachievement is 50% of the annual service fee. Furthermore, threshold performance levels are in place resulting in 0% annual bonus pay-out in case of performance below threshold levels.

Each year, the Supervisory Board sets the applicable performance targets and conditions after approval of the budget for the next fiscal year. The performance related targets typically include financial as well as qualitative and quantitative non-financial objectives and are consistent with the Company's growth strategy. Approximately 70% of the short-term incentive component is based on financial objectives. The remaining 30% will be based on defined personal or other non-financial objectives consistent with strategy. The Supervisory Board may change the exact percentages and targets from time to time, starting as from the 2022 financial year, prior to the commencement of the performance period. Further details around the targets for the short-term incentive will be included in the annual remuneration report.

After the end of each fiscal year the achievement of the predetermined short-term objectives set for each member of the Management Board are formally evaluated and determined by the Supervisory Board. The Remuneration Committee prepares a proposal and recommendation for determination by the Supervisory Board to that effect. Pay-out of the annual bonus, if any, will be made following the formal approval of the annual accounts of the Company.

Long-term Incentive Plan

As of the Settlement Date, the Company will have a long-term incentive plan (the **LTI Plan**) in place as adopted by the General Meeting. The purpose of the LTI Plan is to align the interests of the Company, shareholders and the Management Board, for the medium and long term, to reward sustainable performance and to provide an incentive for longer term commitment and retention of the Management Board. Under the Company's LTI Plan, Managing Directors may be invited to receive a conditional award of Ordinary Shares in the Company, starting as from the 2022 financial year. The 'at target' value of the annual award may amount to 100% for all Managing Directors of their annual service fee in the year of award.

Each fiscal year, after approval of the annual accounts of the Company, the Remuneration Committee makes a proposal for the award of Ordinary Shares to the Managing Directors for determination by the Supervisory Board.

Awards of Ordinary Shares 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 Managing Director with the Company. Subject to the sustainable performance delivered during the performance period, a performance incentive zone between 0% and 150% of the at target value of the award is applied. Furthermore, the Remuneration Committee has the discretion to introduce a non-financial target as an underpin to ensure sustainable 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 Ordinary Shares, with the understanding that pay cannot be increased in excess of the performance incentive zone and where such discretion would result in an increase in pay-out of more than 25%, such amendment requires the prior adoption by the General Meeting.

Holding period

Managing Directors are required to retain the Ordinary Shares released to them under the LTI Plan until the fifth anniversary of the date of award. During this period these Ordinary Shares cannot be transferred, sold or otherwise encumbered by the Managing Director, unless with the approval of the Supervisory Board. Notwithstanding the aforementioned, a sale-to-cover tax is allowed to ensure the Managing Directors can meet their tax obligations.

Pension Allowance and Other Benefits

Managing Directors who do not participate in the Company's collective pension scheme will receive payment of a comparable (gross) pension allowance with a maximum of 25% of their annual service fee.

The Managing Directors are entitled to customary benefits such as a company car. Other benefits, e.g. health insurance, representation allowance and D&O liability insurance etc., will be provided in line with the existing Company agreements and practices, or as determined by the Supervisory Board.

Management Board Remuneration over 2020 and Expected Remuneration over 2021

The table below provides the remuneration of each Managing Director for the year ended 31 December 2020.

Name	Service Fee (€ thousand)	Pension (€ thousand)
Peter Bijvelds[(1,2)]	431	n/a
Paul van Beers[(2)]	316	n/a
Bob Fleuren......................................	n/a	n/a

Notes:

(1) The service fee of Peter Bijvelds refers to a base salary of € 240,000 and €42,000 for other remuneration. The service fee of Peter Bijvelds further includes his management fee received for his services as manager to Pondus in the year 2020 (€149,000).
(2) The service fee of Peter Bijvelds and Paul van Beers is an all in management fee of total compensation; no separate amounts for social security, pension, car expenses, or any other compensation are provided.

Peter Bijvelds and Paul van Beers did not participate in the Company's collective pension scheme for the year ended 31 December 2020. Instead, private arrangements were in place. For the year ended 31 December 2020, the service fee received by Peter Bijvelds and Paul van Beers refers to a management fee they received via their personal holdings as self-employed. Bob Fleuren was appointed as COO in 2021. Therefore, he received no service fee and pension in the year ended 31 December 2020.

The table below provides the expected service fee of each Managing Director for the Financial Year ending 31 December 2021.

Name	Service Fee (€ thousand)
Peter Bijvelds[(1,2)]	293
Paul van Beers[(2)]	240
Bob Fleuren[(3)(4)]...	162

Notes:

(1) The service fee of Peter Bijvelds includes his management fee for his services as manager to Pondus in the year 2021 (€53,000).
(2) The service fee of Peter Bijvelds and Paul van Beers is an all in management fee of total compensation; no separate amounts for social security, pension, car expenses, or any other compensation are provided.
(3) The service fee of Bob Fleuren is based on a gross salary excluding social security, pension and car expenses.
(4) Bob Fleuren has been a director of the Company since 1 April 2021 and a statutory member of the Management Board since 7 October 2021. His expected service fee for the year ending 31 December 2021 consists of the months April up to and including December.

For the Financial Year ending 31 December 2021, Bob Fleuren will receive €13,000 in pension premiums (for both the defined contribution plan and an excedent pension plan). His expected pension for the year ending 31 December 2021 consists of the months April up to and including December.

For the year ending 31 December 2021, Managing Directors can choose to participate in the Company's collective pension scheme, or to receive payment of a comparable (gross) pension allowance with a maximum of 25% of their annual service fee.

Remuneration Information Management Team

Management Team Remuneration over 2020 and Expected Remuneration over 2021

The table below provides the remuneration of each non-statutory member of the Management Team for the year ended 31 December 2020.

Name	Service Fee (€ thousand)	Pension (€ thousand)
Tjaard Sijpkes	114	9
Will Bierens	n/a	n/a
Judith Beurskens	59	6

Will Bierens was appointed as CPO in 2021. Therefore, he received no service fee and pension in the year ended 31 December 2020.

The table below provides the expected service fee of each non-statutory member of the Management Team for the year ending 31 December 2021.

Name	Service Fee (€ thousand)
Tjaard Sijpkes	123
Will Bierens	86
Judith Beurskens	68

Will Bierens has been a member of the Management Team since 1 May 2021. His expected service fee for the year ending 31 December 2021 consists of the months May up to and including December.

For the year ending 31 December 2021, the non-statutory members of the Management Team can choose to participate in the Company's collective pension scheme, or to receive payment of a comparable (gross) pension allowance with a maximum of 25% of their annual service fee.

Remuneration Information Supervisory Board

Remuneration Policy – Supervisory Board

The Remuneration Policy also contains a framework for the remuneration of the Supervisory Board. The remuneration of Supervisory Board members is determined by the General Meeting. Any amendments to the Remuneration Policy are subject to adoption by the General Meeting.

The Remuneration Policy aims to attract, retain and fairly compensate Supervisory Directors with the required background, skills and experience and to reflect their responsibilities.

In line with the roles and responsibilities of the Supervisory Board, the compensation of the members is based on fixed amounts paid in cash. Supervisory Directors are not entitled to any performance or equity related compensation and are not entitled to any pension allowance or contribution. This compensation structure is designed to ensure the independence of the Supervisory Directors and the effectiveness from a corporate governance perspective.

Fixed Service Fee

The Supervisory Directors are entitled to the following elements: (i) a fixed service fee for membership of the Supervisory Board; and (ii) a fixed committee fee for each of the Supervisory Board committees.

The compensation for the chair of the Supervisory Board has been set at €50,000 per year and the compensation for another member of the Supervisory Board has been set at €40,000 per year. The additional compensation for members of the committees has been set at: (i) €10,000 per year for the chair of the Audit Committee; (ii) €7,000 per year for the chair of the Nomination Committee and

Remuneration Committee; (iii) €7,000 per year for a member of the Audit Committee; and (iv) €4,000 per year for a member of the Nomination Committee and Remuneration Committee.

Long-Term Incentive Plan Employees

Next to the Managing Directors, other selected senior management members of the Company may be granted awards under the LTI Plan over Ordinary Shares on an annual basis, which will be subject to a three-year vesting period. The award will be subject to the achievement of predetermined financial and non-financial performance conditions and continued employment or engagement on the date of vesting.

The purpose of the LTI Plan is to align the interests of the Company, shareholders and the selected key employees and to provide an incentive for longer term commitment and retention of the selected key employees.

Agreements between the Company and the Managing Directors and Supervisory Directors

As of the Settlement Date, each of the Managing Directors will have a services agreement (*overeenkomst van opdracht*) with the Company. The services agreements will contain a severance arrangement pursuant to which a member of the Management Board will be entitled to a severance payment in case of termination at the initiative of the (relevant corporate body of the) Company, with a maximum of six months' service fee, subject to certain conditions such as that the termination is not based on seriously culpable acts or negligence of the member of the Management Board. A maximum notice period of six months applies. The Company can also terminate the services agreement immediately with a payment in lieu of notice.

Each member of the Supervisory Board is expected to enter into a service agreement with the Company, effective as of the Settlement Date. The agreements are governed by Dutch law. The agreements will be entered into for a period of four years. The members of the Supervisory Board will not have a severance contract with the Company. The service agreements shall terminate by operation of law, without notice being required, on the earlier of (i) the date directly following the GM in 2025; and (ii) the date on which the Supervisory Board member's membership terminates for whatever reason.

Equity Holdings

The following table sets forth information with respect to the size of the shareholdings of the Company's CEO, Peter Bijvelds, the Company's CFO, Paul van Beers, and the Company's COO, Bob Fleuren, both immediately prior to Settlement and immediately after Settlement, without and with full exercise of the Over-Allotment Option, assuming an Offer Price at the mid-point of the Offer Price Range. Paul van Beers and Bob Fleuren are both participating in the Offering, see "*Major Shareholders and Related Party Transactions—Related Party Transactions*"

Board Member	**Amount of share capital owned immediately prior to Settlement**		**Amount of share capital owned immediately after Settlement without exercise of the Over-Allotment Option**		**Amount of share capital owned immediately after Settlement with full exercise of the Over-Allotment Option**	
	Ordinary Shares	**% holding**	**Ordinary Shares**	**% holding**	**Ordinary Shares**	**% holding**
Peter Bijvelds[(1)]	20,529,090	45.6%	20,529,090	35.4%	20,529,090	34.6%
Paul van Beers[(2)]...........	-	-	163,043	0.28%	163,043	0.27%
Bob Fleuren[(3)]...............	-	-	32,608	0.06%	32,608	0.05%

(1) Peter Bijvelds holds these shares through Peter Bijvelds Holding Erp B.V.
(2) Paul van Beers holds these shares through PBE Support B.V.

(2) Bob Fleuren holds these shares through Tridamos Holding B.V.

Maximum Number of Supervisory Positions of Managing Directors and Supervisory Directors

Restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director (including a one-tier board) of "large Dutch companies" may hold. The term "large Dutch companies" applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three criteria: (i) the value of the company's/foundation's assets according to its balance sheet together with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds €20 million; (ii) its net turnover in the applicable year exceeds €40 million; and (iii) its average number of employees in the applicable year is 250 or more. An appointment in violation of these restrictions will result in that last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he or she already holds a supervisory position at more than two other "large Dutch companies" or if he or she is the chair of the supervisory board or one-tier board of another "large Dutch company". Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he or she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chair of the supervisory board or one-tier board of another "large Dutch company" is counted twice.

The Company meets the criteria of a large Dutch company; all Managing Directors and Supervisory Directors comply with these rules.

Diversity

Until 1 January 2020, Dutch law prescribed that certain large Dutch companies had to pursue a policy of having at least 30% of the seats on the management and supervisory board to be held by men and at least 30% of those seats to be held by women. The objective of this legislation was to increase growth of the proportion of women in top-level management positions. Under Dutch law, this was referred to as a well-balanced allocation of seats. This quota was not mandatory. From 1 January 2020, this legislation has ceased to have effect. The Economic and Social Council (*Sociaal Economische Raad*, the **SER**) has advised the Dutch Cabinet that this law has not led to sufficient progress in gender diversity of boards of directors. The SER therefore recommends implementing a statutory mandatory transitional quota (*ingroeiquotum*) meaning that any appointment of a supervisory director of a Dutch listed company should contribute towards meeting the quota of at least 30% men and at least 30% women if the percentage of either two of the genders is lower than 30% in the supervisory board of that company. Appointments not in accordance with this transition quota should be regarded as null and void (*nietig*).

The Dutch House of Representatives (*Tweede Kamer*) has endorsed the transitional quota and has indicated it will adopt the SER recommendation in its entirety. A legislative proposal was presented to the Dutch House of Representatives on 6 November 2020 (the **Proposal**). This Proposal provides for Dutch companies listed on a stock exchange in the EU a mandatory transitional quota of one-third women (hence 33%) for non-executive directors, rounded up. On 10 July 2020, the Dutch Ministry responsible for diversity informed the parliament that it strives to have new legislation in place "by 2021". On 11 February 2021, the Dutch House of Representatives adopted the Proposal. On 28 September 2021, the Dutch Senate (*Eerste Kamer*) also adopted the Proposal. The goal is to have the law take effect on 1 January 2022. When the statutory mandatory quota comes into effect, it will apply to future appointments of Supervisory Directors. In addition, large public and private limited companies will be required to set appropriate and ambitious targets to make the ratio of men to women in the (sub)top of the company more balanced. They must report annually on progress to the SER.

The Company currently does not meet these gender diversity targets.

Potential Conflicts of Interest and Other Information

There are no (potential) conflicts of interest between the private interests or other duties of each of the Managing Directors, the non-statutory members of the Management Team, and the Supervisory Directors on the one hand and the duties to the Company on the other hand. According to best practice principle 2.7.4 of the Dutch Corporate Governance Code, the Company will report on the Managing Directors' and Supervisory Board's conflicts of interest in transactions in its management report where the conflict of interest is of material significance to the Company and/or to the relevant Managing Director/Supervisory Director.

The CEO will have a direct or indirect beneficial interest in Ordinary Shares on the Settlement Date. See "*Management and Corporate Governance—Equity Holdings*" for the interest of the CEO in the share capital of the Company.

During the last five years, none of the Managing Directors or Supervisory Directors: (i) has been convicted of fraudulent offences; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership, liquidation or administration; or (iii) has been subject to any official public incrimination and/or sanctions by the statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Liability of Managing Directors and Supervisory Directors

Under Dutch law, Managing Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of provisions of the Dutch Civil Code. In circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Managing Directors, Supervisory Directors and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Managing Directors, Supervisory Directors or officers.

Indemnification

The Articles of Association include provisions regarding the indemnification, to the extent permissible by law, of current and former Managing Directors and Supervisory Directors against any and all liabilities, claims, judgments, fines and penalties incurred by them as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, of or initiated by any party other than the Company itself or a group company (*groepsmaatschappij*) thereof, in relation to any acts or omissions in or related to their capacity as Managing Directors or Supervisory Directors. Claims will include derivative actions of or initiated by the Company or a group company thereof against them and (recourse) claims by the Company itself or a group company thereof for payments of claims by third parties if they will be held personally liable therefore. Any expenses (including reasonable attorneys' fees and litigation costs) incurred by the indemnified Managing

Directors or Supervisory Directors in connection with any of the aforementioned legal action will be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that indemnified (former) Director that he will repay such expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified. Expenses will be deemed to include any tax liability which the indemnified (former) Director may be subject to as a result of his indemnification.

However, an indemnified (former) Director will not be indemnified with respect to claims insofar as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the indemnified (former) Director has been adjudged in a final and conclusive decision to be liable for wilful conduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*) in respect of the claim. Also in case of a legal action against the (former) Director by the Company itself or its Group companies, the Company will settle or reimburse to the (former) Director his reasonable attorneys' fees and litigation costs, but only upon receipt of a written undertaking by that (former) Director that he will repay such fees and costs if a competent court in an irrevocable judgment has resolved the legal action in favour of the Company or the relevant group company rather than the (former) Director.

The Articles of Association stipulate that the indemnified (former) Director may not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company's prior written authorisation and that the Company and the indemnified (former) Director must use all reasonable endeavours to cooperate with a view to agreeing on the defence of any claims, but in the event that they fail to reach such agreement, the indemnified (former) Director must comply with all directions given by the Company in its sole discretion, in order to be entitled to the indemnity that is offered by the Articles of Association.

Furthermore, the Articles of Association provide that the indemnity does not apply to the extent that the aforementioned claims and expenses are reimbursed by insurers.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any Financial Year starting on or after, 1 January 2017 and finds its statutory basis in Book 2 of the Dutch Civil Code (the **Dutch Corporate Governance Code**). The Dutch Corporate Governance Code applies to the Company as it has its registered office in the Netherlands and its Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the management board (*bestuur*) or, if applicable, the supervisory board (*raad van commissarissen*) of the company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report.

On the First Trading Date, the Company will not comply with the following principles of the Dutch Corporate Governance Code:

- *Best practice provision 2.1.7: independence of the supervisory board:* As at the Settlement Date, the Company will not be in compliance with best practice provision 2.1.7(ii) that requires that more than half of the Supervisory Directors shall be independent. Under the Relationship Agreement, each of the Existing Shareholders, for as long as such Shareholder continues to hold more than 10% of the Ordinary Shares, shall have the right (but shall not be required) to nominate one Supervisory Director for appointment by the General Meeting and shall have the right to propose replacement for such member. Such individual will not need to be "independent" within the meaning of the Dutch Corporate Governance Code. The designation rights of the Existing Shareholders will expire if such Shareholder ceases to hold more than 10% of the Ordinary Shares.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Holdings Immediately Prior and After Settlement

The Company is offering such number of Offer Shares as will raise gross proceeds of approximately €300 million assuming no exercise of the Over-Allotment Option, or €330 million assuming the Over-Allotment Option is exercised in full.

Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 23.7% of the issued share capital of the Company immediately after Settlement. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 25.4% of the issued share capital of the Company immediately after Settlement. The following table sets forth information with respect to the size of the shareholdings of the Existing Shareholders both immediately prior to Settlement and immediately after Settlement, without and with full exercise of the Over-Allotment Option, assuming an Offer Price at the mid-point of the Offer Price Range. The table further takes into account the participation of ING Participaties in the Offering for an amount of €32.5 million and the investment of Teslin.

Shareholder	Amount of share capital owned immediately prior to Settlement		Amount of share capital owned immediately after Settlement without exercise of the Over-Allotment Option		Amount of share capital owned immediately after Settlement with full exercise of the Over-Allotment Option	
	Ordinary Shares	% holding	Ordinary Shares	% holding	Ordinary Shares	% holding
Van der Valk Investments B.V.[(1)]	13,722,842	30.5%	13,722,842	23.6%	13,722,842	23.1%
ING Corporate Investments Participaties B.V.[(2)]	10,747,068	23.9%	12,160,111	21.0%	12,160,111	20.5%
Peter Bijvelds Holding Erp B.V.[(3)]	20,529,090	45.6%	20,529,090	35.4%	20,529,090	34.6%
Teslin Capital Management B.V.	-	-	2,967,342	5.1%	2,967,342	5.0%
New public investors....	-	-	8,663,094	14.9%	9,967,442	16.8%

(1) Van der Valk is expected to lend Ordinary Shares under the Stock Lending Agreement to the Stabilisation Manager to allow overallotments for purposes of stabilisation transactions. Such Ordinary Shares will be redelivered to Van der Valk following the end of any stabilisation and this will result in Van der Valk's interest in the Company returning to the level it had immediately prior to Settlement. For purposes of this table the lending of Ordinary Shares by Van der Valk is therefore disregarded.

(2) ING Corporate Investments Participaties B.V. is indirectly controlled by ING and will participate in the Offering for an amount of €32.5 million.

(3) Peter Bijvelds Holding Erp B.V. is controlled by STAK Aandelen Bijvelds Holding Erp B.V. which is controlled by Petrus Henricus Antonius Maria Bijvelds.

The Company's major and controlling Shareholders will not have different voting rights than other Shareholders as of the Settlement Date.

Related Party Transactions

In the course of its ordinary business activities, members of the Group regularly enter into agreements with other companies within the Group. These agreements mainly relate to the rendering of intra-group services, such as the provision of support services. The Group believes that all transactions with subsidiaries, associated companies and joint ventures are negotiated and executed on an arm's length basis and that the terms of these transactions are comparable to those contracted with unrelated third-party suppliers and service providers.

Pondus transaction

On 19 April 2021, the Company acquired 60% of the shares in Pondus from entities ultimately majority-owned and controlled by Mr Bob Fleuren, one of the Group's Managing Directors. On 18 October 2021, the Company agreed to acquire the remaining 20% of the shares in Pondus from persons affiliated with Van der Valk, one of the Existing Shareholders, subject to completion of the Offering. Both transactions to acquire the 80% of the shares in Pondus are concluded at arm's length.

As a result, conditional on completion of the Offering, the Group will hold 100% of the shares in Pondus. The aggregate purchase price to be paid by the Group in the year ending 31 December 2021 for the acquisition of the 80% stake in Pondus amounts to €42.35 million. Upon payment of the aggregate purchase price, no further obligations or payments are due by the Company in relation to the Pondus acquisition. The Existing Shareholders have also made further financial arrangements amongst themselves in the context of the broader pre-IPO restructuring, part of which include settlements in relation to Pondus, but these have no consequence to the Company. See "*Business—Material Agreements*".

Mr Bob Fleuren will re-invest part of the proceeds payable to him at Settlement in the Offering, in the amount of €750,000, by subscribing for the equivalent of this amount in Offer Shares at the Offer Price.

Waiver Agreement PBE Support

Pursuant to an agreement between the Company and PBE Support, a company wholly owned by the Company's CFO, Paul van Beers, PBE Support is entitled to a success fee in the event of a full exit of the Company's shareholders or a recapitalisation of the Company. The success fee is based on a percentage of the enterprise value of the Company at the time of such event which percentage ranges from 1% to 3% depending on the valuation of the Company. On 18 October 2021, the Company and PBE Support signed a waiver agreement, in which PBE Support waived its right to the success fee in a full and final settlement against payment by the Company to PBE Support of €5 million out of the use of proceeds of the Offering. This amount is payable upon Settlement. Pursuant to the waiver agreement, at Settlement, PBE Support is contractually obliged to re-invest the net amount (net of taxes) of the €5 million received from the Company by subscribing for the equivalent of this amount in Offer Shares at the Offer Price. See also "*Reasons for the Offering and Use of Proceeds—Use of Proceeds*". The Existing Shareholders have also made further financial arrangements with PBE Support in the context of the broader pre-IPO restructuring, part of which include settlements in relation to PBE Support's success fee, but these have no consequence to the Company.

Loan agreements

As at 21 September 2020, the Group has available credit under the Facilities Agreement of €80 million. ING Bank N.V., as part of the financing consortium providing the Facilities Agreement to the Group, receives customary fees under the contract. As at 19 April 2021, the Group has available an additional €32.5 million credit facility (among others for the acquisition of Pondus and the repayment of a convertible loan) from ING Corporate Investments Mezzanine Fonds B.V.

For information on the Group's loans and borrowings that are outstanding as at 31 December 2020, 2019 and 2018 and 30 June 2021, see "*Operating and Financial Review—Liquidity and Capital Resources*" and "*Operating and Financial Review—Loans and Borrowings*".

In the context of the RVO loan, on 1 June 2017, Van der Valk, an Existing Shareholder, on behalf of Gr8 Technologies B.V. (a company affiliated with Van der Valk) provided a subordinated loan to

Pondus of €1.5 million. On 1 June 2017, Van der Valk and Pondus entered into a current account agreement under which Pondus lends and withdraws funds in current account with Van der Valk. The current account credit is for the benefit of Van der Valk up to a maximum of €2 million, which amount Van der Valk accepts as a loan. As an additional condition to the loan, Pondus declared to grant to Van der Valk, upon first demand, a right of first pledge on the intellectual property rights, the debtors and the brand and trade name of Pondus.

Management agreement

As of the Settlement Date, each of the Managing Directors will have a services agreement (*overeenkomst van opdracht*) with the Company. For more information, see "*Management and Corporate Governance—Agreements between the Company and the Managing Directors and Supervisory Directors*".

Relationship Agreement

The Existing Shareholders and the Group entered into a relationship agreement on 18 October 2021 (the **Relationship Agreement**), of which the material elements as described below will become effective per the day prior to the First Trading Date. The Relationship Agreement contains arrangements regarding the relationship between the Existing Shareholders and the Group as of the First Trading Date. Below is an overview of the material elements of the Relationship Agreement. The Relationship Agreement will be governed by the laws of the Netherlands.

Amendment of the Articles of Association

The Relationship Agreement states that the Existing Shareholders shall not propose an amendment of the Articles of Association, the Management Board Rules or the Supervisory Board Rules (including the internal rules of the Supervisory Board committees) that would contravene, or be contrary to, any provision of the Relationship Agreement.

Related Party Transactions

The Relationship Agreement provides that the Company shall on the Settlement Date have a related party transactions policy in place. An amendment of such related party transactions policy can be made only with the prior approval of the Supervisory Board. No amendment of the related party transactions policy shall be proposed that would contravene, or be contrary to, any provision of the Relationship Agreement.

Composition of the Supervisory Board and Designation Rights

Pursuant to the Relationship Agreement, the Supervisory Board shall consist of five members. In accordance with the Articles of Association, the Supervisory Board has drawn up a profile for the members of the Supervisory Board. The Supervisory Board shall endeavour to ensure, within the limits of its powers, that it is at all times composed in conformity with that profile. The Supervisory Board shall elect and appoint the chair and vice-chair of the Supervisory Board. The chair and the vice-chair of the Supervisory Board shall both be an independent member of the Supervisory Board.

As from the Settlement Date, each of the Existing Shareholders, for as long as such Shareholder continues to hold more than 10% of the Ordinary Shares, shall have the right (but shall not be required) to nominate one Supervisory Director for appointment by the General Meeting and shall have the right to propose replacement for such member. Such individual will not need to be "independent" within the meaning of the Dutch Corporate Governance Code and, subject to the Articles of Association, may be re-appointed upon expiry of his or her term. Each of the Existing Shareholders shall exercise its voting rights in respect of appointment and dismissal of members of the Supervisory Board in such a way to give effect to profile drawn up by the Supervisory Board. The designation rights of the Existing Shareholders will expire if an Existing Shareholder ceases to hold more than 10% of the Ordinary Shares. Each of the Existing Shareholders shall procure that the Supervisory Director appointed pursuant to its expired designation right offers his or her resignation effective upon the earlier of:

(a) the date as determined by the chair, the vice-chair and the other independent member(s) of the Supervisory Board; and

(b) the date determined by the Existing Shareholders.

Any designation right that expires shall not revive, regardless of any subsequent increase of the relevant Existing Shareholders' shareholding.

Orderly Market Arrangements

The Relationship Agreement states that each of Existing Shareholders shall use its reasonable efforts to conduct any subsequent transfer of Ordinary Shares in the Company held by it with a view to maintaining an orderly market in the Ordinary Shares. The Company shall cooperate to a reasonable extent with the Existing Shareholders to optimise and execute the transfer of its Ordinary Shares.

In addition, the Relationship Agreement states that the Existing Shareholders may require the Company to provide reasonable assistance with an offering which entails the Company's involvement in the form of a deal management road show and the preparation of a prospectus or similar offering document (a **Fully Marketed Offering**). In case an Existing Shareholder requests the Company to assist on a Fully Marketed Offering of (part of) its Ordinary Shares, the parties to the Relationship Agreement shall cooperate in executing the Fully Marketed Offering to the highest possible standard. This may require the Company's assistance with documentation (including potentially a prospectus), due diligence, comfort letters, listing requirements, road shows and marketing and any other reasonable requests from any underwriters or advisers in relation to such an offering and the Company agrees to give such assistance. The Company shall only be required to provide assistance with one Fully Marketed Offering in any 12-month period.

The Relationship Agreement furthermore provides that in the event of a sale of 5% or more of the Ordinary Shares by an Existing Shareholder other than by way of a Fully Marketed Offering, the Company shall facilitate such sale upon request by the relevant Existing Shareholder (which request may only be made twice a year) by providing an opportunity to perform a limited due diligence investigation by or on behalf of a bookrunner or coordinator, a reputable investment bank engaged to assist in a sale or a *bona fide*, creditworthy potential purchaser of such 5% or more of the Ordinary Shares, all subject to the restrictions provided under any anti-trust laws and market abuse laws applicable from time to time. Such due diligence investigation shall be similar to a customary due diligence for accelerated book-build offerings.

Other relevant terms

The Relationship Agreement, which remains in full force and effect unless amended in accordance with their terms, shall terminate at the first time that any of the following conditions shall be met:

(a) the Settlement Date shall not have occurred before 1 November 2021;

(b) an Existing Shareholder holds Ordinary Shares representing less than 10% of the Ordinary Shares;

(c) the Company becomes subject to insolvency proceedings;

(d) a resolution of the General Meeting to liquidate (*ontbinden*) the Company becomes unconditional;

(e) the Company ceases to exist as a legal entity as a result of a legal merger (*fusie*) or spin off (*splitsing*); or

(f) termination of the listing of Ordinary Shares on Euronext Amsterdam takes effect,

in each case without prejudice to rights and obligations accrued prior to such cessation or termination.

The Relationship Agreement, and any contractual or non-contractual obligations arising out of or in connection to it, is governed by and shall be construed in accordance with the laws of the Netherlands. And the courts of Amsterdam, the Netherlands, are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Relationship Agreement.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of relevant information concerning the Company's share capital and of significant provisions of Dutch law and the Articles of Association. It is based on relevant provisions of Dutch law in effect on the date of this Prospectus and the Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association and the relevant provisions of Dutch law. The full text of the Articles of Association (in Dutch, and an unofficial English translation) will be available free of charge on the Company's website (www.ebusco.com) and at the Company's business address at Vuurijzer 23, unit C 5753 SV Deurne, the Netherlands during regular business hours from the date of this Prospectus until at least the Settlement Date. See also "Management and Corporate Governance" for a summary of the material provisions of the Articles of Association and Dutch law relating to the Management Board.

General

The Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 18 July 2019. The Company will be converted into a public limited liability company (*naamloze vennootschap*) with its statutory seat (*statutaire zetel*) in Deurne, immediately prior to Settlement. The Company's registered office is at Vuurijzer 23, unit C, 5753 SV Deurne, the Netherlands. The Company is registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 75407922. The Company's telephone number is +31 (0)88 1100 200. The Company's Legal Entity Identifier (**LEI**) is 894500WSIBBFFKHL6B32. The Ordinary Shares' International Security Identification Number (**ISIN**) is NL0015000CZ2.

Corporate Purpose

Pursuant to article 3 of the Articles of Association, the corporate objects of the Company are:

- to develop, produce and sell electric vehicles and to manufacture electrical and electronic parts and accessories for vehicles, as well as to develop, produce and trade in charging infrastructure and energy storage systems in the broadest sense;
- to incorporate, to participate in any way whatsoever in, to manage, and to supervise, businesses and companies;
- to finance businesses and companies;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- to grant guarantees, to bind the Company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- to acquire, manage, exploit and alienate registered property and items of property in general;
- to trade in currencies, securities and items of property in general;

- to develop and trade in patents, trade marks, licenses, know-how, copyrights, database rights and other intellectual property rights;
- to perform any and all activities of an industrial, financial or commercial nature;

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

Share Capital

Issued Share Capital

As at the date of this Prospectus, the Company's issued share capital amounts to €450,020, divided into 33,750,000 ordinary shares A, 11,249,000 ordinary shares B, 1,000 non-voting cumulative preference shares A, 1,000 non-voting cumulative preference shares B and 1,000 non-voting cumulative preference shares C, each with a nominal value of €0.01, all of which shares are fully paid-up and have been created under, and are subject to, Dutch law.

The net asset value (total assets minus total liabilities) per Share as at 30 June 2021, being the date of the Interim Financial Statements, and calculated using the 44,999 Ordinary Shares issued and outstanding at that time, is €582.

With effect as of the Settlement Date (i) the non-voting cumulative preference shares A, the non-voting cumulative preference shares B and the non-voting cumulative preference shares C will be cancelled pursuant to a shareholders resolution and (ii) the ordinary shares A and the ordinary shares B will be converted into 44,999,000 Ordinary Shares, with a nominal value of €0.01 each, pursuant to a deed of amendment of the articles of association. The loans of (i) €3,400,188.00 on the non-voting cumulative preference shares A, (ii) €4,100,125.00 on the non-voting cumulative preference shares B and (iii) €2,499,687.00 on the non-voting cumulative preference shares C (amounting to €10 million in aggregate) will be repaid in full to the holders of such preference shares, being Peter Bijvelds Holding, Van der Valk and ING Participaties, respectively, from the proceeds of the Offering. With effect as of the Settlement Date, the Company's authorised share capital will amount to €2,200,000 divided into 220,000,000 Ordinary Shares with a nominal value of €0.01 each. With effect as of the Settlement Date, the issued share capital will amount to €449,990 comprising of 44,999,000 Ordinary Shares.

Set out below is an overview of the Company's issued Ordinary Shares in the Company's capital for the dates stated in the overview.

History of Share Capital

	31 December 2019	**31 December 2020**	**30 June 2021**
Shares A	18,000	18,000	33,750
Shares B	5,999	5,999	11,249
Cumulative preference shares A (without voting right)	0	1	1
Cumulative preference shares B (without voting right)	0	1	1
Cumulative preference shares C (without voting right)	0	1	1
Total	**23,999**	**24,002**	**45,002**

Shares

Each Ordinary Share must be paid-up in full upon issuance.

On the Settlement Date, all of the issued Ordinary Shares will be fully paid-up. On the Settlement Date, there will be no convertible securities, exchangeable securities or securities with warrants in the Company. There are no acquisition rights and/or obligations over unissued share capital of the Company (or any undertaking to increase the share capital of the Company). All of the Ordinary Shares represent capital in the Company. No share or loan capital of any member of the Group is under option or agreed, conditionally or unconditionally, to be put under option.

Except by virtue of the different voting rights attached to the Ordinary Shares, none of the Shareholders will have any voting rights different from any other Shareholders. Each Ordinary Share confers the right to cast one vote in the General Meeting.

Shareholders' Register

All Ordinary Shares will be registered shares. No share certificates (*aandeelbewijzen*) are or may be issued. If requested, the Management Board will provide a Shareholder, usufructuary or pledgee of such Ordinary Shares with an extract from the Shareholders' Register relating to his or her title to a Share free of charge. If the Ordinary Shares are encumbered with a right of usufruct (*vruchtgebruik*) or a right of pledge (*pandrecht*), the extract will state to whom such rights will fall. The Shareholders' Register is kept by the Management Board.

The Company's Shareholders' Register records the names and addresses of the Shareholders, the number of Ordinary Shares held, the date on which the Ordinary Shares were acquired, the date of acknowledgement and/or service upon the Company of the instrument of transfer, the amount paid on each Share and the date of registration in the Shareholders' Register. In addition, each transfer or passing of ownership is registered in the Shareholders' Register. The Shareholders' Register also includes the names and addresses of persons and legal entities with a right of pledge or a right of usufruct on those Shares, the date on which they acquired such a right and the date of acknowledgement or service upon the Company of the instrument of transfer.

For shares as referred to in the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*, the **Dutch Securities Transactions Act**), including the Offer Shares, which are included in: (i) a collective depot as referred to in the Dutch Securities Transactions Act, of which shares form part, as being kept by an intermediary, as referred to in the Dutch Securities Transactions Act; or (ii) a giro depot as referred to in the Dutch Securities Transactions Act of which shares form part, as being kept by a central institute as referred to in the Dutch Securities Transactions Act, the name and address of the relevant intermediary or the relevant central institute shall be entered in the Shareholders' Register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share.

Issuance of Shares

Ordinary Shares can be issued either: (i) if and to the extent the Management Board has been designated by the General Meeting as the authorised corporate body to resolve to issue Ordinary Shares, pursuant to a resolution by the Management Board, which (proposed) resolution has been approved by the Supervisory Board; or (ii) if the Management Board has not been designated as the authorised corporate body to resolve to issue Ordinary Shares, pursuant to a resolution by the General Meeting (adopted with a simple majority) on a proposal to that effect by the Management Board, which proposal has been approved by the Supervisory Board. This also applies to the granting of rights to subscribe for Ordinary Shares, such as options, but is not required for an issue of Ordinary Shares pursuant to the exercise of a previously granted right to subscribe for Ordinary Shares. An authorisation by the General Meeting as referred to above must state the term for which it will be valid, which may be no more than five years and may each time only be extended for a maximum period of five years.

Prior to the Settlement Date, it is expected that the General Meeting will designate the Management Board as the body authorised, subject to the approval of the Supervisory Board, to issue Ordinary Shares, to grant rights to subscribe for Ordinary Shares and to exclude statutory pre-emptive rights in relation to such issuances of Ordinary Shares or granting of rights to subscribe for Ordinary Shares. Aforementioned authorisation of the Management Board is limited to 10% plus another 10% for M&A purposes of the total nominal issued share capital of the Company as of the Settlement Date and is valid for a period of 18 months after the Settlement Date.

Pre-emptive Rights

Upon issue of Ordinary Shares or grant of rights to subscribe for Ordinary Shares, each Shareholder shall have a pre-emptive right in respect of such Ordinary Shares in proportion to the aggregate nominal amount of Ordinary Shares already held by it. Shareholders do not have pre-emptive rights in respect of Ordinary Shares issued: (i) to employees of the Company or of a group company within the meaning of Section 2:24b of the Dutch Civil Code; (ii) against payment other than in cash; or (iii) to a person exercising a previously acquired right to subscribe for Ordinary Shares. These pre-emptive rights and non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for Ordinary Shares.

Pre–emptive rights may be restricted or excluded by the Management Board, subject to the approval of the Supervisory Board, if the Management Board has been designated by the General Meeting as the authorised body to do so. If the Management Board has not been authorised to restrict or exclude pre-emptive rights, the General Meeting has the power to limit or exclude pre-emptive rights. Such designation will only be valid for a specific period and may be extended by specific consecutive periods with due observance of applicable statutory provisions. A designation to this effect must explain in writing the reasons for the designation and the intended issue price. Unless provided otherwise in the designation, the designation cannot be withdrawn.

As set out above, prior to the Settlement Date, it is expected that the General Meeting will designate the Management Board as the body authorised to restrict or exclude pre-emptive rights accruing to Shareholders in relation to the issue of or granting of rights to subscribe for Ordinary Shares, subject to the approval of the Supervisory Board, for a period of 18 months following the Settlement Date.

Reduction of Share Capital

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, but only if proposed by the Management Board after approval by the Supervisory Board, and in compliance with Sections 2:99 and 2:100 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by: (i) cancelling Ordinary Shares or (ii) reducing the value of the Ordinary Shares by amendment of the Articles of Association. A resolution to cancel Shares can only relate to Ordinary Shares held by the Company itself. Reduction of the nominal value of the Ordinary Shares without repayment and without release from the obligation to pay up the Shares shall take place proportionately on all Shares of the same class. This pro rata requirement may be waived if all Shareholders concerned so agree. A resolution of the General Meeting to reduce the share capital requires a majority of at least two thirds of the votes validly cast if less than 50% of the issued and outstanding share capital is represented at the General Meeting. If 50% or more of the issued and outstanding share capital is represented at the General Meeting, the resolution of the General Meeting requires an absolute majority.

In addition, Dutch law contains detailed provisions regarding the reduction of capital.

Aspects of taxation of a reduction of share capital are described in "*Taxation*".

Acquisition of own Shares

Subject to the approval of the General Meeting, the Management Board is authorised to acquire its own fully paid-up Ordinary Shares with due observance of the provisions of Section 2:98 of the Dutch Civil Code. The Company may not cast votes on, and is not entitled to dividends paid on, Ordinary Shares held by it nor will such Ordinary Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Ordinary Shares held by the Company if the Ordinary Shares are encumbered with a right of usufruct that benefits a party other than the Company or a subsidiary, the voting right attached to those Ordinary Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Ordinary Shares belonged to the Company or the subsidiary.

The Management Board, pursuant to a resolution of the General Meeting to be adopted prior to the Settlement Date, will be authorised for a period of 18 months following the Settlement Date to acquire Ordinary Shares, subject to the approval of the Supervisory Board, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

No dividend shall be paid on the Ordinary Shares held by the Company in its own capital, unless such Ordinary Shares are subject to a right of usufruct or pledge. For the computation of the profit distribution, the Ordinary Shares held by the Company in its own capital shall not be included. The Management Board is authorised, subject to the approval of the Supervisory Board, to dispose of the Company's own Ordinary Shares held by it.

Form and Transfer of Shares

The Ordinary Shares are in registered form. The Shareholders' Register is held at the Company's head office in Deurne, the Netherlands. No share certificates will be issued for Ordinary Shares. The names and addresses of the Shareholders in registered form and usufructuaries (*vruchtgebruikers*) in respect of such Ordinary Shares are recorded in the Shareholders' Register as well as any other information prescribed by Dutch law.

Transfer of Ordinary Shares on Euronext Amsterdam

The transfer of rights a Shareholder holds with regard to Ordinary Shares included in the giro system as referred to in the Dutch Securities Transactions Act (the **Statutory Giro System**) must take place in accordance with the provisions of the Dutch Securities Transactions Act. The transfer of Shares not included in the Statutory Giro System requires an instrument intended for that purpose and, save when the Company itself is a party to such legal act, the written acknowledgement by the Company of the transfer. The acknowledgement must be made in the instrument or by a dated statement of acknowledgement on the instrument or on a copy or extract thereof and signed as true copy by a civil law notary or the transferor. Official service of such instrument or such copy or extract on the Company is considered to have the same effect as an acknowledgement.

Dividends and Other Distributions

General

The Company may only make distributions, whether a distribution of profits or of freely distributable reserves, to its Shareholders if its Shareholders' equity exceeds the sum of the paid-up and called-up part of the issued share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association. See "*Dividends and Dividend Policy—Dividend Policy*" for a more detailed description regarding dividends.

Annual profit distribution

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's (non-consolidated) annual accounts by the General Meeting, and the information therein will determine if the distribution of profits is legally permitted for the respective Financial Year.

Right to reserve

The Management Board, subject to the approval of the Supervisory Board, may resolve to reserve the profits or a part of the profits realised during a Financial Year. The profits remaining after being allocated to the reserves shall be put at the disposal of the General Meeting. The Management Board, subject to the approval of the Supervisory Board, shall make a proposal for that purpose. Furthermore, the Management Board may, subject to the approval of the Supervisory Board, decide that distributions to the Shareholders shall be at the expense of reserves which the Company is not prohibited from distributing by virtue of Dutch law or the Articles of Association.

Interim distribution

Subject to Dutch law and the Articles of Association, the Management Board may, subject to the approval of the Supervisory Board, resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Management Board that the Company's equity does not fall below the sum of called-up and paid-up share capital plus the reserves required to be maintained by Dutch law or by the Articles of Association.

Distribution in kind

The Management Board may, subject to the approval of the Supervisory Board, decide that a distribution on Ordinary Shares shall not take place as a cash payment but as a payment in the form of Ordinary Shares, or decide that Shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, provided that the Management Board is designated by the General Meeting as the authorised corporate body to do so.

Profit ranking of the Ordinary Shares

All of the Ordinary Shares issued and outstanding on the Settlement Date, including the Offer Shares, will rank equal. In the event of insolvency, any claims of the Shareholders are subordinated to those of the creditors of the Company. This means that an investor could potentially lose all or part of its invested capital.

Payment

Payment of any future dividend on Ordinary Shares in cash will in principle be made in euro. Any dividends on Ordinary Shares that are paid to Shareholders through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of Shareholders who are non-residents of the Netherlands. However, see "*Taxation*" for a discussion of aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands. Payments of profit and other payments are announced in a notice by the Company and will be made payable pursuant to a resolution of the Management Board within four weeks after adoption, unless the Management Board sets another date for payment. A shareholder's claim to payments of profits and other payments lapses five years and one day after the day on which the claim became payable. Any profit or other payments that are not claimed within this period will be considered to have been forfeited to the Company and will be carried to the reserves of the Company.

Exchange Controls and Other Provisions Relating to Non-Dutch Shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*), or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Ordinary Shares, provided that the payment in a foreign currency for any Ordinary Shares issued, or to be issued, by the Company will only result in the performance of the obligation to pay up the Ordinary Shares, to the extent that the Company consents to payment in such foreign currency, the paid-up sum can be converted (exchanged) freely into euro and is equal to at least the euro nominal value of such Ordinary Shares. There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold Ordinary Shares.

General Meetings and Voting Rights

General Meetings

The annual General Meeting must be held at least once a year, within six months after the end of the Financial Year. Extraordinary General Meetings may be held as often as the Management Board or the Supervisory Board deems desirable. In addition, one or more Shareholders, who solely or jointly represents at least the percentage of the issued capital as required by law, which at the date of this Prospectus is at least one tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. General Meetings can be held in Deurne, Eindhoven, 's-Hertogenbosch, Utrecht, Amsterdam or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting. If no General Meeting has been held within eight weeks of the Shareholders making such request, the Shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a General Meeting.

The convocation of the General Meeting must be published through an announcement by electronic means. The notice must state the subjects to be dealt with, the time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, the address of the Company's website as well as the place where the meeting documents may be obtained, and such other information as may be required by Dutch law. The notice must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which, at the date of this Prospectus, is 42 days.

The agenda for the annual General Meeting must, among other things, include the discussion of the report of the Management Board, the discussion of the implementation of the remuneration policy, the discussion and adoption of the annual accounts, the dividend proposal (if applicable), appointment of an external auditor, and other subjects presented for discussion by the Supervisory Board or the Management Board and announced with due observance of the provisions of the Articles of Association, as for instance: (i) discharge of the Managing Directors and Supervisory Directors from liability (*decharge verlenen*) concerning the performance of their duties in the Financial Year in question; (ii) discussion of the policy on reserves and dividends; (iii) designation of a body of the Company authorised to issue Ordinary Shares; and/or (iv) authorisation of the Management Board to make the Company acquire own Ordinary Shares or depositary receipts for Ordinary Shares. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory Board or Shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and Supervisory Directors concerning the performance of their duties in the Financial Year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Management Board and the Supervisory Board, respectively. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, representing, pursuant to the Articles of Association, at least the percentage of the issued and outstanding share capital as required by law (which as at the date of this Prospectus is 3%), have requested the Management Board by a motivated written request to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

The General Meeting is chaired by the chair of the Supervisory Board. However, the chair of the Supervisory Board may charge another person with chairing the General Meeting even if the chair of the Supervisory Board is present at the meeting. If the position of chair is not provided for in accordance with the aforementioned, the meeting itself will elect a chair, provided that so long as such election has not taken place, the position of chair will be held by a Managing Director designated for that purpose by the Managing Directors present at the meeting. The chair of the meeting will have all powers necessary to ensure the proper and orderly functioning of the General Meeting.

The Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, Managing Directors and Supervisory Directors have an advisory vote. The chair of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Ordinary Shares, on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Voting rights

Each Share confers the right to cast one vote in the General Meeting. At the General Meeting of Shareholders, all resolutions must be adopted by an absolute majority of the valid votes cast, regardless of which part of the issued share capital such votes represent, except where Dutch law or the Articles of Association require a greater majority. If there is a tie in voting, the proposal will thus be rejected. Blank and invalid votes will be regarded as not having been cast. When determining how many votes are cast by Shareholders, how many Shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of Ordinary Shares for which no votes can be cast by law. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares which are held by the Company or any of its subsidiaries.

Amendment of the Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association, with an absolute majority of the votes cast, but (i) only on a proposal of the Management Board that has been approved by the Supervisory Board or (ii) if the proposal lacks, with the explicit approval of the Management Board and the Supervisory Board. A proposal to amend the Articles of Association must be stated in the notice of the General Meeting. In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by Shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to Shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting.

A resolution of the General Meeting to amend these Articles of Association, which has the effect of reducing the rights attributable to holders of Shares of a particular class, is subject to approval of the meeting of holders of Shares of that class.

Legal merger/legal division

The General Meeting may pass a resolution to effect a legal merger or a legal division, with a simple majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. A proposal to effect a legal merger or a legal division must be stated in the notice.

Dissolution and liquidation

The Company may only be voluntarily dissolved by a resolution of the General Meeting, with an absolute majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. Any such proposal must be stated in the notice of the General Meeting.

If the General Meeting has resolved to dissolve the Company, the Management Board must carry out the liquidation of the Company, under the Supervisory Board's supervision, unless otherwise resolved by the General Meeting. During liquidation, the provisions of the Articles of Association will remain in force as far as possible. Once the liquidation has been completed, the books, records and other data carriers of the dissolved company will be held by the person or legal person appointed for that purpose by the General Meeting for the period prescribed by law (which as at the date of this Prospectus is seven years).

The balance of the assets of the Company remaining after all liabilities and the costs of liquidation have been paid shall be distributed to the Shareholders in proportion to the nominal amount of each Shareholder's holding in Ordinary Shares. Tax aspects of liquidation proceeds are described in "*Taxation*".

Annual and Interim Financial Reporting

The Company's Financial Year is the calendar year. Annually, within four months after the end of the Financial Year, the Management Board must prepare the annual financial report, make it available for inspection by the Shareholders at the offices of the Company and on its website and file the prepared but not yet adopted annual financial report with the AFM. The annual financial report shall comprise the audited financial statements, a management report and certain other information required under Dutch law (including a responsibility statement). Annually, the Supervisory Board must prepare a report, which will be enclosed with the annual financial report and the management report. The annual financial statements must be signed by all Managing Directors and all Supervisory Directors. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The financial report consisting of the audited financial statements, the management report, and the other information required under Dutch law (including a responsibility statement) must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting where they are discussed until the conclusion of such meeting. The annual financial statements must be adopted by the General Meeting. The Management Board must send the adopted annual financial statements to the AFM within five business days after adoption. The Company must prepare and make publicly available its interim financial report as soon as possible, but at the latest three months after the end of the first six months of the Financial Year. If the interim financial statements are audited or reviewed, the independent auditor's audit or independent auditor's review report, respectively, must be published together with the interim financial report. If the interim financial statements are unaudited or not reviewed, the interim management board report should state so.

The Company does not intend to publish interim financial statements other than interim financial statements for the six months ended 30 June of each Financial Year starting as from the six months ended 30 June 2022.

Dutch Financial Reporting Supervision Act

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the **FRSA**), the AFM supervises the application of financial reporting standards by companies whose seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to: (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards; and (ii) recommend that the Company make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the **Enterprise Chamber**) orders the Company to: (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports; or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

Dutch cooling-off period in face of shareholder activism or hostile take-over

On 1 May 2021, a bill entered into force, which has introduced a statutory cooling-off period of up to 250 days during which the general meeting of shareholders is not able to dismiss, suspend or appoint Managing Directors or Supervisory Board (or amend the provisions in the Articles of Association dealing with those matters) unless those matters are proposed by the Management Board. This cooling-off period may be invoked by the Management Board in case:

(i) Shareholders, using either their shareholder proposal right or their right to request a General Meeting of Shareholders, propose an agenda item for the General Meeting of Shareholders to dismiss, suspend or appoint a member of the Management Board or Supervisory Board (or to amend any provision in the articles of association dealing with those matters); or

(ii) a public offer for the Company's Ordinary Shares is made or announced without the Company's support, provided, in each case, that the Management Board believes that such proposal or offer materially conflicts with the interests of the Company and its business.

The cooling-off period, if invoked, ends at occurrence of the earliest of the following events:

(i) the expiration of 250 days from: (a) in case of Shareholders using their shareholder proposal right, the day after the deadline for making such proposal expired; (b) in case of Shareholders using their right to request a General Meeting of Shareholders, the day when they obtain court authorization to do so; (c) or in case of a hostile offer being made, the first following day;

(ii) the day after the hostile offer having been declared unconditional; or

(iii) the Management Board voluntarily terminating the cooling-off period.

In addition, Shareholders representing at least 3% of the Company's issued share capital may request the Dutch Enterprise Chamber of the Amsterdam Court of Appeals for termination of the cooling-off period before the occurrence of any of the events listed above. The Enterprise Chamber must rule in favour of the request if the Shareholders can demonstrate that: (i) the Management Board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have come to the conclusion that the relevant Shareholder proposal or hostile offer constituted a material conflict with the interests of the Company and its business; (ii) the Management Board cannot reasonably come to the conclusion that a continuation of the cooling-off period would contribute to careful policy–making; or (iii) if other defensive measures have been activated during the cooling–off period and not terminated or suspended at the relevant Shareholders' request within a reasonable period following the request (i.e., no 'stacking' of defensive measures).

During the cooling-off period, if invoked, the Management Board must gather all relevant information necessary for a careful decision-making process. In this context, the Management Board must consult with Shareholders representing at least 3% of the Company's issued share capital at the time the cooling-off period was invoked. Formal statements expressed by these stakeholders during such consultations must be published on the Company's website to the extent these stakeholders have approved that publication.

Ultimately, one week following the last day of the cooling-off period, the Management Board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on the Company's website. This report must remain available for inspection by Shareholders and others with meeting rights under Dutch law at the Company's office and must be tabled for discussion at the next General Meeting of Shareholders.

Rules Governing Obligations of Shareholders to Make a Public Takeover Bid

Pursuant to the Dutch FMSA, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who (individually or jointly) directly or indirectly obtains control of a Dutch listed company, such as the Company as of the Settlement Date, is required to make a public takeover bid for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to an exemption for major shareholders who, acting alone or in concert, already had such stake in the company at the time of that company's initial public offering).

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among other things, sufficient information will be made available to the shareholders, that the shareholders will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

Squeeze-out Proceedings

Pursuant to Section 2:92a of the Dutch Civil Code (*Burgerlijk Wetboek*), a shareholder who on his or her own account contributes at least 95% of the issued share capital of a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him or her. Unless the addresses of all of them are known to him or her, he or she is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public takeover bid is also entitled to start squeeze-out proceedings if, following the public takeover bid, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months, following the expiry of the acceptance period of the Offering. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer. The Dutch takeover provisions of the Dutch FMSA also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to Disclose Holdings

Shareholders may be subject to notification obligations under the Dutch FMSA. Shareholders are advised to seek professional advice on these obligations.

Shareholders

Pursuant to the Dutch FMSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

Controlled entities, within the meaning of the Dutch FMSA, do not have notification obligations under the Dutch FMSA, as their, direct and indirect, interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch FMSA, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Notification of Short Positions

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the abovementioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set-off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. The notification shall be made no later than 15:30 CET on the following trading day.

Managing Directors and Supervisory Directors

Pursuant to the Dutch FMSA, each Managing Director and each Supervisory Director must notify the AFM: (i) immediately following the Admission of the Ordinary Shares of the number of Ordinary Shares and options he or she holds and the number of votes he or she is entitled to cast in respect of the Company's issued share capital; and (ii) subsequently of each change in the number of Ordinary Shares or options he or she holds and of each change in the number of votes he or she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Managing Director or Supervisory Director has notified a change in shareholding to the AFM under the Dutch

FMSA as described above under "—*Shareholders*", such notification is sufficient for purposes of the Dutch FMSA as described in this paragraph.

Furthermore, pursuant to Regulation (EU) No 596/2014 of the European Parliament and the Council (the **Market Abuse Regulation**) and the regulations promulgated thereunder, any Managing Director and Supervisory Director, as well as any other person discharging managerial responsibilities in respect of the Company who has regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company, must notify the Company and the AFM by means of a standard form of any transactions conducted for his or her own account relating to the Ordinary Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto.

In addition, pursuant to the Market Abuse Regulation, certain persons who are closely associated with Managing Directors, Supervisory Directors or any of the other persons as described above are also required to notify the AFM and the Company of any transactions conducted for their own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation covers, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose managerial responsibilities are discharged by a person referred to under clauses (i) to (iii) above or which is directly or indirectly controlled by such a person, or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person or by the relevant Managing Directors, Supervisory Directors or other person discharging the managerial responsibilities in respect of the Company as described above.

The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM no later than the third business day following the relevant transaction date. Under circumstances, these notifications may be postponed until all transactions within a calendar year have reached a total amount of €5,000 (calculated without netting). Any subsequent transaction must be notified as set out above. Notwithstanding the foregoing, Managing Directors and Supervisory Directors need to notify the AFM of each change in the number of Ordinary Shares that they hold and of each change in the number of votes they are entitled to cast in respect of the Company's issued share capital, immediately after the relevant change.

Non-compliance

Non-compliance with the disclosure obligations set out in the paragraphs above is an economic offence (*economisch delict*) and may lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and, *vice versa*, the criminal prosecution is no longer allowed if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more Shareholders who alone or together with others represent(s) at least 3% of the issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose include:

- an order requiring the person violating the disclosure obligations to make appropriate disclosure;
- suspension of voting rights in respect of such person's Ordinary Shares for a period of up to three years as determined by the court; and

- voiding a resolution adopted by the General Meeting, if the court determines that the resolution would not have been adopted if the voting rights of the person who is obliged to notify had not been exercised, or suspension of a resolution until the court makes a decision about such voiding; and an order to the person violating the disclosure obligations to refrain, during a period of up to five years as determined by the court, from acquiring Ordinary Shares and/or voting rights in Ordinary Shares.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch FMSA on its website (www.afm.nl). Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company's shares or a particular notifying party.

Identity of Shareholders and distribution of information

The Company may, in accordance with Chapter 3A of the Dutch Securities Transactions Act, request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions to provide information on the identity of its Shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on Shareholders with an interest of less than 0.5% of the issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of its Shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held. If a request as referred to in the previous paragraph has been made by either the Company or a Shareholder in accordance with the previous paragraph, Shareholders who, individually or with other Shareholders, hold Ordinary Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least €250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect of misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

Related Party Transactions

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the **Shareholder Rights Directive II**) establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a member state of the European Union and the shares of which are admitted to trading on a regulated market situated or operating within a Member State of the European Union. The Dutch Act to implement the Shareholders' Rights Directive II (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*, the **Dutch SRD Act**) was adopted by the Dutch parliament on 5 November 2019 and has entered into force on 1 December 2019. The Dutch SRD Act, among other things, adds new rules on related party transactions to the Dutch Civil Code and provides that "*material transactions*" with "*related parties*" not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by the supervisory board, or, in the case of a one-tier board, the (non-executive members of the) board of directors, and be publicly announced at the time that the transaction is entered into. If following the Market Abuse Regulation the information should be published at an earlier stage, that requirement prevails.

Any director or shareholder that has a direct or indirect personal interest in the transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned. As long as not all of the directors are excluded on the basis that they have a personal interest in the relevant transaction, no approval from the General Meeting will be required. In this context: a "*related party*" is interpreted in accordance with IFRS-EU (International Accounting Standards (**IAS**) 24 (*Related Party Disclosures*)) and includes a party that has "*control*" or "*significant influence*" over the company or is a member of the company's key management personnel; and a transaction is considered "*material*" if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more Shareholders representing at least 10% of the issued share capital or a managing director or supervisory director). Certain transactions with a "*related party*" are not subject to the approval and disclosure provisions of the Dutch SRD Act (for example, transactions concluded between a company and its subsidiary). The supervisory board, or, in the case of a one-tier board, the board of directors, will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

Market Abuse Regime

Reporting of Insider Transactions

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Ordinary Shares; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) unlawfully disclose inside information relating to the Ordinary Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public, as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities, which has not yet been made public and publication of which would significantly affect the trading prices of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of its investment decision). An intermediate step in a protracted process can also be deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to Ordinary Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly financial report or a management report of the Company.

Non-compliance with the EU Market Abuse Rules

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offence (*economisch delict*) and/or a crime (*misdrijf*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and *vice versa*.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

Transparency Directive

The Netherlands will be the Company's home Member State for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company will be subject to the Dutch FMSA in respect of ongoing transparency and disclosure obligations.

THE OFFERING

Introduction

The Company is offering up to 13,953,489 Offer Shares (excluding the Over-Allotment Shares). Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 23.7% of the issued share capital of the Company immediately after Settlement. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 25.4% of the issued share capital of the Company immediately after Settlement. The Offering solely consists of private placements to certain institutional investors in various jurisdictions, including the Netherlands. There will be no public offering in any jurisdiction. The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US and are being offered or sold: (i) within the US, to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws; and (ii) to institutional investors in various jurisdictions outside the US, in "offshore transactions" as defined in, and in compliance with, Regulation S. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

The Company has granted the Stabilisation Manager, on behalf of the Underwriters, the Over-Allotment Option, exercisable up to 30 calendar days after the First Trading Date, pursuant to which the Stabilisation Manager (on behalf of the Underwriters) may require the Company to sell at the Offer Price up to 1,395,349 Over-Allotment Shares, comprising up to 10% of the total number of Offer Shares sold in the Offering, assuming an Offer Price at the bottom of the Offer Price Range, to cover over-allotments or short positions, if any, in connection with the Offering or facilitate stabilisation transactions, if any.

Anchor Investments

ING Participaties, Teslin Capital Management B.V. in its capacity of fund manager of Teslin Participaties Coöperatief U.A. (**Teslin**) and Alychlo NV (**Alychlo** and together with ING Participaties and Teslin, the **Anchor Investors**) have agreed to purchase Offer Shares at the Offer Price on the Settlement Date as part of the Offering, subject, for Teslin and Alychlo, to certain conditions (the **Anchor Investments**). ING Participaties will participate in the Offering for the amount of €32.5 million. The Anchor Investments of Teslin and Alychlo are subject to the following relevant conditions: (i) there not having been a material adverse change in the Company's financial position, (ii) no material breach of the Company's warranties has occurred and (iii) the Company shall not publish a supplement to this prospectus. Teslin and Alychlo are not subject to any lock-up undertaking with respect to their Anchor Investment. If the Settlement Date has not occurred on or before 30 October 2021, each Anchor Investor is entitled to terminate its Anchor Investment. The Anchor Investors may also subscribe for additional Offer Shares in the Offering. Allocation of any such additional Offer Shares shall be determined by the Company, after consultation with the Joint Global Coordinators, as described in "—*Allocation*".

The table below sets forth information with respect to the Anchor Investments, setting out the respective numbers of Offer Shares and the sizes of the subscription by the Anchor Investors in the Offering, both without and with full exercise of the Over-Allotment Option and assuming an Offer Price at the mid-point of the Offer Price Range.

Anchor Investor	Anchor Investment without exercise of the Over-Allotment Option		Anchor Investment with exercise of the Over-Allotment Option	
	Number of Offer Shares	% of the Offering	Number of Offer Shares	% of the Offering
ING Corporate Investments Participaties B.V.	1,413,043	10.8%	1,413,043	9.8%
Teslin Capital Management B.V.	2,967,342	22.7%	2,967,342	20.7%
Alychlo N.V.	1,304,347	10.0%	1,304,347	9.1%

Timetable

Subject to acceleration or extension of the timetable by the Company, in consultation with the Joint Global Coordinators for, or withdrawal of, the Offering, the timetable below sets forth the expected key dates for the Offering.

Event	Date (2021) (Time (CET))
Start of Offer Period	18 October 2021 (08:00)
End of Offer Period..	21 October 2021 (14:00)
Expected Pricing	21 October 2021
Publication of results of the Offering and expected Allocation	22 October 2021
Commencement of trading on an "as-if-and-when-issued" basis on Euronext Amsterdam	22 October 2021 (09:00)
Settlement (payment and delivery)	26 October 2021 (09:00)

Please note that the Company, in consultation with the Joint Global Coordinators, reserves the right to accelerate or extend the Offer Period.

Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offer Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offer Period. In any event, the Offer Period will be at least six business days.

Offer Period

Subject to acceleration or extension of the timetable for the Offering, prospective institutional investors may subscribe for Offer Shares during the period commencing at 08:00 CET on 18 October 2021 and ending at 14:00 CET on 21 October 2021. In the event of an acceleration or extension of the Offer Period, pricing, allotment, Admission and first trading of the Offer Shares, as well as payment (in euro) for and delivery of the Offer Shares in the Offering may be advanced or extended accordingly.

If a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares arises or is noted between the date of this Prospectus and the final closing of the Offer Period, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation, the Offer Period will be extended, if so required by the Prospectus Regulation or the rules promulgated thereunder. Such a supplement will be subject to approval by the AFM in accordance with the Prospectus Regulation, and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement. See also "*Important Information—Supplements*".

Acceleration or Extension

After consultation with the Joint Global Coordinators, the Company may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to do so, the Company will make this public through a press release, which will also be posted on the Company's website (www.ebusco.com). Any other material alterations will be published through a press release that will also be posted on the Company's website (www.ebusco.com) and (if required) in a supplement to this Prospectus that is subject to the approval of the AFM.

Any extension of the timetable for the Offering will be published in a press release and placed on the Company's website (www.ebusco.com) at least three hours before the end of the original Offer Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release and placed on the Company's website (www.ebusco.com) at least three hours before the proposed end of the accelerated Offer Period.

Offer Price and Number of Offer Shares

The Offer Price Range is expected to be in the range of €21.50 to €24.50 (inclusive) per Offer Share. The Offer Price and the exact number of Offer Shares will be determined on the basis of a book building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range, which is an indicative price range, may be changed and/or the number of Offer Shares being offered may be increased or decreased. See "*—Change of the Offer Price Range or Number of Offer Shares*" for further information on changes to the Offer Price Range or number of Offer Shares.

The Offer Price and the exact number of Offer Shares offered will be determined by the Company in agreement with the Joint Global Coordinators after the Offer Period has ended, taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price (in euro), the exact number of Offer Shares offered in the Offering and the maximum number of Over-Allotment Shares will be stated in the Pricing Statement which will be published through a press release that will also be placed on the Company's website and filed with the AFM.

Change of the Offer Price Range or Number of Offer Shares

The Offer Price Range is an indicative price range. The Company, after consultation with the Joint Global Coordinators, reserves the right to change the Offer Price Range and/or to increase or decrease the number of Offer Shares prior to the allocation of the Offer Shares. Any increase in the top end of the Offer Price Range on the last day of the Offer Period, or the determination of an Offer Price above the Offer Price Range, will result in the Offer Period being extended by at least two business days. Any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. Any such change in the Offer Price Range and/or the number of Offer Shares being offered will be announced in a press release that will be placed on the Company's website. Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

Allocation

The allocation of the Offer Shares is expected to take place after the closing of the Offer Period on or about 22 October 2021, subject to acceleration or extension of the timetable for the Offering. The Allocation of Offer Shares will be determined by the Company, after consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may purchase or subscribe for and multiple applications to purchase, or subscribe for, Offer Shares are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied for. The Company and the Joint Global Coordinators may, at their own discretion and without stating the grounds therefor, reject any applications wholly or partly. On the day that Allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify institutional investors or the relevant financial intermediary of any allocation of Offer Shares made to them or their clients. Any monies received in respect of applications that are not accepted in whole or in part will be returned to the investors without interest or other compensation and at the investors' risk. PBE Support and Tridamos Holding B.V., will be fully allocated Offer Shares in the Offering for respectively, the net amount (after tax deductions) of €5 million and the amount of €750,000 as set out in "*Major Shareholders and Related Party Transactions—Related Party Transactions*", which Offer Shares shall be subject to the lock-up set out in "*Plan of Distribution—Lock-up Arrangements—Management lock-up*". The Anchor Investors will be fully allocated Offer Shares in the Offering.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the requirements of the selling and transfer restrictions described in "*Selling and Transfer Restrictions*". Each investor should consult his/her own advisers as to the legal, tax, business, financial and related aspects of a purchase of, or a subscription for, Offer Shares.

Payment

Payment for the Offer Shares will take place on the Settlement Date. The Offer Price must be paid in full in euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see "*Taxation*").

Delivery, Clearing and Settlement

For purposes of Admission to Euronext Amsterdam, the Ordinary Shares are registered shares, which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Transactions Act. Application has been made for the Ordinary Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland has its offices at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares will take place on the Settlement Date, through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in euro) for the Offer Shares and the Over-Allotment Shares, if applicable, in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be 26 October 2021, the second business day (T+2) following the First Trading Date. The closing of the Offering may not take place on the Settlement Date or at all if the conditions referred to in the Underwriting Agreement are not satisfied or waived on or prior to such date. See "*Plan of Distribution*" for further information on the conditions to the Underwriting Agreement.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any transactions in Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, the Underwriters, the Listing and Paying Agent and Euronext Amsterdam N.V. accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

There are restrictions on the transfer of the Ordinary Shares, as set out in "*Selling and Transfer Restrictions*".

Listing and Trading

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam under the symbol "EBUS" with ISIN (International Security Identification Number) NL0015000CZ2.

Subject to acceleration or extension of the timetable for the Offering, trading in the Offer Shares on Euronext Amsterdam is expected to commence at 09:00 CET on the First Trading Date. Trading in the Offer Shares before Settlement will take place on an "as-if-and-when-issued" basis.

The Ordinary Shares will trade in euro on Euronext Amsterdam.

Subject to acceleration or extension of the timetable for the Offering, unconditional trading in the Offer Shares on Euronext Amsterdam is expected to commence on the Settlement Date. Trading in the Offer Shares before the closing of the Offering on the Settlement Date will take place on an "as-if-and-when-issued" basis.

Voting rights

Each Ordinary Share confers the right to cast one vote in the General Meeting (see "*Description of Share Capital and Corporate Structure—General Meetings and Voting Rights—Voting rights*"). After the Settlement Date, all Shareholders have the same voting rights.

Ranking and Dividends

The Offer Shares and, if the Over-Allotment Option will be exercised, any Over-Allotment Shares will, upon issue, rank equally in all respects. The Offer Shares will carry dividend rights as of the date of issue. See "*Dividends and Dividend Policy—Dividend Policy*".

Dilution

The voting interest of the Existing Shareholders will be diluted as a result of the issuance of the Offer Shares. The maximum dilution for these Shareholders pursuant to the issuance of the Offer Shares would be 25.4% assuming the maximum number of Offer Shares issued and assuming an Offer Price at the bottom end of the Offer Price Range and full exercise of the Over-Allotment Option. Furthermore, this analysis takes into account the participation of ING Participaties in the Offering for an amount of €32.5 million.

Listing and Paying Agent

ING is the Listing and Paying Agent with respect to the Ordinary Shares on Euronext Amsterdam.

Stabilisation Manager

JP Morgan is the Stabilisation Manager for the Offering.

Fees and Expenses of the Offering and Admission

Assuming no exercise of the Over-Allotment Option, the expenses related to the Offering and the Admission are estimated at €17 million and include, among other items, the fees due to the AFM and Euronext Amsterdam, the commission and expenses payable to the Underwriters and legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "*Reasons for the Offering and Use of Proceeds*".

No expenses or taxes will be charged by each of the Company in respect of the Offering.

PLAN OF DISTRIBUTION

Underwriting Arrangements

The Company and the Underwriters entered into the Underwriting Agreement on 18 October 2021 in connection with the Offering.

The Underwriting Agreement is conditional on the entry into a pricing agreement between the Company and the Underwriters setting the Offer Price per Offer Share. Pursuant to the terms of the Underwriting Agreement, and subject to the conditions set out therein, the Company has agreed to issue the Offer Shares at the Offer Price to subscribers procured by the Underwriters and the Underwriters have, severally but not jointly, agreed to use reasonable endeavours to procure subscribers for the Offer Shares or, to the extent failing subscription by such procured subscribers, to themselves, severally but not jointly, subscribe for the Offer Shares at the Offer Price.

Subject to the satisfaction of conditions precedent, the proportion of Offer Shares that each Underwriter may severally but not jointly be required to subscribe for is indicated below.

Underwriters	Underwriting Commitment of Offer Shares
ING Bank N.V.	26⅔%
J.P. Morgan AG	26⅔%
Morgan Stanley Europe SE	26⅔%
Barclays Bank Ireland PLC	9%
Jefferies (JIL and Jefferies GmbH)	9%
Coöperatieve Rabobank U.A.	2%
Total	**100%**

In the Underwriting Agreement, the Company has made customary representations and warranties and given customary undertakings. In addition, the Company will indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement provides that the obligations of the Underwriters to procure subscribers for the Offer Shares or, failing which, to subscribe for and/or purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) the warranties on the part of the Company contained in the Underwriting Agreement being true and accurate in every respect and not misleading; (ii) the Company having complied with all of their respective agreements and undertakings; (iii) the approval of the Prospectus by the AFM pursuant to the Prospectus Regulation remaining in full force and effect; (iv) the Launch Press Announcement, the Prospectus and the Pricing Statement (as defined in the Underwriting Agreement) having been published and made available in accordance with the Prospectus Regulation; (v) immediately prior to the expected date for Settlement, there not having been a material adverse change since the date of the Underwriting Agreement; (vi) delivery of the documents referred to in the Underwriting Agreement; (vii) the transaction agreements having been entered into; (viii) the corporate restructuring having been completed and become effective on the Settlement Date; (ix) admission to trading on an "as-if-and-when-issued" basis occurring not later than 9.00 a.m. on the First Trading Date and Admission occurring not later than 8.00 a.m. on the Settlement Date; (x) on or prior to the First Closing Date, the Ordinary Shares having been accepted for book-entry transfers by Euroclear; and (xi) Pricing having occurred, and therefore the pricing memorandum (setting the actual number of Offer Shares to be offered and issued by the Company) having been entered into and delivered by the Company and each of the Underwriters. The Underwriters have the right to waive certain of such conditions in whole or part.

The Joint Global Coordinators (on behalf of the Underwriters) may, among other things, terminate the Underwriting Agreement at any time in the event that: (i) a material adverse change in the business, financial position, results of operations or prospects of the Group taken as a whole since the date of the Underwriting Agreement; (ii) a breach of any representation, warranty or undertaking or otherwise of the Underwriting Agreement; or (iii) a statement in this Prospectus being untrue, inaccurate or misleading or a new matter having arisen that constitutes a material omission from this Prospectus. Following termination of the Underwriting Agreement, all applications to purchase Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made by investors will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned. See "*The Offering—Delivery, Clearing and Settlement*" for further information on a withdrawal of the Offering or the (related) annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

In consideration of the agreement by the Underwriters to use reasonable efforts to procure subscribers to purchase or subscribe for, or, failing which, to purchase, or subscribe for themselves, the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Company has agreed to pay the Underwriters an aggregate commission of 2.0% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option). The Underwriting Agreement furthermore provides that the Company may pay a discretionary fee with a maximum of 1.25% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option) to the Underwriters, the payment of which is at the sole discretion of the Company. Certain expenses incurred by the Underwriters in connection with the Offering will also be borne by the Company.

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US and are being offered or sold: (i) within the US, to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws; and (ii) to institutional investors in various jurisdictions outside the US, in "offshore transactions" as defined in, and in reliance on Regulation S. Any offer or sale of Offer Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered United States broker-dealers, pursuant to applicable United States securities laws.

Underwriters' Potential Conflicts of Interest

Each of the Underwriters is acting exclusively for the Company and for no one else in connection with the Offering. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Offering and none of them will be responsible to anyone other than the Company for providing the protections afforded to their respective clients, for giving advice in relation to the Offering and for the listing and trading of the Ordinary Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company or any parties related to or competing with any of them, in respect of which they have received or may in the future receive customary compensation, fees and/or commission. For example, ING and Rabobank are lenders under the Facilities Agreement and ING Corporate Investments Mezzanine Fonds B.V., which is indirectly controlled by ING, is a lender under a €32.5 million credit facility of the Company.

Moreover, ING Participaties, which is indirectly controlled by ING, (i) will hold 23.9% of the Ordinary Shares immediately prior to Settlement, assuming an Offer Price at the mid-point of the Offer Price Range (ii) has committed to participate in the Offering for an amount of €32.5 million, (iii) is expected to remain one of the major Shareholders following Admission and (iv) is a lender under the €32.5 million credit facility of the Company, resulting in an indirect economic interest in the success of the Offering for ING. Consequently, ING Participaties may have interests that may not be aligned, or could possibly conflict with the interests of investors. In respect thereof, ING has established practices and procedures, including information barriers, based on applicable rules and regulations and internal policies to prevent the sharing of information and any conflicts of interest between any of its group companies, affiliates, directors and employees engaged in its merchant banking activities and in its asset management activities. Additionally, the Underwriters and/or their affiliates, including their respective parent companies, may, in the ordinary course of their business, hold the Company's securities for investment purposes, or otherwise actively trade such securities, for their own account and for the accounts of their customers. As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company or the Group. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offering, each of the Underwriters and any of their respective affiliates may take up Offer Shares in the Offering as a principal position and in that capacity may retain, subscribe for or purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, the Underwriters or their affiliates may enter into financing arrangements (including swaps, warrants and contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or with the Company's or the Group's interests.

Lock-up Arrangements

The Joint Global Coordinators (on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive in writing the restrictions, including those on sales, issues or transfers of Ordinary Shares, described below. If the consent of the Joint Global Coordinators (on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted. As at the date of this Prospectus, the Joint Global Coordinators (on behalf of the Underwriters) have not waived, or agreed to waive, any of the restrictions on sales, issues or transfers of Ordinary Shares, described below.

Company lock-up

Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set out below, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company or otherwise has the same economic effect as (i) above, whether in the case of (i) and (ii) above any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its Shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to: (i) the issue of the Offer Shares, (ii) the granting of the Over-Allotment Option, or (iii) the granting of awards in Ordinary Shares by the Company pursuant to the LTI Plan. The Company may at any time after the expiry of the lock-up period offer to sell Ordinary Shares to investors.

Existing Shareholders lock-up

Each of the Existing Shareholders (other than Peter Bijvelds Holding Erp B.V. which is subject to a management lock-up agreement) has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set out below, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company or otherwise has the same economic effect as (i) above, whether in the case of (i) and (ii) above any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its Shareholders or the General Meeting or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to: (i) the lending by Van der Valk of Ordinary Shares to the Stabilisation Manager (acting on behalf of the Underwriters) pursuant to the Stock Lending Agreement; (ii) an acceptance of a general offer for the ordinary share capital of the Company made in accordance with the Dutch FMSA or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in advance in writing two business days prior to such acceptance or undertaking, or (iii) any transfer of Ordinary Shares by an Existing Shareholder to any of (A) its subsidiaries or subsidiary undertakings, or to any subsidiary or subsidiary undertaking of its ultimate holding company or (B) its affiliates or to any investment fund or other entity controlled or managed by the relevant Existing Shareholder or any of the entities referred to in (A), provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period. Each of the Existing Shareholders may at any time after the expiry of the lock-up period offer to sell Ordinary Shares to investors.

Management lock-up

Each of Peter Bijvelds Holding Erp B.V., the Managing Directors and Supervisory Directors and each member of the Management Team has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 360 days from the Settlement Date, each of them will not, except as set out below, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other securities of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i) above, whether in the case of (i) and (ii) above any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its Shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to: (i) an acceptance of a general offer for the ordinary share capital of the Company made in accordance with the Dutch FMSA or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in advance in writing two business days prior to such acceptance or undertaking; (ii) any transfer of Ordinary Shares by the relevant shareholder to any of (A) its subsidiaries or subsidiary undertakings, or to any subsidiary or subsidiary undertaking of its ultimate holding company or (B) its affiliates or to any investment fund or other entity controlled or managed by the relevant shareholder or any of the entities referred to in (A), provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period; (iii) any disposal of Ordinary Shares after transfer by operation of law resulting from the death of such person other than Peter Bijvelds; (iv) any disposal of Ordinary Shares by the relevant person after having become permanently occupationally disabled; or (v) any sale of Ordinary Shares by the relevant Senior Manager or on his or her behalf following vesting under any employee stock option plan or similar stock incentive scheme put in place by the Company or its subsidiaries in order to cover any taxes and other charges ("sell-to-cover"), provided that if this sale is effected: (a) on Euronext Amsterdam, then on any one trading day no more than 5% of the volume traded on that exchange may be sold on any such given trading day; or (b) through an off market sale, the purchaser shall have validly executed an accession deed. Each of Peter Bijvelds Holding Erp B.V., the Managing Directors and Supervisory Directors and each member of the Management Team may at any time after the expiry of the lock-up period offer to sell Ordinary Shares to investors.

Over-allotment and Stabilisation

In connection with the Offering, JP Morgan, the Stabilisation Manager (or any of its agents), on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable laws and regulations, over-allot Ordinary Shares or effect other transactions with the view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market. The Stabilisation Manager will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Manager or any of its agents will not be obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice and must be discontinued within

30 days after the commencement of conditional dealings in the Offer Shares. Save as required by law or regulation, neither the Stabilisation Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The Underwriting Agreement provides that the Stabilisation Manager may, for purposes of stabilising transactions, over-allot Ordinary Shares up to a maximum of 10% of the aggregate number of Offer Shares sold in the Offering (for the avoidance of doubt, excluding the Over-Allotment Shares), or up to 1,395,349 Ordinary Shares assuming the maximum number of Offer Shares is offered and sold in the Offering.

In connection with the Over-Allotment Option, up to 10% of the aggregate number of Offer Shares (excluding Over-Allotment Shares) will be made available by Van der Valk to the Stabilisation Manager for the account of the Underwriters, through the Stock Lending Agreement.

None of the Company or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Ordinary Shares or any other securities of the Company. In addition, none of the Company or any of the Underwriters makes any representation that the Stabilisation Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction by the Company or the Underwriters that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other offering material relating to the Offer Shares in any other country or jurisdiction where action for that purpose is required, other than pursuant to the Offering.

Accordingly, no Offer Shares may be offered or sold directly or indirectly, and neither this Prospectus nor any other Offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other Offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other Offering materials or advertisements into any such jurisdictions (whether under a contractual or legal obligation or otherwise), the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell, purchase or subscribe for Offer Shares must satisfy themselves as to full observance of the applicable laws and regulations of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdictions.

Investors that are in any doubt as to whether they are eligible to purchase, or subscribe for, Offer Shares should consult their professional adviser without delay.

None of the Company, the Underwriters or the Listing and Paying Agent accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

United States

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to exceptions, may not be offered or sold, directly or indirectly, or otherwise transferred within the United States. In the United States, the Offer Shares will be sold only to persons reasonably believed to be QIBs in reliance on Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act. All offers and sales of the Offer Shares outside the United States will be made to institutional investors in "offshore transactions" in compliance with Regulation S under the US Securities Act. In addition, until the end of the 40th calendar day after commencement of the offering of the Offer Shares, an offering or sale of Offer Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Rule 144A

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(a) It is not an "affiliate" (within the meaning of Rule 144A under the US Securities Act) of the Company and it is: (i) a QIB within the meaning of Rule 144A; (ii) acquiring such Offer Shares for its own account or for the account of a QIB; and (iii) aware, and each beneficial owner of such Offer Shares has been advised, that the sale of such Offer Shares to it is being made in reliance on Rule 144A.

(b) It understands that such Offer Shares have not been and will not be registered under the US Securities Act and may not be offered, sold, pledged or otherwise transferred except: (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB; (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or (iii) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(c) The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Offer Shares.

(d) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE **US SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT: (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT (**RULE 144A**) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT; OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE ORDINARY SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

(e) The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(f) The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A-restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3).

(g) The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Offer Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Prospectus and the Offer Shares, will be deemed to have represented, agreed and acknowledged as follows:

(a) The purchaser is, or at the time the Offer Shares are purchased will be, the beneficial owner of such Offer Shares and: (i) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States; (ii) is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Offer Shares from the Company or an affiliate thereof in the initial distribution of such Offer Shares.

(b) The purchaser is aware that such Offer Shares: (i) have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (ii) are being sold in accordance with Rule 903 or 904 of Regulation S it and is purchasing such Offer Shares in an "offshore transaction" in reliance on Regulation S.

(c) The purchaser acknowledges that the Company, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

(d) The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

(e) The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

European Economic Area

In relation to each member state of the EEA (each a **Relevant State**), an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant State, except that an offer to the public in that Relevant State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor within the meaning of Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Underwriter for any such offer; or

(c) in any other circumstances falling under the scope of Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who acquires any Offer Shares in the Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Shares being offered to a "financial intermediary" as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company and the Underwriters that the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Company and the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression **an offer to the public** in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended, and includes any relevant delegated regulations.

United Kingdom

In the United Kingdom, an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made, except that an offer to the public in the United Kingdom of any Offer Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Underwriter for any such offer; or

(c) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or the Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **offer to the public** in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**).

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**), (ii) high net worth entities falling within Article 49(2) (a) to (2d) of the Order and/or (iii) other persons to whom it may be lawfully communicated (all being **Relevant Persons**). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Offer Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, within the meaning of point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, within the meaning of point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Offer Shares or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Offer Shares or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, within the meaning of National Instrument 45-106 Prospectus Exemptions or Subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, within the meaning of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. In addition, such resale may only be effected by a person not required to register as a dealer under Canadian securities laws or through a dealer that is appropriately registered or exempt from registration in the jurisdiction of the sale.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to Section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding conflicts of interest in connection with this Offering.

The Company and its respective Directors and officers, as well as any experts named in this Prospectus, are or may be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or those persons. All or a substantial portion of the assets of the Company or those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Company or those persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or those persons outside of Canada.

By purchasing the Offer Shares, investors acknowledge that information such as its name and other specified information, including specific purchase details, will be disclosed to Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. Prospective investors consent to the disclosure of that information.

This Prospectus does not address the Canadian tax consequences of the acquisition, holding or disposition of the Offer Shares. Prospective investors are strongly advised to consult their own tax advisers with respect to the Canadian and other tax considerations applicable to the purchase of the Offer Shares.

Japan

The Offer Shares offered by this Prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended). Accordingly, the Offer Shares will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (including Japanese corporations) except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time.

Australia

This Prospectus: (i) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (Cth), as amended, (the **Australian Corporations Act**); (ii) does not purport to include the information required of a prospectus under Part 6D.2 of the Australian Corporations Act or a product disclosure statement under Part 7.9 of the Australian Corporations Act; has not been, nor will it be, lodged as a disclosure statement with the Australian Securities and Investments Commission, the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (iii) may not be provided in Australia other than to select investors who are able to demonstrate that they:

(a) fall within one or more of the categories of investors under Section 708 of the Australian Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Australian Corporations Act; and

(b) are "*wholesale clients*" for the purpose of Section 761G of the Australian Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other Offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting a subscription for the Offer Shares, each prospective investor in Offer Shares represents and warrants to the Company and the Underwriter and its affiliates that such purchaser or subscriber is an exempt investor.

South Africa

The Offering does not constitute an "offer to the public" as envisaged in Chapter 4 of the South African Companies Act, 71 of 2008 (the **South African Companies Act**). Accordingly: (i) this Prospectus does not, nor does it intend to, constitute a "registered prospectus" as contemplated by the South African Companies Act; (ii) no prospectus has been filed with the South African Companies and Intellectual Property Commission (**CIPC**) relating to the Offering. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations 2011, and has not been approved by or registered with CIPC or any other South African authority. This Prospectus may not be provided to persons in South Africa other than to selected persons who are able to demonstrate that (a) they fall within one of the specified categories listed in Section 96(1)(a) of the South African Companies Act, or (b) the total contemplated acquisition cost of the Offer Shares, for any single addressee acting as principle, is equal to or greater than the amount provided in Section 96(2)(a) of the South African Companies Act (each a **South African Qualified Investor**). By submitting a subscription for the Offer Shares, each prospective investor in Offer Shares represents and warrants to the Company and the Underwriter and its affiliates that such person is a South African Qualified Investor.

The information contained in this Prospectus constitutes factual information as contemplated in Section 1(3)(a) of the Financial Advisory and Intermediary Services Act, 2002 (the **FAIS Act**) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Offer Shares or in relation or the business or future investments of the Company, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licensed as such under the FAIS Act.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, as amended (the **Israeli Securities Law**), and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the securities offered hereby is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum (the **Addendum**), to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisers, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals", each within the meaning of the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland except to professional investors within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

TAXATION

Taxation in the Netherlands

The following summary outlines principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Ordinary Shares, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Ordinary Shares may include an individual or entity who does not have the legal title of these Ordinary Shares, but to whom nevertheless the Ordinary Shares or the income therefrom are attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Ordinary Shares or the income therefrom. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Ordinary Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- investment institutions (*fiscale beleggingsinstellingen*);

- pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Netherlands tax resident entities that are not subject to or exempt from Netherlands corporate income tax;

- corporate Shareholders which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate Shareholders been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;

- Shareholders holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and Shareholders of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company; (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit-sharing rights in the Company;

- persons to whom the Ordinary Shares and the income from the Ordinary Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) or the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

- entities which are resident in Aruba, Curaçao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Ordinary Shares are attributable to such permanent establishment or permanent representative;

- Shareholders who are not considered the beneficial owner (*uiteindelijk gerechtigde*) of those Ordinary Shares or the benefits derived from or realised in respect of those Ordinary Shares; and

- individuals to whom Ordinary Shares or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Dividend Withholding Tax

Withholding Requirement

The Company is required to withhold 15% Netherlands dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, the Netherlands dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from Ordinary Shares, which include:

- direct or indirect distributions of profit, regardless of their name or form;

- liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by the Company in excess of its average paid-up capital recognised for Netherlands dividend withholding tax purposes, unless a particular statutory exemption applies;

- the nominal value of Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-up capital as recognised for Netherlands dividend withholding tax purposes; and

- partial repayments of paid-up capital recognised for Netherlands dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the articles of association and the paid-up capital is recognised as capital for Netherlands dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

Residents of the Netherlands

If a holder of Ordinary Shares is a resident or deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, Netherlands dividend withholding tax which is withheld with respect to proceeds from the Ordinary Shares will generally be creditable for Netherlands corporate income tax or Netherlands income tax purposes.

Non-residents of the Netherlands

If a holder of Ordinary Shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Netherlands dividend withholding tax.

A refund of the Netherlands dividend withholding tax is available to entities resident in another EU Member State, Norway, Iceland or Liechtenstein provided: (i) these entities are not subject to corporate income tax there; and (ii) these entities would not be subject to Netherlands corporate income tax if these entities were tax resident in the Netherlands for corporate income tax purposes; and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to entities resident in other countries, under the additional condition that: (i) the Ordinary Shares are considered portfolio investments for purposes of Section 63 (taking into account Section 64) of the Treaty on the functioning of the European Union; and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

A (partial) refund of Netherlands dividend withholding tax is available to a holder of Ordinary Shares resident in another EU Member State, Norway, Iceland or Liechtenstein if: (i) this holder of Ordinary Shares is not subject to Netherlands individual income tax or Netherlands corporate income tax with respect to the income from the Ordinary Shares; and (ii) such Netherlands dividend withholding tax is higher than the Netherlands individual income tax or Netherlands corporate income tax would have been had this holder of Ordinary Shares been tax resident in the Netherlands, after taking into account a possible refund based on the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income; and (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld; and (iv) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

Furthermore, a similar refund of Netherlands dividend withholding tax may be available to a holder of Ordinary Shares resident in another country, under the additional conditions that: (A) the Ordinary Shares are considered portfolio investments for purposes of Section 63 (taking into account Section 64) of the Treaty on the functioning of the European Union; (B) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information; (C) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld; and (D) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

US Residents

A holder of Ordinary Shares who is a resident in the United States and is entitled to the benefits of the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (together with the Protocol Amending the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, the **US-NL Treaty**) will be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of Ordinary Shares is an exempt pension trust as described in Article 35 of the US-NL treaty, or an exempt organisation as described in Article 36 of the US-NL Tax Treaty.

Beneficial Owner

A recipient of proceeds from the Ordinary Shares will not be entitled to any exemption, reduction, refund or credit of Netherlands dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
  - as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
  - in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- that such person or legal entity has, directly or indirectly, retained or acquired an interest in Ordinary Shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

Dutch Dividend Withholding Tax upon Redistribution of Foreign Dividends

The Company must pay to the Dutch tax authorities all Dutch dividend withholding tax it withholds on dividends it distributed with respect to the Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Netherlands subsidiaries, provided these dividends the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Dutch dividend withholding tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and
- 3% of the gross amount of the dividends received during a certain period from the qualifying non-Netherlands subsidiaries.

Exempt entities

A holder of Ordinary Shares who is a resident of the United States and is entitled to the benefits of the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on 8 March 2004 (the **US-NL Treaty**), will be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of Ordinary Shares is an exempt pension trust as described in Section 35 of the US-NL Treaty, or an exempt organisation as described in Section 36 of the US-NL Treaty.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Ordinary Shares are attributable, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act 2001, if:

- the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Ordinary Shares are attributable; or

- such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include activities with respect to the Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither the first condition nor the second condition above applies to the holder of the Ordinary Shares, taxable income with regard to the Ordinary Shares must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on income from savings and investments is taxed at a rate of 31%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares, unless:

- the person is not an individual and such person: (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands to which permanent establishment or a permanent representative the Ordinary Shares are attributable; or (ii) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable. This income is subject to Dutch corporate income tax at up to a maximum rate of 25%; or

- the person is an individual and such individual: (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Ordinary Shares are attributable; or (ii) realises income or gains with respect to the Ordinary Shares that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Ordinary Shares that exceed regular, active portfolio management; or (iii) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

Income derived from the Ordinary Shares as specified under (i) and (ii) above by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50%. Income derived from a share in the profits of an enterprise as specified under (iii) that is not already included under the first bullet and second bullet above will be taxed on the basis of a deemed return on income from savings and investments (as described above under "*—Dividend Withholding Tax—Residents of the Netherlands*").

Gift and Inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares by way of gift by, or on the death of, a holder of the Ordinary Shares, unless:

- the holder of the Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

- the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares, or in respect of a cash payment made under the Ordinary Shares, or in respect of a transfer of Ordinary Shares.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Ordinary Shares.

Residence

A holder of Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares.

United States Federal Income Tax Consequences

This disclosure is limited to the United States federal income tax issues addressed in this Prospectus. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the Ordinary Shares. Prospective investors should seek their own advice based on their particular circumstances from independent tax advisers.

The following describes United States federal income tax consequences of the ownership and disposal of the Ordinary Shares acquired in the Offer to United States Holders and Non-United States Holders (each as defined below). With respect to the ownership and disposal of the Ordinary Shares, this discussion deals only with United States Holders that will hold the Ordinary Shares as capital assets. As used in this Prospectus, the term **United States Holder** means a beneficial owner of Ordinary Shares that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;

- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it: (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust; or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A **Non-United States Holder** is a beneficial owner of Ordinary Shares that is neither a partnership nor a United States Holder.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to United States Holders that are subject to special treatment under the United States federal income tax laws, including if a prospective investor is:

- a trader or dealer in stocks, securities or currencies or notional principal contracts;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- an individual retirement account or other tax-deferred account;
- a tax-exempt organisation;
- an entity or arrangement that is treated as a partnership or pass-through entity for United States federal income tax purposes, or a person that holds Ordinary Shares through such entity or arrangement;
- a person holding the Ordinary Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting;
- an S corporation;
- a person who owns or is deemed to own (directly, indirectly or by attribution) 10% or more of the Company's stock by vote or value;
- a person that has ceased to be a US citizen or a lawful permanent resident of the United States;
- a US citizen or a lawful permanent resident living abroad; or
- a United States Holder whose "functional currency" is not the US dollar.

The discussion below is based upon the provisions of the US Internal Revenue Code, its legislative history, and final, temporary, and proposed regulations, published rulings and judicial decisions thereunder as at the date hereof as well as on the US-NL Treaty, and such authorities may be replaced, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the Ordinary Shares, the tax treatment of a partner in the entity or arrangement treated as a partnership for United States federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partners of a partnership holding the Ordinary Shares should consult their tax advisers.

This discussion does not contain a detailed description of all the United States federal income tax consequences to investors in light of their particular circumstances and does not address the alternative minimum tax or Medicare tax on net investment income, the effects of any state, local or non-United States tax laws or the possible application of United States estate or gift taxes. Investors should consult their own tax advisers concerning the United States federal income tax consequences of the ownership and disposal of the Ordinary Shares in light of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

Ownership and Disposal of the Ordinary Shares

Taxation of Dividends

Subject to the passive foreign investment company (**PFIC**) rules discussed below, the gross amount of distributions on the Ordinary Shares (including any amounts withheld to reflect Dutch withholding taxes) will be taxable as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Such dividends (including any withheld taxes) generally will be includable in gross income as ordinary income on the day actually or constructively received and will not be eligible for the dividends received deduction allowed to corporations under the US Internal Revenue Code. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the United States Holder's basis in the Ordinary Shares and thereafter as capital gain.

However, the Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, United States Holders should expect that any distribution by the Company will generally be treated as a dividend (as discussed above).

Dividends received by individuals and certain other non-corporate United States Holders should be taxed at the preferential rate applicable to long-term capital gains if (i) the Company is a "*qualified foreign corporation*" (as defined below), (ii) such dividend is paid on Ordinary Shares that have been held by such United States Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, and (iii) certain other holding period requirements are met. The Company generally will be a "*qualified foreign corporation*" if it (i) is eligible for the benefits of the US-NL Treaty and (ii) is not a PFIC in the taxable year of the distribution and in the preceding year. The Company expects to be eligible for the benefits of the US-NL Treaty provided the Ordinary Shares are "*regularly traded*". For these purposes, the Ordinary Shares will be "*regularly traded*" in a taxable year if the aggregate number of Ordinary Shares traded on one or more recognised stock exchanges, such as Euronext Amsterdam, during the 12 months ending on the day before the beginning of the taxable year is at least 6% of the average number of Ordinary Shares outstanding during that 12-month period. As discussed below, the Company does not believe that it was a PFIC for the previous taxable year and does not expect to be a PFIC for the current taxable year or in the foreseeable future. United States Holders should consult their own tax adviser about the application of the PFIC rules.

The amount of any dividend paid in euro will equal the US dollar value of the euro amount received, calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the euro amount is converted into US dollars. If the euro amount received as a dividend is converted into US dollars on the date it is received, a United States Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the euro amount received as a dividend is not converted into US dollars on the date of receipt, a United States Holder will have a basis in the euro amount equal to its US dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the euro amount will be treated as United States source ordinary income or loss.

Subject to conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against, or deduction in computing, United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the Ordinary Shares will be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing foreign tax credits are complex. Investors are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

Taxation of Capital Gains

Subject to the PFIC rules discussed below, for United States federal income tax purposes, United States Holders generally will recognise taxable gain or loss on any sale or other disposition of the Ordinary Shares in an amount equal to the difference between the amount realised for the Ordinary Shares and their tax basis in the Ordinary Shares. Such gain or loss will generally be capital gain or loss. Capital gains of certain non-corporate United States Holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by United States Holders will generally be treated as United States source gain or loss. Accordingly, United States Holders may not be able to use the foreign tax credit arising from any foreign tax imposed on the sale or other disposition of the Ordinary Shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A United States Holder that receives non-United States currency from a sale or other disposition of Ordinary Shares generally will realise an amount equal to the US dollar value of the non-United States currency on the date of sale or other disposition or, if such United States Holder is a cash basis taxpayer, or an electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an "*established securities market*" for this purpose, the settlement date. For a United States Holder that is an accrual basis taxpayer that does not so elect, such United States Holder generally will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date.

If the non-United States currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis United States Holder will not recognise foreign currency gain or loss on the conversion. If the non-United States currency received is not converted into US dollars on the settlement date, the United States Holder will have a basis in the non-United States currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-United States currency generally will be treated as ordinary income or loss to such United States Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Investors should consult their own tax advisers concerning any potential foreign currency gain or loss in connection with the sale or other disposition of the Ordinary Shares for a cash amount paid in euro or other non-United States currency.

PFIC Status of the Company

Generally, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "*look-through rules*", either: (i) at least 75% of its gross income is classified as "*passive income*"; or (ii) at least 50% of the average value of its assets (generally determined on a quarterly basis) is attributable to assets that produce or are held for the production of passive income.

Based on the present nature of its activities, including the Offering, and the present composition of its assets and sources of income, the Company does not believe that it was a PFIC for the previous taxable year and does not expect to be a PFIC for the current taxable year or in the foreseeable future. There can be no assurances, however, that the Company will not be a PFIC for any particular year because PFIC status is factual in nature, is determined annually, and generally cannot be determined until the close of the taxable year in question. If the Company is classified as a PFIC in any year that a United States Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that United States Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year during a United States Holder's holding period, the United States Holders may be subject to adverse United States federal income tax consequences compared to an investment in a company that is not a PFIC, including being subject to greater amounts of United States tax and being subject to additional United States tax form filing requirements as described further below. United States Holders should consult their own tax adviser about the application of the PFIC rules.

Non-United States Holders

Subject to the backup withholding rules described below, a Non-United States Holder generally should not be subject to United States federal income or withholding tax on any payments on the Ordinary Shares or gain from the sale or other disposition of the Ordinary Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-United States Holder of a trade or business in the United States, and if required by an applicable income tax treaty, that payment and/or gain is attributable to a permanent establishment or fixed base that such Non-United States Holder maintains in the United States; or (ii) in the case of any gain realised on the sale or other disposition of an Ordinary Share by an individual Non-United States Holder, that Non-United States Holder is present in the United States for 183 days or more in the taxable year of the sale or other disposition and other conditions are met.

Backup Withholding and Information Reporting

In general, information reporting will apply to dividends in respect of the Ordinary Shares and the proceeds from the sale or other disposition of the Ordinary Shares that are paid to holders within the United States (and in certain cases, outside the United States), unless a holder establishes, if required to do so, that it is an exempt recipient. Backup withholding may apply to such payments if a holder fails to provide a taxpayer identification number or certification of other exempt status or fails to otherwise comply with the backup withholding requirements. Non-United States Holders may be required to comply with applicable certification procedures to establish that they are not United States Holders in order to avoid the application of such information reporting requirements and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a credit against a holder's United States federal income tax liability or as a refund provided the required information is timely furnished to the United States Internal Revenue Service. Certain United States Holders that own "*specified foreign financial assets*" that meet certain US dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial institutions. United States Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Ordinary Shares.

GENERAL INFORMATION

Domicile, Legal Form and Incorporation

The Company's legal and commercial name is Ebusco Holding B.V.

On 18 July 2019, the Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands as Ebusco Holding B.V.

Immediately prior to Settlement, the Company will be converted into a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands and its name will be changed to Ebusco Holding N.V. The Company operates under the laws of the Netherlands.

The Company is domiciled in the Netherlands. The Company's statutory seat (*statutaire zetel*) is in Deurne, the Netherlands, and its registered office is at Vuurijzer 23, unit C, 5753 SV Deurne, the Netherlands. The Company is registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 75407922. The Company's telephone number is +31 (0)88 1100 200. The Company's LEI is 894500WSIBBFFKHL6B32. The Company's website is www.ebusco.com.

Corporate Authorisations

The Management Board, pursuant to a resolution of the General Meeting to be adopted prior to the Settlement Date, will be authorised, for a period of 18 months following the Settlement Date, to acquire Ordinary Shares, subject to the approval of the Supervisory Board, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

Prior to the Settlement Date, it is expected that the General Meeting will designate the Management Board as the body authorised, subject to the approval of the Supervisory Board, to issue Ordinary Shares, to grant rights to subscribe for Ordinary Shares and to exclude statutory pre-emptive rights in relation to such issuances of Ordinary Shares or granting of rights to subscribe for Ordinary Shares. The aforementioned authorisation of the Management Board is limited to 10% plus another 10% for M&A purposes of the total nominal issued share capital of the Company as of the Settlement Date and is valid for a period of 18 months after the Settlement Date.

Independent Auditors

EY, an independent auditor, has audited the Financial Statements and has issued a qualified independent auditor's report thereon. The independent auditor's report on the Financial Statements furthermore includes emphasis of matter paragraphs. See "*Important Information—Presentation of Financial and Other Information—Historical Financial Information*".

EY has reviewed the Interim Financial Statements and has issued an independent auditor's review report thereon. The independent auditor's review report also includes emphasis of matter paragraphs. See "*Important Information—Presentation of Financial and Other Information—Historical Financial Information*".

EY is an independent registered audit firm with its principal place of business at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. EY is registered at the Chamber of Commerce of Rotterdam in the Netherlands under number 24432944. The office address of the independent auditor that signed the independent auditor's report is Prof. Dr. Dorgelolaan 12, 5613 AM Eindhoven, the Netherlands. The auditor that signed the independent auditor's report on behalf of EY is a member of the Royal

Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

No Significant Change

Except as described below, there has been no significant change in the financial performance, the financial position and the trading position of the Group since 30 June 2021:

(i) The changes to the Group's capitalisation and indebtedness as at 31 July 2021 as reflected in "*Capitalisation and Indebtedness*", including the events described in "*Capitalisation and Indebtedness—Significant Changes in Capitalisation and Indebtedness since 31 July 2021*".

(ii) Due to supply chain disruptions that intensified mid September 2021 that the Group anticipates will impact its operations for the remainder of the year ending 31 December 2021 and into 2022, the Group sought and obtained from the lenders of the Facilities Agreement a conditional waiver from its EBITDA covenant through 29 June 2022. As a result, the Group's EBITDA covenant will next be tested on 30 June 2022, subject to the conditions of the waiver being met, which includes the First Trading Date being no later than 1 December 2021. In connection with the conditional waiver, the Group will also be required to repay €5 million of the Facilities Agreement by 14 October 2021 and another €5 million by 31 October 2021. The Group's Gearing Ratio covenant will next be tested on 31 December 2022.

(iii) On 18 October 2021, the Company agreed to acquire the remaining 20% of the shares in Pondus from persons affiliated with Van der Valk, one of the Existing Shareholders, subject to completion of the Offering.

Expenses of the Offering

Assuming no exercise of the Over-Allotment Option, the expenses related to the Offering and the Admission are estimated at €17 million and include, among other items, the fees due to the AFM and Euronext Amsterdam, the commission and expenses payable to the Underwriters and legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "*Reasons for the Offering and Use of Proceeds*".

Available Documents

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from the date of publication of this Prospectus from the Company's website (www.ebusco.com) (save for the Pricing Statement, which will be available after pricing of the Offering) until at least 12 months thereafter:

- this Prospectus;
- the audited special purpose consolidated financial statements of the Company as at and for the year ended 31 December 2020 and the independent auditor's report dated 13 September 2021;
- the unaudited consolidated interim financial statements of the Company as at and for the six months ended 30 June 2021, and the independent auditor's review report dated 13 September 2021;
- the Board Rules;
- the Related Party Transaction Policy;

- the Pricing Statement; and
- the Articles of Association (in Dutch, and an unofficial English translation).

In addition, copies of these documents will be available free of charge at the Company's offices during normal business hours from the date of this Prospectus until at least the Settlement Date.

Incorporation by Reference

The Articles of Association (the official Dutch version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association can be obtained free of charge through the following hyperlink: https://www.ebusco.com/intended-listing/information#downloads for the official Dutch version and https://www.ebusco.com/intended-listing/information#downloads for the English translation.

No Incorporation of Website

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website (www.ebusco.com) or of any websites accessible from hyperlinks on the Company's website, form part of, or are incorporated by reference into, this Prospectus. Other than this Prospectus, the Prospectus summary and the Articles of Association, the contents of the Company's website (www.ebusco.com), or of websites accessible from hyperlinks on that website, have not been scrutinised or approved by the AFM.

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

$	US Dollars, the lawful currency of the United States
Admission	the admission of the Offer Shares to listing and trading on Euronext Amsterdam
AFM	the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Alychlo	Alychlo NV
Anchor Investments	agreement of each of the Anchor Investors, severally and not jointly, to purchase Offer Shares at the Offer Price on the Settlement Date as part of the Offering, subject, for Teslin and Alychlo, to certain conditions
Anchor Investors	ING Participaties, Teslin and Alychlo
APMs	alternative performance measures
Articles of Association	the articles of association (*statuten*) of the Company as they shall read as of the Settlement Date
Audit Committee	the audit committee of the Supervisory Board
Board Rules	the Management Board Rules and the Supervisory Board Rules
Co-Lead Manager	Coöperatieve Rabobank U.A.
Company	Ebusco Holding N.V.
Dutch Civil Code	the Dutch Civil Code (*Burgerlijk Wetboek*)
Dutch Corporate Governance Code	the Dutch corporate governance code dated 8 December 2016 as established under Section 2:391, Subsection 5 of the Dutch Civil Code
Dutch FMSA	the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)
Dutch Securities Transactions Act	the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*)
Dutch SRD Act	the Dutch Act on the Promotion of the Long-Term Involvement of Shareholders (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*)
Enterprise Chamber	the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*), the Netherlands

EURIBOR	Euro Interbank Offered Rate
euro or **€**	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
Euroclear Nederland	the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland
Euronext Amsterdam	Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V.
Existing Shareholders	Van der Valk, ING Participaties and Peter Bijvelds Holding
Financial Statements	the audited special purpose consolidated financial statements of the Company as at and for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the notes thereto as included in this Prospectus
Financial Year	a financial year of the Company ended 31 December
First Trading Date	the date on which trading in the Ordinary Shares on an "as-if-and-when-issued" basis on Euronext Amsterdam commences, which is expected to be on or around 22 October 2021
FRSA	the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
FSMA	the UK Financial Services and Markets Act 2000, as amended
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
General Meeting	the general meeting (*algemene vergadering*) of the Company, being the corporate body, or, where the context so requires, the physical meeting of Shareholders of the Company
Group	the Company and its subsidiaries
ING Participaties	ING Corporate Investments Participaties B.V.
IFRS	International Financial Reporting Standards
IFRS-EU	IFRS as adopted by the European Union

Interim Financial Statements	the unaudited consolidated interim financial statements of the Company as at and for the six months ended 30 June 2021 and the notes thereto as included in this Prospectus
international roll-out plan or **international expansion strategy**	has the meaning as set out in "*Business—International Roll-Out Plan and International Expansion Strategy*" and "*Operating and Financial Review—Key Factors Affecting Results of Operations—Ebusco 3.0 and international roll-out plan and international expansion strategy*"
Joint Bookrunners	the Joint Global Coordinators, Barclays Bank Ireland PLC, Jefferies GmbH and Jefferies International Limited
Joint Global Coordinators	ING Bank N.V., J.P. Morgan AG and Morgan Stanley Europe SE
Listing and Paying Agent	ING Bank N.V.
Management Board	the management board (*bestuur*) of the Company
Management Board Rules	the rules and regulations, allocating duties to one or more Managing Directors and regulating any such subjects as the Management Board deems necessary and appropriate, as adopted by the Management Board
Managing Director	a member of the Management Board
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016
Offer Shares	the up to 15,348,838 Ordinary Shares offered by the Company in the Offering
Offer Period	the period during which prospective investors may subscribe for the Offer Shares currently expected to commence on 18 October 2021 at 08:00 CET and end on 21 October 2021 at 14:00 CET, subject to acceleration or extension of the timetable for the Offering
Offer Price	the price of the Offer Share to be determined after the Offer Period has ended
Offer Price Range	the indicative price range for the Offer Shares between €21.50 to €24.50 (inclusive) per Offer Share as at the date of this Prospectus
Offer Shares	the Ordinary Shares offered as part of the Offering and includes, unless the context indicates otherwise, the Over-Allotment Shares
Offering	the offering of Offer Shares as described in this Prospectus

Ordinary Shares	the ordinary shares in the capital of the Company with a nominal value of €0.01 each
Over-Allotment Option	an option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Stabilisation Manager (on behalf of the Underwriters) may require the Company to sell at the Offer Price up to 1,395,349 Over-Allotment Shares, equalling up to 10% of the total number of Offer Shares, assuming an Offer Price at the bottom of the Offer Price Range, to cover short positions resulting from any over-allotments made in connection with the Offering or to facilitate stabilisation transactions
Over-Allotment Shares	the up to 1,395,349 additional existing Ordinary Shares, equalling up to 10% of the total number of Offer Shares, which the Company may be required to sell pursuant to the Over-Allotment Option
Peter Bijvelds Holding	Peter Bijvelds Holding Erp B.V.
Pondus	Pondus Holding B.V.
Pricing Statement	the pricing statement in which the Offer Price, the exact number of Offer Shares and the maximum number of Over-Allotment Shares will be set out
Prospectus	this prospectus dated 18 October 2021
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017
QIBs	qualified institutional buyers, within the meaning of Rule 144A
Regulation S	Regulation S under the US Securities Act
Rule 144A	Rule 144A under the US Securities Act
Selected Consolidated Financial Information	the Company's selected consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows
Settlement	the payment (in euro) for, and delivery of, the Offer Shares
Settlement Date	the date on which Settlement occurs, which is expected to be on or around 26 October 2021, subject to acceleration or extension of the timetable for the Offering
Shareholder	any holder of one or more Ordinary Shares at any time
Stabilisation Manager	JP Morgan
Supervisory Board	the supervisory board (*raad van commissarissen*) of the Company

Supervisory Board Rules	the rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary and appropriate, as adopted by the Supervisory Board
Supervisory Director	a member of the Supervisory Board
Teslin	Teslin Capital Management B.V. in its capacity of fund manager of Teslin Participaties Coöperatief U.A.
Underwriters	the Joint Bookrunners and the Joint Global Coordinators
Underwriting Agreement	the underwriting agreement with respect to the Offering among the Company and the Underwriters dated 18 October 2021
United States or **US**	the United States of America
US Securities Act	the US Securities Act of 1933, as amended
US-NL Treaty	the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on 8 March 2004
Van der Valk	Van der Valk Investments B.V.

GLOSSARY OF TECHNICAL TERMS

The following list of technical terms is not intended to be an exhaustive list of technical terms, but provides a list of certain of the technical terms used in this Prospectus.

CHAdeMO	The trademark name of a quick charging method for battery electric vehicles delivering up to 62.5kW by 500V, 125 A direct current via a special electrical connector. This quick charging method started in Japan and is predominantly used in the US and Japan.
CCS	Combined Charging System – the name of a quick charging method for battery electric vehicles delivering 200kW via a special plug-in electrical connector, or up to 350kW via an overhead pantograph. The connector is different from a CHAdeMO connector. This quick standard originated in Europe and is predominantly used in Europe and the US.
kW	Kilowatt – a kilowatt is simply a measure of power, or equal to 1,000 watts. This is a unit that is usually used to measure the charging speed of a charger. To visualise it, this unit of power is like the flowrate of water through a pipe.
kWh	Kilowatt Hour – a measure of electrical energy equivalent to the power consumption of one kilowatt for one hour. This is a unit usually used to measure the storage capacity of a battery. To visualise it, this unit of energy is like the volume of fuel in a petrol tank.
OEM	Original Equipment Manufacturer – manufacturer and seller of vehicles, vehicle parts and related services. However, there are also business models where the OEM remains the owner of the battery and only rents it out.
Opportunity charging	Otherwise known as on route or overhead charging. This allows you to quickly charge your battery compared to overnight charging which could take up to six to seven times as long. The advantage is you can use buses with smaller batteries which can be charged along the route, eliminating range anxiety.
Depot charging	This type of charging usually occurs overnight when the buses are not used for a longer period of time.
PTA	Public Transit Authority – the organisation within the local or regional public administration that has the legal responsibility for making sure that there is a public transport system, its general terms and conditions, and arranging the contracts with operators.
PTO	Public Transit Operator – the (private) organisation that operates the public transport service.

TCO	Total Cost of Ownership – an estimate based on the Company's analysis of the total cost to own a bus from the time of purchase by the owner through operation and maintenance, to the time it leaves its possession.
Zero emission vehicle	A road vehicle that emits no pollution from its exhaust.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Interim condensed consolidated financial statements for the six months ended June 30, 2021

EBUSCO Holding B.V.

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Amounts may not add up due to rounding

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2021 and June 30, 2020
(all amounts in EUR thousands unless otherwise stated)

	Note	2021	2020
Revenue	6.1	5,172	16,220
Cost of materials	6.2	(4,888)	(9,220)
Employee benefit expenses	7	(4,903)	(2,062)
Amortisation and depreciation expenses	10, 11	(2,514)	(1,650)
Other operational expenses	8	(4,781)	(2,720)
Operational expenses		**(17,086)**	**(15,652)**
Operating profit/(loss)		**(11,914)**	**568**
Finance expenses, net		(2,530)	(688)
Share of result of an associate	5	7,427	(56)
Loss before tax		**(7,017)**	**(176)**
Income tax credit	9	1,228	45
Loss for the period		**(5,789)**	**(131)**
Loss for the period attributable to:			
Equity holders of the Group		(5,568)	(131)
Non-controlling interest		(221)	-
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Net gain on cash flow hedges		612	(94)
Tax effect of changes in cash flow hedges		(153)	24
Net change in costs of hedging		28	337
Tax effect of changes in cost of hedging		(7)	(84)
Other comprehensive income		**480**	**183**
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Group		**(5,088)**	**52**
Non-controlling interest		**(221)**	**-**
Basic earnings per share (in euros) for profit attributable to shareholders of the Group		**(124)**	**(5)**
Diluted earnings per share (in euros) for profit attributable to shareholders of the Group		**(124)**	**(5)**

Amounts may not add up due to rounding

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2021 and December 31, 2020
(all amounts in EUR thousands unless otherwise stated)

	Note	At as June 30, 2021		As at December 31, 2020
Non-current assets				
Property plant and equipment	11	4,912		3,090
Right-of-use assets		2,594		1,428
Intangible assets	10	46,889		4,443
Deferred tax assets	9	2,354		909
Investments in associates	5	-		23
Non-current financial assets		305		305
		57,054		**10,198**
Current assets				
Inventories		4,641		3,640
Trade receivables		5,759		1,863
Receivables from related parties	14	1,613		505
Contract assets		30,343		59,989
Other current financial assets		1,842		1,402
Cash and cash equivalents		5,438		26,862
		49,636		**94,261**
Total assets		**106,690**		**104,459**
Equity	**14**			
Share capital		45		24
Share premium		9,566		12,630
Legal reserves		9,951		2,904
Retained earnings		(399)		12,484
Equity attributable to equity holders of the Group		**19,163**		**28,042**
Non-controlling interest	5	**7,026**		**-**
Total equity		**26,189**		**28,042**
Non-current liabilities				
Loans and borrowings	12	12,707		12,877
Provisions	13	-		141
Non-current lease liabilities		1,853		1,238
		14,560		**14,256**
Current liabilities				
Loans and borrowings	12	50,068		45,188
Trade payables		4,769		6,762
Contract liabilities		190		190
Other current liabilities		4,104		3,332
Current lease liabilities		1,116		544
Income tax payable	9	5,694		6,145
		65,941		**62,161**
Total liabilities		**80,501**		**76,417**
Total equity and liabilities		**106,690**		**104,459**

Amounts may not add up due to rounding

Unaudited Condensed Consolidated Statement of Changes in Equity (amounts in EUR thousands)

	Equity attributable to equity holders of the Group							Non-controlling interests	Total Equity
			Legal Reserves						
	Share capital	Share premium	Cash flow hedge reserve	Cost of hedging reserve	Other legal reserve	Retained Earnings	Total		
Balance as at January 1, 2020	24	12,630	171	(71)	3,691	(4,508)	11,937	-	11,937
Result for the period	-	-	-	-	-	(131)	(131)	-	(131)
Transfer to/from legal reserve	-	-	-	-	(895)	895	-	-	-
Other comprehensive income	-	-	(70)	253	-	-	183	-	183
Total comprehensive income for the period	**-**	**-**	**(70)**	**253**	**(895)**	**764**	**52**	**-**	**52**
Transfer of cash flow hedge reserve	-	-	3	-	-	-	3	-	3
Balance as at June 30, 2020	**24**	**12,630**	**104**	**182**	**2,796**	**(3,744)**	**11,992**	**-**	**11,992**

	Equity attributable to equity holders of the Group							Non-controlling interests	Total Equity
			Legal Reserves						
	Share capital	Share premium	Cash flow hedge reserve	Cost of hedging reserve	Other legal reserve	Retained Earnings	Total		
Balance as at January 1, 2021	24	12,630	(430)	(24)	3,358	12,484	28,042	-	28,042
Result for the period	-	-	-	-	-	(5,568)	(5,568)	(221)	(5,789)
Transfer to/from legal reserve	-	-	-	-	(912)	912	-	-	-
Revaluation Investment in Associates	-	-	-	-	7,427	(7,427)	-	-	-
Other comprehensive income	-	-	459	21	-	-	480	-	480
Total comprehensive income for the period	**-**	**-**	**459**	**21**	**6,515**	**(12,083)**	**(5,088)**	**(221)**	**(5,309)**
Share issuance (costs)	21	(3,064)	-	-	-	-	(3,043)	-	(3,043)
Redemption convertible loan (note 14)	-	-	-	-	-	(800)	(800)	-	(800)
Transfer of cash flow hedge reserve	-	-	52	-	-	-	52	-	52
Acquisition of 60% share in associate (with NCI)	-	-	-	-	-	-	-	7,247	7,247
Balance as at June 30, 2021	**45**	**9,566**	**81**	**(3)**	**9,873**	**(399)**	**19,163**	**7,026**	**26,189**

Amounts may not add up due to rounding

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2021 and June 30, 2020
(all amounts in EUR thousands unless otherwise stated)

	Note	2021	2020
Cash flows from operating activities			
Profit/(loss) before tax		(7,017)	(176)
Non-cash adjustments:			
Depreciation property, plant and equipment	11	1,262	737
Amortization of intangible assets	10	1,252	913
Changes in provisions	13	(141)	30
Finance expenses, net		2,530	688
Share of results of an associate	5	(7,427)	56
Movements in working capital:			
Inventories		(1,002)	(1,335)
Receivables and other current assets		(4,446)	245
Contract assets/liabilities		29,646	(8,259)
Payables and other current liabilities		(5,211)	7,480
Cash generated from operations		**9,446**	**379**
Income tax paid	9	(451)	-
Net cash flows from operating activities		**8,995**	**379**
Cash flows from investment activities			
Investments in property, plant and equipment	11	(1,024)	(543)
Investments in intangible assets	10	(309)	(18)
Acquisition of subsidiaries	5	(16,594)	-
Net cash flows from investment activities		**(17,927)**	**(561)**
Cash flow from financing activities			
Repayments from borrowings		(47,794)	(8,061)
Proceeds from borrowings		37,500	7,500
Repayment convertible loan		(800)	-
Payment of principal portion of lease liabilities		(533)	(194)
Interest paid		(865)	(349)
Net cash flow from financing activities		**(12,492)**	**(1,104)**
Increase/(decrease) in cash and cash equivalents		**(21,424)**	**(1,286)**
Cash and cash equivalents at January 1		**26,862**	**2,810**
Cash and cash equivalents at June 30		**5,438**	**1,524**

Amounts may not add up due to rounding

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1. Corporate Information

The unaudited condensed consolidated interim financial statements of Ebusco Holding B.V. (the Parent) and its subsidiaries (collectively, the Group) were authorized for issue in accordance with a resolution of the Board of Management on September 13, 2021.

The Parent is a limited liability company, with its headquarters and registered office located at:

Vuurijzer 23
5753 SV Deurne
The Netherlands

The Parent is registered at the Chamber of Commerce in the Netherlands under number 75407922. Ebusco Holding B.V. is the ultimate parent company of the group of legal entities (together, "the Group"). The Group is a developer, manufacturer and distributor of zero emission buses, charging systems, as well as a supplier of ancillary services to the electric vehicle ecosystem.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended June 30, 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting. In accordance with IAS 34, interim financial information is prepared solely in order to update the most recent annual consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the six months ended June 30, 2021 and not duplicating the information previously published in the Special Purpose Consolidated Financial Statements for the years ended December 31, 2020 through 2018. Therefore, the unaudited condensed consolidated interim financial statements do not include all the information that would be required in complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. In view of the above, for an adequate understanding of the information, these unaudited condensed consolidated interim financial statements must be read together with the Group's Special Purpose Financial Statements for the periods ended December 31, 2020 through 2018 approved by the Board of Management on September 13, 2021.

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except where otherwise indicated. All amounts are stated in thousands of EUR, unless otherwise stated.

Covid-19 impact on business

Due to the outbreak of the coronavirus and the resulting corona crisis, global economic conditions became unfavourable, impacted by the Covid-19 crisis, which resulted in limited demand for public transport and less income generated by Public Transport Authorities (PTAs) and Public Transport Operators (PTOs). In turn, this has led to fewer orders and requests for tenders, bids or quotations for new buses by PTAs and PTOs in 2020 and in the six months ended June 30, 2021.

The Group's order book of zero emission buses increased from 12 at year-end 2020 to 119 for the six months ended June 30, 2021. The order book reflects all orders not included in Contract Assets and Contract Liabilities, and as such not recognized on the balance sheet yet. The Group recorded a decline in its revenue for the six months ended June 30, 2021 relative to the six months ended June 30, 2020. The same adverse developments are expected to affect revenue throughout the rest of 2021 and in 2022, albeit to a lesser degree.

The Group's revenue growth for the six months ended June 30, 2021 was adversely impacted by the Covid-19 pandemic, which resulted in delays in the post-production and delivery of zero emission buses in 2020 and 2021. As a consequence, fewer zero emission buses were delivered in the first six months ended June 30, 2021 than was originally intended. As a result, the Group's revenue from zero emission buses in the first six months ended June 30, 2021 was lower than anticipated prior to the outbreak of the Covid-19 pandemic.

Similar to the year ended December 31, 2020, the Group expects that its revenue from its second half of 2021 will be greater than those in the first half of the year. However, for the year ending December 31, 2021 the Group expects a significant decline in its revenue relative to the year ended December 31, 2020, driven by a decrease in the size of the order book (for deliveries in 2021) as a result of the prolonged Covid-19 crisis (impacting the number of tenders requested by PTAs and PTOs in 2020 and the first half of 2021) as well as due to additional impact from supply chain disruptions resulting in delays of bus deliveries (due to some suppliers having difficulties in scaling up production from previous Covid-19 driven down scaling). The Group acknowledges that disruptions may continue for the remainder of 2021, which would result in a shift of bus deliveries from 2021 to 2022.

Nevertheless, based on the Group's historical financial performance prior to the impact of Covid-19 and its unchanged outlook for the continued electrification of the global transit bus fleet by 2025, the Group has experienced a catch up in the demand in the second half of 2021, which will lead to revenue 8 to 12 months later.

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

Liquidity and risk management

At a very early stage of the Covid-19 outbreak, the Group identified a broad range of mitigating actions to preserve liquidity and continuity of the development and assembly process. These measures included, among others, savings in selling expenses, travel costs and procurement costs, applying for potential subsidies and concluding a capital increase of the shareholders. This will continue to be a focus point of the organization in the coming years.

The Group has also implemented a range of measures to safeguard cash flow, including working capital management and the curtailment of uncommitted and non-essential capital expenditure.

At June 30, 2021, the Group's liquidity position consisted of total cash of EUR 5.4 million and has unused credit facilities of EUR 73.8 million (EUR 68.8 million letter of credit facility and EUR 5.0 million revolving credit facility) which the Group can utilize to meet its future obligations, including repayments to the consortium of banks who provide the Group's loan facilities.

The Group is subject to two covenants for its loan facilities. The facility was established in September of 2020. The first covenant requires that the Group maintains a maximum 1.5 to 1 ratio of total senior debt to net worth; senior debt defined as the Total Net Debt after deducting that part of Total Net Debt attributable to subordinated debt and net worth defined as the consolidated Group equity, including retained earnings, preference shares, reserves, and subordinated debt, after deducting intangible assets. The second covenant requires that the Group maintains a "Last Twelve Months Trading" amount higher than EUR 10 million in 2020 and EUR 15 million in 2021. "Last Twelve Months Trading" is defined as the Group's EBITDA minus the Group's CAPEX spending on a trailing twelve months basis. Both covenants are measured on a half-yearly basis in June and December annually.

If the Group were to fail to comply with (one of) the covenants of these loans the arrangement would be cancelable upon demand by the lenders and all outstanding borrowings could be callable by the lenders with immediate effect unless a waiver or other amendment to the agreement is agreed.

At June 30, 2021 the first covenant is calculated at 0.17 (within the covenant requirement) and the second covenant is calculated at EUR 11.0 million (outside the covenant requirement).

As of the balance sheet date, the Group is in breach of the second covenant for its loan facility because it did not maintain a "Last Twelve Month Trading" amount higher than EUR 15 million.

Due to this breach of the covenant clause, the lender is contractually entitled to demand immediate repayment of the outstanding loan amounts. The outstanding balance of EUR 6.2 million is classified as a current liability as at 30 June 2021. To mitigate the risk of immediate repayment, the lenders have agreed a temporary waiver related to the "Last Twelve Months Trading" for Q2-2021. In addition, a holiday for adjusted EBITDA for Q3-2021 has been agreed, as the "Last Twelve Months Trading" is at risk.

Based on the reduced orders from customers as a result of the Covid-19 pandemic, the Group has identified a risk of non-compliance with (one of) the covenants on the measurement date of December 2021. Prior to the issuance of the financial statements, the lender has agreed to an amendment exempting the Group from both of the covenants. For more details reference is made to note 18.

The Group agreed to the following amendments to the agreements with its lenders after period end:

- For a temporary holiday period of Q1 2022-Q3 2022, the Group is exempt from its covenant to maintain a senior debt to net worth ratio which shall not exceed 1.50:1.00 (though, as per the contract, covenants are measured at the end of Q2 and Q4 only). Outside of this period the original covenant is effective. More specifically, as of Q4-2022 the original covenant becomes effective again.
- For the period Q4 2021 through Q3 2022, the Last Twelve Months Trading amount higher than negative EUR 2.5 million. More specifically, as of Q4-2022 the original covenant becomes effective again.

The Group's repayment terms are extended for the next 50 buses produced by the Group from the normal 180 days to 240 days.

Management is confident that the Group will be able to meet these amended covenants, based on the current order portfolio.

Additionally, on April 15, 2021, the Group and ING Corporate Investments Mezzanine Fonds B.V. (as lender) entered into an EUR 32.5 million credit agreement.

The loan under the ING Credit Agreement may be utilised only for the following:

- The acquisition of 60% of the shares in Pondus Holding B.V. by Ebusco Holding B.V.;
- Repayment of the existing financial indebtedness of Pondus Operations B.V.;
- Financing of the costs involved in the run-up to a potential listing or private placement of shares of Ebusco Holding B.V.;
- Financing of initial investments for the realisation of the Group's roll-out plan; and
- Working capital financing required by the Group and not covered by the Facilities Agreement.

The interest rate for the ING Credit Agreement is equal to (i) 3.50% per annum until July 15, 2021, (ii) 4.00% per annum from July 15, 2021 to October 15, 2021 and (iii) 4.50% per annum from October 15, 2021 until the maturity date (March 15, 2022).

Management will repay the ING Credit Agreement of EUR 32.5 million with proceeds to be generated by the IPO. Management is comfortable based on the Group's (financial) results, current order portfolio and positive feedback received from the (financial) market that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen case that an IPO will not be successful before the due date of the ING Credit Agreement (March 15, 2022), that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders.

Going Concern

The Covid-19 pandemic has introduced new elements of uncertainty to the environment in which the Group operates and the effects of the pandemic are constantly being monitored by the Group's executive management. It is currently unclear what impact the virus will have on the spending patterns of the Group's customers and on consumer confidence generally. The prospects for the Group in the years ahead are good, however, given the need of cities and municipalities to provide environmentally friendly public transportation to their inhabitants.

The Group was not in compliance with its loan covenants as of period end and management identified the risk of noncompliance in future periods. In order to reduce this risk the Group has negotiated amendments to certain temporary relief from compliance with its covenants. This relief, combined with additional financing in the form of the new ING Credit Agreement, has reduced the risk of a breach of covenants to an acceptably low level.

Based on these amendments to existing financing arrangements and the new lending facility the Group expects to continue with sufficient liquidity and in compliance with its loan covenants and continue to operate as a going concern. Furthermore, an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement.

In determining the appropriate basis for preparing the financial statements for the period ended June 30, 2021 and in light of the above, the Board of Management considered the Group as a going concern by evaluating the financial forecasts over a time horizon of – to a minimum – one year after the date of these financial statements and by analyzing, in particular, besides general macroeconomic trends, order intake, order portfolio, cashflow, economics, working capital, sales forecast and a successful IPO in the context of the current Covid-19 pandemic (e.g. such as, as well as due to additional impact from (potential) supply chain disruptions) resulting in delays of bus deliveries.

3. Accounting policies

Significant and other accounting policies that are relevant to understanding the financial statements are disclosed in the most recent Special Purpose Consolidated Financial Statements prepared by the Group unless otherwise presented.

4. Estimates and judgements

The preparation of unaudited condensed consolidated interim financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies were the same as those applied to the Special Purpose Consolidated Financial Statements for the periods ended December 31, 2018-2020.

5. Business combinations

On April 19, 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's 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 interim condensed consolidated financial statements include the results of Pondus for the two months period from the acquisition date.

This consideration to be transferred includes the following:

- EUR 16.6 million (the initial purchase price) will be payable by the Purchaser on completion of the acquisition;
- EUR 5.0 million (the deferred purchase price) of contingent consideration will be payable by the Purchaser dependent upon:
  - an initial public offering ("IPO") with a minimum net proceeds of EUR 250 million for the Group;
  - a sale (including via a Special Purpose Acquisition Company) of the Group with a minimum valuation of EUR 250 million.
- EUR 0.75 million (earn out) of contingent consideration if the IPO or sale of the Group is affected before December 31, 2022.

At the acquisition date, the fair value of the contingent consideration was estimated to be EUR 5.75 million. The Group considers the IPO a probable event within the next three months. Considering the short period of time, the amounts have not been discounted.

The preliminary purchase price allocation is as follows:

	Fair value of identifiable net assets
Non-current assets	
Property, plant and equipment	1,473
Intangible assets	3,872
Non-current financial assets	54
Total non-current assets	**5,398**
Net working capital	
Receivables from related parties	1,605
Other current assets	1
Creditors	(363)
Payables to related parties	(1,544)
Taxes	(1)
Other current liabilities	(45)
Total net working capital	**(348)**
Loans and borrowings	**(7,469)**
Cash and cash equivalents	**6**
Subtotal identifiable net assets acquired at fair value	**(2,413)**
Fair value of non-controlling interest	7,247
Fair value of previously held equity	7,450
Fair value of consideration transferred	22,350
Subtotal consideration transferred	**37,047**
Goodwill arising on acquisition	**39,460**

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.

Prior to the acquisition date, the carrying value of the Group's 20% interest in Pondus was immaterial (EUR 23). The Group recognised a gain of EUR 7.4 million as a result of remeasuring the carrying amount of its 'Investment in associates' at fair value. The Group recognised a legal reserve for the remeasurement gain.

The Group has elected to measure the non-controlling interest in Pondus at fair value; non-controlling interest is determined based on Pondus' full amount of goodwill. As a result, the value of the non-controlling interest is EUR 7.2 million.

No (material) transaction costs have been incurred.

From the date of acquisition, Pondus Holding B.V. contributed no revenue and EUR 841 of loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been EUR 5.2 million and loss before tax from continuing operations for the Group would have been EUR 8.4 million.

The valuation of intangible assets acquired had not been completed by the date the interim financial statements were approved for issue. As a consequence, intangible assets may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to 20 April 2022 (one year after the transaction).

6. Revenues, Cost of Materials and Segment Reporting

6.1 Revenues

Revenue Type		For the six months ended June 30, 2021 €	For the six months ended June 30, 2020 €
Revenue from zero emission buses		3,806	15,065
Revenue from charging systems and ancillary services and goods		1,366	1,155
Total		**5,172**	**16,220**

Revenue Type		For the six months ended June 30, 2021 €	For the six months ended June 30, 2020 €
Revenue recognized over time		3,452	15,118
Revenue recognized at point in time		1,720	1,102
Total		**5,172**	**16,220**

Large customers

In H1 2021, 2 customers represented 65% of revenue (H1 2020, 1 customer represented 86% of revenue).

As at June 30, 2021 EUR 56.5 million (December 31, 2020 EUR 10.2 million) of the non-current assets were in the Netherlands (the country of Domicile for the Group), and EUR nil (December 31, 2020 EUR nil) were in the rest of the world.

6.2 Cost of Materials

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

6.3 Segment reporting

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		For the six months ended June 30, 2021 €	For the six months ended June 30, 2020 €
Benelux		2,947	15,366
DACH		2,143	630

Nordics	69	51
Rest of the World (RoW)	13	173
Total	**5,172**	**16,220**

Seasonality of operations

The Group's activity is seasonal by nature, as such higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the last six months of the year are attributed to a high order book, coupled with delays due to Covid-19.

This information is provided to allow for a better understanding of the results, however, management has concluded that this is not 'highly seasonal' in accordance with IAS 34.

7. Employee benefit expense

7.1 Employee benefit expenses

Employee benefit expenses are as follows:

Employee benefit expense	For the six months ended June 30, 2021 €	For the six months ended June 30, 2020 €
Wages and salaries	4,102	1,533
Social security charges	671	427
Pension costs	130	102
Total	**4,903**	**2,062**

At the end of the reporting period the regional breakdown of FTE is as follows:

Full-time employees	For the six months ended June 30, 2021 €	For the six months ended June 30, 2020 €
Active within The Netherlands	135	98
Active outside The Netherlands	4	3
Total	**139**	**101**

7.2 Share-based payments

The Group agreed to provide a success fee arrangement for certain key management personnel. Under this plan, upon the realization of a qualifying exit event defined as a non-market performance condition event wherein the shareholders sell all of their interest in or otherwise recapitalize the Group (events which could include a strategic sale), those key management personnel who participate in the arrangement are eligible for awards. These awards consist of cash payments and the value of the award is based on the enterprise value of the Group at the time of the exit event. The key management personnel must also be employed by the Group at the time of the qualifying event for the awards to vest.

The success fee arrangements were awarded by way of a board resolution on April 19, 2019 to one key management employee and on November 25, 2020 to another key management employee.

Due to the fact that the likelihood of a qualifying exit event, as defined above, was not significant at the initial recording of the first employee award date and at the reporting date of June 30, 2020, the fair value of the liability to be recorded as at June 30, 2020 is nil.

During the first half year of 2021, the likelihood of a qualifying exit event was still not significant. The fair value of the liability as at June 30, 2021 therefore was not significant.

In case of a qualifying event (complete exit or recap), the following success fee calculation (in EUR millions) is applicable (for both eligible management employees):

Company valuation	**Max. cash settlement**
0 - 50	0.35
50 - 100	0.85
100 - 150	1.6
150 - 200	2.6
> 200	2.6 + 3% of valuation exceeding 200

The success fee is only applicable in case of a complete exit or recap by the current shareholders. A potential IPO does not qualify as a complete exit or recap since the current shareholders remain shareholders after the IPO. The planned structure of the IPO requires the current shareholders to not sell or otherwise divest their shares for a period of not less than one year. Consequently, the condition of the qualifying event would not trigger for at least that period of time.

Share-based compensation expenses over the first half of 2021 amount to EUR 0 (2020: EUR 0).

8. Other operational expenses

The other operational expenses increased by EUR 2.0 mio compared to June 30, 2020. Main drives relate to staffing and IT expenses. The increase in staffing expenses relates to the increase in temporary labor. The increase in IT in expenses is due to the implementation of an ERP system, which went live beginning of 2021.

9. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

The operations of the Group are subject to income taxes in the Netherlands and in other countries where the Group is conducting a business. The domestic income tax rate for 2021 is 25% (2020: 25%).

Income tax expense is recognised at an amount determined by multiplying the profit/(loss) before tax for the six months ended June 30, 2021 respectively 2020 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year.

The Group's consolidated effective tax rate for the six months ended June 30, 2021 was 17.5% (for the six months period ended June 30, 2020: 25.5%).

The change in the estimated weighted-average effective tax rate for 2021 of 17.5% vs. 25.5% last year is mainly caused by the non-taxable gain recognized following remeasurement of the carrying amount of the investment in Pondus at fair value, partly offset by the impact of management's expectation of non-tax deductible expenses that will be incurred in 2021 related to the planned refinancing of the Group and unrecognized income tax losses incurred related to the acquired Pondus business.

10. Intangible assets

Intangible assets increased by EUR 42.4 million to EUR 46.9 million as at June 30, 2021 mainly due to the acquisition of Pondus and subsequent consolidation as from April 29, 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 (reference is made to Note 5). The goodwill recognized is EUR 39.46 million. Next, the intangible assets of Pondus have been consolidated as from the acquisition date including development assets of EUR 3.9 million.

11. Property, plant and equipment

Property, plant and equipment increased by EUR 1.8 million to EUR 4.9 million as at June 30, 2021.

The acquisition of Pondus resulted in an addition of EUR 1.5 million as per to property, plant and equipment. Investments in property, plant and equipment amounted to EUR 1.0 million in the six months ended June 30, 2021 (2020: EUR 0.6 million).

The Group did not recognize a loss from the impairment of property, plant nor equipment during the six months ended June 30, 2021 (2020: nil), nor did the Group reverse any impairment losses.

12. Loans and borrowings

In the six months ended June 30, 2021, the Company obtained EUR 37.5 million of loan financing (2020: EUR 7.5 million). A new short term loan credit facility has been entered into with ING in the amount of EUR 32.5 million, partly used for the acquisition of the additional shareholding in Pondus. An additional EUR 5.0 million was drawn under the existing facility.

Repayments of borrowings amounted to EUR 47.8 million in the six months ended June 30, 2021 (2020: EUR 8.1 million) including repayment of the RVO-loan acquired as part of the Pondus acquisition in the amount of EUR 5.3 million, repayment of Ebusco B.V.'s RVO-loan in the amount of EUR 0.6 million and repayment of debt to credit institutions.

As of the balance sheet date, the Group is in breach of the second covenant for its loan facility because it did not maintain a "Last Twelve Month Trading" amount higher than EUR 15 million. As a consequence, the Group reclassified its outstanding balance from a non-current to a current liability as at 30 June 2021.

For more details reference is made to note 2 section "Liquidity and risk management".

13. Provisions

The Group did derecognise the provision for energy costs due to a settlement with the landlord in May 2021 (cash paid: EUR 138; released against income statement: EUR 3). Furthermore, the Group did not record any new provisions.

14. Share information

In order to meet its cash demands in 2016, the Group received an amount of EUR 600 from a private party. In the contractual agreement it is stipulated that the private party has the option to convert the deposit of EUR 600 into 2% of euity stake, as ordinary shares. Consequently, the aforementioned instrument has been considered in the calculations of diluted earnings per share. As no interest expense has been associated with this arrangement, the dilutive effect has been determined only for the weighted average number of ordinary shares. This agreement was settled in cash for EUR 800 in April 2021.

- On May 28, 2021, the Group issued at par value 15,750 ordinary shares A and 5,250 ordinary shares B to its existing shareholders. The shares have been distributed as follows:
- 9,450 ordinary shares A to Peter Bijvelds Holding Erp B.V. having a nominal value of EUR 1 and an issue price of EUR 1;
- 6,300 ordinary shares A to Van Der Valk Investments B.V. having a nominal value of EUR 1 and an issue price of EUR 1;
- 5,250 ordinary shares B to ING Corporate Investments Participaties B.V. having a nominal value of EUR 1 and an issue price of EUR 1.

Considering that the par value of the shares is equal to the issue price, no share premium has been recorded. The shares are issued at par and satisfied at the expense of the general share premium reserve.

Share information	**For the six months ended June 30, 2021 EUR**	**For the six months ended June 30, 2020 EUR**
Net profit/(loss) attributable to ordinary Shareholders (in euro thousands)	(5,568)	(131)
Weighted average number of ordinary shares for the period	44,999	23,999
Dilutive number of shares	-	480
Total number of dilutive ordinary shares	44,999	24,479
Basic earnings per share (in euro's)	(124)	(5)
Dilutive earnings per share (in euro's)	(124)	(5)

15. Related party transactions

There were no material changes in nature, scope and (relative) scale in this reporting period compared to last year, except for the fact that Pondus is consolidated as from April 19, 2021 and therefore is no longer a related party.

Following the acquisition of the additional share in Pondus, the Group obtained additional receivables and payables to its shareholder Van der Valk Investments. As per the acquisition date, these balances amounted to EUR 1,605 receivable and EUR 2,213 payable to its shareholder Van der Valk Investments (net EUR 608 payable). As per June 30, 2021 these balances amounted to EUR 1,610 receivable and EUR 2,255 payable (net EUR 645).

16. Contingencies and Commitments

There were no material changes in the nature and scope of commitments compared to December 31, 2020.

17. Dividends

In the first six months of 2021 no dividends were paid and there was no active dividend policy.

18. Events after the reporting period

Following the breach of one of the covenants at period end coupled with the risk of future breaches of the covenants, the Group has obtained both a waiver related to the breach as per period end, a holiday for adjusted EBITDA for the end of Q3-2021 and an amendment on future covenants. For more details, reference is made to Note 2.

No other significant events occurred after June 30, 2021.

Signing of the Interim Condensed Consolidated Financial Statements

Deurne, September 13, 2021

Board of Management

signed by P.H.A.M. Bijvelds

signed by P. Van Beers

Other information - Independent auditor's review report

To: the shareholders and management board of Ebusco Holding B.V.

Our conclusion

We have reviewed the interim condensed consolidated financial information included in the interim condensed consolidated financial statements of Ebusco Holding B.V. based in Deurne for the period from January 1, 2021 to June 30, 2021.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements information of Ebusco Holding B.V. for the period from January 1, 2021 to June 30, 2021, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The interim condensed consolidated financial statements information comprises:

- the consolidated statement of financial position as at June 30, 2021
- the following consolidated statements for the period from January 1, 2021 to June 30, 2021: the statements of profit or loss and other comprehensive income, changes in equity and cash flows
- the notes comprising of a summary of the significant accounting policies and selected explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the interim condensed consolidated financial statements information section of our report.

We are independent of Ebusco Holding B.V. in accordance with 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 assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Corresponding figures neither audited nor reviewed

We have not audited nor reviewed the interim condensed consolidated financial statements information for the period from January 1, 2020 to June 30, 2020. Consequently, we have not audited nor reviewed the corresponding figures included in the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and the related notes.

Emphasis of matter with respect to the Company's financing

We draw attention to the paragraphs Covid-19 impact on business, Liquidity and risk management and Going concern in the disclosure note 2 Basis of Preparation to the financial statements which indicates, among other things, that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement. Management is comfortable that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen event that an IPO will not be successful, that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders. Our conclusion is not modified in respect of this matter.

Responsibilities of management for the interim condensed consolidated interim financial statements information

Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the interim condensed consolidated financial statements information that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the interim condensed consolidated financial statements information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim condensed consolidated financial statements information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information
- Making inquiries of management and others within the entity
- Applying analytical procedures with respect to information included in the interim condensed consolidated financial statements information Obtaining assurance evidence that the interim condensed consolidated financial statements information agrees with, or reconciles to, the entity's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the interim condensed consolidated financial statements information
- Considering whether the interim condensed consolidated financial statements information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Eindhoven, September 13, 2021

Ernst & Young Accountants LLP

signed by J.C.F. Lemmens

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

Special Purpose Consolidated Financial Statements as at and for the years ended December 31, 2020, 2019 and 2018

Amounts may not add up due to rounding

Contents

Amounts may not add up due to rounding

Consolidated statement of profit or loss and other comprehensive income

In thousands of euro, unless stated otherwise

	Notes	2020 EUR	2019 EUR	2018 EUR
Revenue	5.1	99,994	48,924	21,357
Cost of materials	5.2	(60,337)	(32,139)	(13,983)
Employee benefit expenses	6	(5,286)	(3,603)	(1,898)
Amortisation and depreciation expenses	9, 10	(3,359)	(3,312)	(2,397)
Other operational expenses	7	(7,236)	(4,407)	(2,258)
Operational expenses		**(76,218)**	**(43,461)**	**(20,536)**
Operating profit		**23,776**	**5,463**	**821**
Finance expenses, net	25	(1,289)	(1,213)	(668)
Share of loss of an associate	26	(112)	(89)	(26)
Profit before tax		**22,375**	**4,161**	**127**
Income tax credit/(expense)	8	(5,716)	(1,051)	(157)
Profit for the year		**16,659**	**3,110**	**(30)**
Profit for the year attributable to Equity holders of the Group		**16,659**	**3,110**	**(30)**
Other comprehensive income *Other comprehensive income that may be reclassified to profit or loss in subsequent periods*				
Net gain/(loss) on cash flow hedges		(639)	454	557
Tax effect of changes in cash flow hedges		160	(114)	(140)
Net change in costs of hedging		64	(102)	5
Tax effect of change in costs of hedging		(17)	26	(1)
Other comprehensive income		**(432)**	**264**	**421**
Total comprehensive income for the year attributable to Equity holders of the Group		**16,227**	**3,374**	**391**
Basic earnings per share (in euro) for profit attributable to shareholders of the Group	24	**694**	**130**	**(1)**
Diluted earnings per share (in euro) for profit attributable to shareholders of the Group	24	**680**	**127**	**(1)**

Amounts may not add up due to rounding

Consolidated statement of financial position

In thousands of euro

	Notes	As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Assets					
Non-current assets					
Property, plant and equipment	10	3,090	2,751	3,968	2,555
Right-of-use assets	20	1,428	1,382	1,629	-
Intangible assets	9	4,443	3,848	5,564	7,157
Deferred tax assets	8	909	747	1,373	1,585
Investments in associates	26	23	135	224	-
Non-current financial assets	13	305	109	56	56
		10,198	**8,972**	**12,814**	**11,353**
Current assets					
Inventories	14	3,640	2,687	1,118	48
Trade receivables	15.1	1,863	12,389	1,072	4,549
Receivables from related parties	18	505	794	2	12
Contract assets	5	59,989	6,706	6,696	506
Other current financial assets	15.2	1,402	913	265	238
Cash and cash equivalents	16	26,862	2,810	9,300	1,733
		94,261	**26,299**	**18,453**	**7,086**
Total assets		**104,459**	**35,271**	**31,267**	**18,439**
Equity					
Share capital	17	24	24	24	24
Share premium	17	12,630	12,630	12,630	12,630
Legal reserves	17	2,904	3,791	5,466	6,930
Retained earnings	17	12,484	(4,508)	(9,372)	(10,988)
Total Equity		**28,042**	**11,937**	**8,748**	**8,596**
Liabilities					
Non-current liabilities					
Loans and borrowings	19	12,877	4,866	4,573	4,617
Provisions	21	141	81	21	-
Non-current lease liabilities	20	1,238	1,355	1,563	-
		14,256	**6,302**	**6,157**	**4,617**
Current liabilities					
Loans and borrowings	19	45,188	11,414	11,369	3,976
Trade payables	23	6,762	1,485	3,013	912
Payables to related parties	18	-	9	52	-
Contract liabilities	5, 23	190	-	-	-
Other current liabilities	23	3,332	3,377	1,712	338
Current lease liabilities	20	544	295	216	-
Income tax payable	8	6,145	452	-	-
		62,161	**17,032**	**16,362**	**5,226**
Total liabilities		**76,417**	**23,334**	**22,519**	**9,843**
Total equity and liabilities		**104,459**	**35,271**	**31,267**	**18,439**

Amounts may not add up due to rounding

Consolidated statement of changes in equity

In thousands of euro

Attributable to the equity holders of the parent

				Legal Reserves					
	Notes	**Share capital**	**Share premium**	**Translation reserve**	**Cash flow hedge reserve**	**Cost of hedging reserve**	**Other legal reserve**	**Retained Earnings**	**Total Equity**
Balance as at January 1, 2018		24	12,630	-	(162)	1	7,091	(10,988)	8,596
Result for the year		-	-	-	-	-	-	(30)	(30)
Transfer to/from legal reserve	17	-	-	-	-	-	(1,646)	1,646	-
Other comprehensive income	8, 13	-	-	-	417	4	-	-	421
Total comprehensive income for the year		**-**	**-**	**-**	**417**	**4**	**(1,646)**	**1,616**	**391**
Transfer of cash flow hedge reserve		-	-	-	(239)	-	-	-	(239)
Balance as at December 31, 2018		**24**	**12,630**	**-**	**16**	**5**	**5,445**	**(9,372)**	**8,748**
Balance as at January 1, 2019		24	12,630	-	16	5	5,445	(9,372)	8,748
Result for the year		-	-	-	-	-	-	3,110	3,110
Transfer to/from legal reserve	17	-	-	-	-	-	(1,754)	1,754	-
Other comprehensive income	8, 13	-	-	-	340	(76)	-	-	264
Total comprehensive income for the year		**-**	**-**	**-**	**340**	**(76)**	**(1,754)**	**4,864**	**3,374**
Transfer of cash flow hedge reserve		-	-	-	(185)	-	-	-	(185)
Balance as at December 31, 2019		**24**	**12,630**	**-**	**171**	**(71)**	**3,691**	**(4,508)**	**11,937**
Balance as at January 1, 2020		24	12,630	-	171	(71)	3,691	(4,508)	11,937
Result for the year		-	-	-	-	-	-	16,659	16,659
Transfer to/from legal reserve	17	-	-	-	-	-	(333)	333	-
Other comprehensive income	8, 13	-	-	-	(479)	47	-	-	(432)
Total comprehensive income for the year		**-**	**-**	**-**	**(479)**	**47**	**(333)**	**16,992**	**16,227**
Transfer of cash flow hedge reserve		-	-	-	(122)	-	-	-	(122)
Balance as at December 31, 2020		**24**	**12,630**	**-**	**(430)**	**(24)**	**3,358**	**12,484**	**28,042**

Amounts may not add up due to rounding

Consolidated statement of cash flows

In thousands of euro

	Notes	2020 EUR	2019 EUR	2018 EUR
Cash flows from operating activities				
Profit/(Loss) before tax		22,375	4,161	127
Non-cash adjustments:				
Depreciation of property, plant and equipment and right-of-use assets	10, 20	1,503	1,500	612
Amortization of intangible assets	9	1,856	1,812	1,785
Loss on disposal of property, plant and equipment	10	1	168	-
Additions to/(release from) provisions	21	60	60	21
Finance expenses, net	25	1,289	1,213	668
Share of results of an associate	26	112	89	26
Movements in working capital:				
Inventories	14	(953)	(1,569)	(1,070)
Receivables and other current financial assets	15, 18	10,225	(12,484)	3,567
Contract assets/liabilities	5.1	(53,093)	(10)	(6,190)
Payables and other current liabilities	23, 18	5,198	102	3,581
Cash generated from operations		**(11,427)**	**(4,958)**	**3,127**
Income tax paid	8	-	(1)	(6)
Net cash flows from operating activities		**(11,427)**	**(4,959)**	**3,121**
Cash flows from investment activities				
Investments in property, plant and equipment	10	(1,362)	(306)	(1,828)
Investments in intangible assets	9	(2,452)	(112)	(169)
Investments in associate companies	26	-	-	(250)
Investments in financial assets	13	(196)	-	-
Proceeds from sale of property, plant and equipment	10	16	224	-
Net cash flows from investment activities		**(3,994)**	**(194)**	**(2,247)**
Cash flows from financing activities				
Repayments of borrowings	19	(2,600)	(755)	-
Proceeds from borrowings	19	33,525	699	6,903
Net proceeds from issuance of preference shares	17	10,000	-	-
Payment of principal portion of lease liabilities	20	(457)	(304)	(85)
Interest paid	19	(995)	(977)	(125)
Net cash flows from financing activities		**39,473**	**(1,337)**	**6,693**
(Decrease)/Increase in cash and cash equivalents		**24,052**	**(6,490)**	**7,567**
Exchange losses/gains on cash, cash equivalents and bank overdrafts	13.1	-	-	-
Cash and cash equivalents at January 1	16	2,810	9,300	1,733
Cash and cash equivalents at December 31	**16**	**26,862**	**2,810**	**9,300**

Amounts may not add up due to rounding

Notes to the special purpose consolidated financial statements

1. Corporate information

The Special Purpose Consolidated Financial Statements of Ebusco Holding B.V. (the Parent) for the year ended December 31, 2020 with comparative information for the years ended December 31, 2019 and 2018, were authorized for issue in accordance with a resolution of the Board of Management on September 13, 2021.

The Parent is a limited liability company, with its headquarters and registered office located at:

Vuurijzer 23
5753 SV Deurne
The Netherlands

The Parent is registered at the Chamber of Commerce in the Netherlands under number 75407922. Ebusco Holding B.V. is the ultimate parent company of the group of legal entities (together, "the Group"). 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.

The Special Purpose Consolidated Financial Statements ("Financial Statements") have been prepared for the purposes of the initial public offering and inclusion in the prospectus. The Financial Statements have been presented by the Group in the format that it intends to report its financial results of the Parent's statutory consolidated financial statements as at and for the year ended December 31, 2020. The Financial Statements are not the Company's statutory financial statements.

2. Basis of consolidation

Accounting policy – Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at December 31, 2020 with comparative information for the years ended December 31, 2019 and 2018. 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 resultant gain or loss is recognised in profit or loss.

An acquisition of a business under common control is accounted for by applying the pooling of interest method. Under the pooling of interest method assets, liabilities and reserves of two businesses are combined and recorded at historical values.

Note – Basis of consolidation

The following table provides an overview of the consolidated subsidiaries which the Parent controls as at December 31, 2020.

Entity	Registered office	Date of incorporation	Investment
Ebusco B.V.	Deurne, Netherlands	September 3, 2012	100%
Ebusco Energy B.V.	Deurne, Netherlands	July 18, 2019	100%
Ebusco Deutschland GmbH	Emmerich am Rhein, Germany	June 13, 2016	100%
Ebusco Norway A/S	Dal, Norway	February 2, 2017	100%
Ebusco Australia Pty Ltd	Tasmania, Australia	July 18, 2019	100%
Ebusco France SAS	Paris, France	November 9, 2020	100%
Ebusco Manufacturing B.V.	Deurne, Netherlands	July 15, 2020	100%

Note – Transactions under common control

In 2019, there was a restructuring within the Group. Ebusco Holding B.V. was founded in 2019 and at that moment it held 100% of the shares of Ebusco B.V., the predecessor entity of Ebusco Holding B.V., as well as the entities in the Group controlled by Ebusco B.V. This was a so-called acquisition under common control.

This acquisition was recorded as a capital contribution to the share premium reserve. The comparative figures are also adjusted as if this situation had always existed. Once the transaction took place, the Group charged the payment of the acquisition price to the other reserves.

3. Basis of preparation

The special purpose 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) for inclusion in the Group's prospectus expected to be filed in connection with its planned initial public offering on the Amsterdam Euronext stock exchange. The Group adopts IFRS retrospectively on its consolidated financial statements as at January 1, 2018 and has restated its Dutch GAAP financial statements, including the statement of financial position as at January 1, 2018 and the financial statements as at and for the years ended December 31, 2018 and 2019. Reference is made to Note 27: First time adoption.

The consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated. All amounts are stated in thousands of EUR, unless otherwise stated.

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

Covid-19 impact on business

Due to the outbreak of the coronavirus and the resulting corona crisis, global economic conditions became unfavourable, which resulted in limited demand for public transport and less income generated by Public Transport Authorities (PTAs) and Public Transport Operators (PTOs). In turn, this has led to fewer orders and requests for tenders, bids or quotations for new buses by PTAs and PTOs in 2020. The Group's order book of zero emission buses decreased from 160 buses at year-end of 2019 to 12 at year-end 2020. The order book reflects all orders not included in Contract Assets, and as such not recognized on the balance sheet yet. Therefore, the Group expects, looking at the current order portfolio, a significant decline in its revenue for the year ending December 31, 2021 relative to the year ended December 31, 2020, and the same adverse developments are expected to affect revenue in the year ending December 31, 2022 as well, albeit to a lesser degree.

The Group's revenue growth in 2020 was adversely impacted by the outbreak of the Covid-19 pandemic early in 2020, which resulted in delays in the post-production and delivery of zero emission buses in 2020. As a consequence, fewer zero emission buses were delivered in 2020 than was originally intended. As a result, the Group's revenue from zero emission buses in 2020 was lower than anticipated prior to the outbreak of the Covid-19 pandemic.

Similar to the year ended December 31, 2020, the Group expects that its revenue from its second half of 2021 will be greater than those in the first half of the year. However, for the year ending December 31, 2021 the Group expects a significant decline in its revenue relative to the year ended December 31, 2020, driven by a decrease in the size of the order book (for deliveries in 2021) as a result of the prolonged Covid-19 crisis (impacting the number of tenders requested by PTAs and PTOs in 2020 and the first half of 2021) as well as due to additional impact from supply chain disruptions resulting in delays of bus deliveries (due to some suppliers having difficulties in scaling up production from previous Covid-19 driven down scaling). The Group acknowledges that disruptions may continue for the remainder of 2021, which would result in a shift of bus deliveries from 2021 to 2022.

Nevertheless, based on the Group's historical financial performance prior to the impact of Covid-19 and its unchanged outlook for the continued electrification of the global transit bus fleet by 2025, the Group has experienced a catch up in the demand in the second half of 2021, which will lead to revenue 8 to 12 months later.

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

Further information and considerations regarding areas of significant judgments and estimates have been included below.

Liquidity and risk management

At a very early stage of the Covid-19 outbreak, the Group identified a broad range of mitigating actions to preserve liquidity and continuity of the development and assembly process. These measures included, among others, savings in selling expenses, travel costs and procurement costs, applying for potential subsidies and concluding a capital increase of the shareholders. This will continue to be a focus point of the organization in the coming years.

The Group has also implemented a range of measures to safeguard cash flow, including working capital management and the curtailment of uncommitted and non-essential capital expenditure.

At December 31, 2020, the Group's liquidity position consisted of total cash of EUR 26.9 million and has unused credit facilities of EUR 34.2 million (EUR 24.2 million letter of credit facility and EUR 10.0 million revolving credit facility) which the Group can utilize to meet its future obligations, including repayments to the consortium of banks who provide the Group's loan facilities.

The Group is subject to two covenants for its loan facilities. The first covenant requires that the Group maintains a maximum 1.5 to 1 ratio of total senior debt to net worth; senior debt defined as the Total Net Debt after deducting that part of Total Net Debt attributable to subordinated debt and net worth defined as the consolidated Group equity, including retained earnings, preference shares, reserves, and subordinated debt, after deducting intangible assets. The second covenant requires that the Group maintains a "Last Twelve Months Trading" amount higher than EUR 10 million in 2020 and EUR 15 million in 2021. "Last Twelve Months Trading" is defined as the Group's EBITDA minus the Group's CAPEX spending on a trailing twelve months basis. Both covenants are measured on a half-yearly basis in June and December annually.

At December 31, 2020 the first covenant is calculated to be 0.65 (within the covenant requirement) and the second covenant is calculated to be EUR 23.2 million (within the covenant requirement). The facility was established in September of 2020; refer to Note 19 for additional information.

If the Group were to fail to comply with the covenants of these loans the arrangement would be cancelable upon demand by the lenders and all outstanding borrowings could be callable by the lenders with immediate effect.

As of the balance sheet date the Group is in compliance with both covenants. Prior to the issuance of these financial statements, the Group did not meet its second covenant (described above) as per the end of June 2021. Due to this breach of the covenant clause, the lender is contractually entitled to demand immediate repayment of the outstanding loan amounts. To mitigate the risk of immediate repayment, the lenders have agreed a temporary waiver related to the "Last Twelve Months Trading" for Q2-2021. In addition, a holiday for adjusted EBITDA for Q3-2021 has been agreed, as the "Last Twelve Months Trading" is at risk.

Based on the reduced orders from customers as a result of the Covid-19 pandemic, the Group has identified a risk of non-compliance with (one of) the covenants on the measurement date of December 2021. Therefore, the Group agreed to the following amendments to the agreement with its lenders after period end:

- For a temporary holiday period of Q1 2022-Q3 2022, the Group is exempt from its covenant to maintain a senior debt to net worth ratio which shall not exceed 1.50:1.00 (though, as per the contract, covenants are measured at the end of Q2 and Q4 only). Outside of this period the original covenant is effective. As of Q4-2022 the original covenant becomes effective again.
- For the period Q4 2021 through Q3 2022, the Last Twelve Months Trading amount higher than negative EUR 2.5 million. As of Q4-2022 the original covenant becomes effective again.

The Group's repayment terms are extended for the next 50 buses produced by the Group from the normal 180 days to 240 days.

Management is confident that the Group will be able to meet these amended covenants, based on the current order portfolio.

Additionally, after period end, the Group and ING Corporate Investments Mezzanine Fonds B.V. (as lender) entered into an EUR 32.5 million credit agreement. The loan under the ING Credit Agreement may be utilised only for the following:

- The acquisition of 60% of the shares in Pondus Holding B.V. by Ebusco Holding B.V. (reference is made to note 29 – Events after the balance sheet date);
- Repayment of the existing financial indebtedness of Pondus Operations B.V.;
- Financing of the costs involved in the run-up to a potential listing or private placement of shares of Ebusco Holding B.V.;
- Financing of initial investments for the realisation of the Group's roll-out plan; and
- Working capital financing required by the Group and not covered by the Facilities Agreement.

The interest rate for the ING Credit Agreement is equal to (i) 3.50% per annum until July 15, 2021, (ii) 4.00% per annum from July 15, 2021 to October 15, 2021 and (iii) 4.50% per annum from October 15, 2021 until the maturity date (March 15, 2022).

Management will repay the ING Credit Agreement of EUR 32.5 million with proceeds to be generated by the IPO. Management is comfortable based on the Group's (financial) results, current order portfolio and positive feedback received from the (financial) market that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen event that an IPO will not be successful before the due date of the ING Credit Agreement (March 15, 2022), that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders.

Going concern

The Covid-19 pandemic has introduced new elements of uncertainty to the environment in which the Group operates and the effects of the pandemic are constantly being monitored by the Group's executive management. It is currently unclear what impact the virus will have on the spending patterns of the Group's customers and on consumer confidence generally. The prospects for the Group in the years ahead are good, given the need of cities and municipalities to provide environmentally friendly public transportation to their inhabitants.

While the Group was in compliance with its loan covenants as of period end, management identified noncompliance with its covenants prior to the issuance of these financial statements and the risk of noncompliance in future periods. In order to address noncompliance and reduce this risk the Group has negotiated amendments to certain temporary relief from compliance with its covenants. This relief, combined with additional financing in the form of the new ING Credit Agreement, has reduced the risk of a breach of covenants to an acceptably low level.

Based on these amendments to existing financing arrangements and the new lending facility the Group expects to continue with sufficient liquidity and in compliance with its loan covenants and continue to operate as a going concern. Furthermore, an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement.

In determining the appropriate basis for preparing the financial statements for the year ended December 31, 2020 and in light of the above, the Board of Management considered the Group as a going concern by evaluating the financial forecasts over a time horizon of – to a minimum – one year after the date of these financial statements and by analyzing, in particular, besides general macroeconomic trends, order intake, order portfolio, cashflow, economics, working capital, sales forecast and a successful IPO in the context of the current Covid-19 pandemic such as additional impact from (potential) supply chain disruptions.

Covid-19 on accounting policies

Intangible assets

For intangible assets, the changes in the economic environment did not provide an indicator that the carrying amount of the asset may not be recoverable. The Group reviewed its intangible assets for indicators of impairment and found none either related to Covid-19 or in the normal course of business. Accordingly, no impairments were identified respectively recognised.

Inventories

The Group's inventories are stated at the lower of cost or net realizable value. In determining the appropriate level of value allowance, inventory health in certain businesses and markets due to Covid-19 were considered. In addition, current and potential excess inventory levels were analyzed, incorporating revised expectations of future demand for these items. As a result of these procedures, the allowance for obsolescence increased to EUR 233 as at December 31, 2020.

Trade receivables

According to its accounting policy, the Group calculates the lifetime expected credit loss for trade receivables utilizing the simplified expected credit loss approach in the form of a provision matrix based on historic inputs to determine the expected losses. The Group has taken into account historical and forward-looking information that might have an impact on the way the trade receivables will be settled in the future, including the Covid-19 impact. Collection of trade receivables was strong in 2020 as in previous years. However, the Group's expected credit loss allowance as of December 31, 2020 (EUR 638) increased compared to its allowance as of December 31, 2019 (EUR 60) and December 31, 2018 (EUR 40). This increase fully relates to a specific customer; the Group is still pursuing collection of the receivables concerned.

Government support

In response to Covid-19, many governments provided support through incentives, changed tax policies aimed at deferring tax filings and payments and provided tax relief. The Group is granted EUR 1.2 million of wages relief in cash in 2020 in connection with the "NOW 1.0" program from the Dutch government, of which EUR 0.9 million has been received to date. The Group also received and applied payment deferrals on their loan from the Dutch government related to innovation (RVO loan; refer to Note 19). The Group has not benefitted from any rent concessions in relation to its leases.

Deferred taxes

The Group recorded a net deferred tax asset of EUR 909 as at December 31, 2020 (December 31, 2019 EUR 747; December 31, 2018: EUR 1,373). The deferred tax asset mainly relates to timing differences between commercial and fiscal income in respect of the amortization of capitalized development assets. The Group has assessed whether it will benefit from the net deferred tax asset and expects that realization (ultimately) will not be affected by the deferral or delay of orders due to the pandemic.

Accounting policy – 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).

4. Significant accounting policies, estimates and judgements

The below table is a summary of the Group's significant accounting policies, estimates, and judgments. The table makes reference to where in the notes where these topics are disclosed.

<table>
<tr><th colspan="3">Accounting Policies</th><th>Significant Accounting Estimates or Judgements</th></tr>
<tr><td>What it is</td><td colspan="2">Accounting policies considered relevant for understanding the financial statements or required to be disclosed by law or IFRS.</td><td>These accounting policies involve a higher degree of judgement or complexity. The estimates applied are more likely to be materially adjusted due to inaccurate estimates and/or assumptions applied</td></tr>
<tr><td rowspan="3">Where?</td><td colspan="3">Provided per note to the financial statements.
The notes are organized into the following sections:</td></tr>
<tr><td><u>Key disclosures:</u>
In relation to its strategy the Group's management considers the following disclosures, based on the determination of operating profit, as key in understanding its financial performance or position. These disclosures provide a breakdown of individual line items in the financial statements that users of the financial statements consider most relevant.</td><td><u>Notes:</u>
5 Revenue, cost of materials and segment reporting
6 Employee benefit expenses
7 Other operational expenses
8 Income taxes
9 Intangible assets
10 Property, plant and equipment
21 Provisions</td><td><u>Description:</u>

5 Percentage of completion of customer contracts

21 Provision for warranties

9 Assumptions regarding useful life of intangible assets</td></tr>
<tr><td><u>Other disclosures:</u>
Information on items required to be disclosed to be compliant with IFRS IASB and other legal requirements.</td><td><u>Notes:</u> 11-29</td><td></td></tr>
</table>

5. 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.

5.1. Accounting policies - 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 eight to fourteen months. Revenue for sales of zero emission buses is recognized 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, which support the customer's use of zero emission buses sold by the Group. Revenue is recognized 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 recognized at a point in time whilst services are recognized over time. The Group also offers limited bus leasing arrangements, income from which is recognised in accordance with IFRS 16; refer to Note 20 for leases.

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 in each 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 hours, 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 faithful depiction 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 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.

Significant estimate: Percentage of completion of customer contracts

In determining the stage of completion, the Group makes a critical estimate, per contract, of the remaining cost and applicable revenue margin. 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 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.

Note – 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, and repair and maintenance services. 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		2020 EUR	2019 EUR	2018 EUR
Revenue from zero emission buses		97,828	45,335	20,853
Revenue from charging systems and ancillary services and goods		2,166	3,589	504
Total		**99,994**	**48,924**	**21,357**

Amounts may not add up due to rounding

Revenue recognised over time relates to contracts regarding the sale of zero emission buses, support services and lease (lessor) income which relates to buses leased out to customers (refer to Note 20, Leases). 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		**2020 EUR**	**2019 EUR**	**2018 EUR**
Revenue recognised over time		98,401	45,914	21,089
Revenue recognised at point in time		1,593	3,010	268
Total		**99,994**	**48,924**	**21,357**

As at December 31, 2020 the remaining performance obligations amount to EUR 6.5 million (December 31, 2019: EUR 90.0 million; December 31, 2018: EUR 46.5 million). The Group estimates 65% (December 31, 2019: 97%; December 31, 2018: 97%) 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.

The Group enters into sales contracts which include also a repurchase clause or a buy-back guarantee. The contract obliges the Group to repurchase the asset at a price lower than the original sales price, if requested by the customer.

The Group has assessed that there is no significant economic incentive for the customer to exercise this option, as such, the repurchase clauses are classified as sale contracts with the right of return. Furthermore, the Group has concluded, based on historical data and market information, that the probability of returns being recorded is not materially significant.

Amounts may not add up due to rounding

Note – Contract assets and contract liabilities

Contract assets / (liabilities) – Dec 31		2020 EUR	2019 EUR	2018 EUR
Contract assets (positive balance of work in progress)		59,989	6,706	6,696
Contract liabilities (negative balance of work in progress)		(190)	-	-
Balance of contract assets and liabilities		**59,799**	**6,706**	**6,696**

The contract assets balance as per December 31, 2020 is EUR 60.0 million (2019: EUR 6.7 million; 2018: EUR 6.7 million). The typical timing of payment for zero emission buses (which give rise to contract assets) is upon delivery of the buses to the customer. Contract assets are measured taking account of expected credit losses in a way similar to the method used for trade and other receivables; no expected credit losses have been recorded for contract assets for the periods presented.

Revenue received in advance (contract liability) as per December 31, 2020 is EUR 190 (2019: EUR 0; 2018: EUR 0).

The significant increase in contract assets in 2020 is primarily due to the increase in contracts with customers for this period. During 2020 the Group experienced higher demand and orders for its zero emission buses. Contract assets are related exclusively to work in progress assets for zero-emission buses and the increase in orders resulted in a correspondingly higher amount of contract assets.

5.2. 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, and import duties.

5.3. Segment reporting

Accounting policy – 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.

Note – Segment reporting

The Group has identified the management team, which consists of the CEO and CFO, as the CODM. Based on the Group's business of selling zero emission buses and ancillary revenue streams from these buses the Group has determined it has a single operating segment.

Amounts may not add up due to rounding

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		2020 EUR	2019 EUR	2018 EUR
Benelux		90,153	41,425	19,726
DACH*		9,446	7,094	1,544
Nordics		75	90	86
Rest of the World (RoW)		320	315	1
Total		**99,994**	**48,924**	**21,357**

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

In 2020, the revenues from external customers attributed to the entity's country of domicile (the Netherlands) amounted to EU 84.6 million (2019: EUR 38.8 million; 2018: EUR 19.6 million).

At December 31, 2020 EUR 10.2 million of the non-current assets were in the Netherlands (the country of domicile for the Group).

Large customers

In 2020, revenue was primarily comprised to one customer generating 84% of revenue. In 2019, one customer represented 79% of revenue. In 2018, that same customer which represented 79% of revenue in 2019 represented 87% of revenue.

6. Employee benefit expenses

Accounting policy – 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.

Refer to Note 6.1 for a discussion of share-based compensation.

Accounting policy – Pensions

The Group has a defined contribution plan. 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.

Note – Employee benefit expenses and pensions

The tables below gives a breakdown of the employee benefit expenses recognised in respect of short-term employee benefits and post-employment benefits:

Employee benefit expenses		2020 EUR	2019 EUR	2018 EUR
Wages and salaries		4,187	3,026	1,496
Social security charges		884	465	363
Pension costs		215	112	39
Total		**5,286**	**3,603**	**1,898**

Key management has access to the same defined contribution plan as every employee. Besides the basic plan, every employee has access to an excedent pension plan: an extra pension accrual on top of the standard pension plan (which covers up to an annual pensionable salary of EUR 112). This additional pension plan must be requested by the employee and be paid with the net salary.

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

Full-time employees		2020	2019	2018
Active within the Netherlands		103	57	32
Active outside the Netherlands		3	2	2
Total		**106**	**59**	**34**

6.1. Share-based payments

Accounting policy – Share-based payments

Cash-settled success fee awards are arranged for certain key management personnel. The fair value of these awards is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. This requires a reassessment of the estimates used at the end of each reporting period.

Note – Share-based payments

The Group agreed to provide a success fee arrangement for certain key management personnel. Under this plan, upon the realization of a qualifying exit event defined as a non-market performance condition event wherein the shareholders sell all of their interest in or otherwise recapitalize the Group (events which could include a strategic sale), those key management personnel who participate in the arrangement are eligible for awards. These awards consist of cash payments and the value of the award is based on the enterprise value of the Group at the time of the exit event. The key management personnel must also be employed by the Group at the time of the qualifying event for the awards to vest.

The success fee arrangements were awarded by way of a board resolution on April 19, 2019 to one key management employee and on November 25, 2020 to another key management employee.

Due to the fact that the likelihood of a qualifying exit event, as defined above, was not likely at the initial recording of the first employee award date and at the reporting date of December 31, 2019, the fair value of the liability to be recorded as at December 31, 2019 is nil.

During the year 2020, the likelihood of a qualifying exit event was still not likely. The fair value of the liability as at December 31, 2020 therefore was not significant.

In case of a qualifying event (complete exit or recap), the following success fee calculation (in EUR millions) is applicable (for both eligible management employees):

Company valuation	Max. cash settlement
0 - 50	0.35
50 - 100	0.85
100 - 150	1.6
150 - 200	2.6
> 200	2.6 + 3% of valuation exceeding 200

The success fee is only applicable in case of a complete exit or recap by the current shareholders. A potential IPO does not qualify as a complete exit or recap since the current shareholders remain shareholders after the IPO. The planned structure of the IPO requires the current shareholders to not sell or otherwise divest their shares for a period of not less than one year. Consequently, the condition of the qualifying event would not trigger for at least that period of time.

Share-based compensation expenses over 2020 amount to EUR 0 (2019: EUR 0; 2018: EUR 0).

7. Other operational expenses

Accounting policy – Other operational expenses

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

Note – Other operational expenses

Other operational expenses comprise selling and distribution expenses, other staff expenses and other expenses.

Other operational expenses		2020 EUR	2019 EUR	2018 EUR
Other staff expenses		3,728	2,248	919
General expenses		1,207	643	571
Marketing expenses		1,130	761	319
Facility expenses		142	73	90
Car expenses		117	103	67
Office expenses		108	77	39
Other operating expenses		804	502	253
Total other operational expenses		**7,236**	**4,407**	**2,258**

Other staff expenses include employee costs that are not directly related to salaries and social security charges, including temporary staffing and travel and related expenses. General expenses mainly include management fees charged by the Management Board, advisory fees (like audit, tax and legal) and insurance fees.

Marketing expenses are costs which include marketing and promotional costs, costs associated with making products available for delivery to customers and changes to the provision for doubtful debts. Facility expenses include costs for utilities, insurance, and other non-rent related expenses associated with the Group's facilities.

Amounts may not add up due to rounding

Car expenses relate to insurance and repairs costs. Office expenses include telecom expenses, office supplies, and subscriptions. Other operating expenses consist of various expenses that are incurred as part of the Group's daily operations, including IT expenses.

8. Income tax

Accounting policy – Income tax

Current income tax

Current tax is the expected tax payable 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 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 realized; 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.

Note – Income tax

The major components of income tax expense for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 are presented below.

Income tax expense		**2020 EUR**	**2019 EUR**	**2018 EUR**
Current tax (expense)/benefit:				
Relating to current year		(5,693)	(452)	-
		(5,693)	**(452)**	-
Deferred tax (expense)/benefit:				
Relating to tax losses		3	(747)	(223)
Relating to changes in tax rates		108	39	(147)
Relating to origination and reversal of temporary differences		(134)	109	213
		(23)	**(599)**	**(157)**
Income tax expense reported in the statement of profit or loss		**(5,716)**	**(1,051)**	**(157)**

Deferred tax (expense)/benefit related to items recognised in OCI during the year		**2020 EUR**	**2019 EUR**	**2018 EUR**
Derivatives		143	(88)	(141)
Deferred tax charged to OCI		**143**	**(88)**	**(141)**

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. A reconciliation of the statutory income tax rate of the Netherlands to the effective income tax rate is as follows:

Effective tax rate		**2020 EUR**	**2019 EUR**	**2018 EUR**
Accounting profit before tax		22,375	4,161	127
Domestic income tax rate		25.0%	25.0%	25.0%
Theoretical income tax (expense)/benefit		**(5,594)**	**(1,040)**	**(32)**
Tax effect of:				
Deviating rates		-	4	-
Change in tax rates		108	39	(147)
Income tax relief		17	12	-
Non-deductible expense		(133)	(8)	(8)
Benefit from previously unrecognised and unused tax losses		3	-	-
Effect of unrecognised and unused tax losses		(55)	(39)	-
Other effects		(62)	(19)	30
Total income tax (expense)/benefit		**(5,716)**	**(1,051)**	**(157)**
Effective tax rate		**25.5%**	**25.3%**	**(123.6)%***

** The effective tax rate for 2018 is impacted by the change of the enacted corporate income tax rate in the Netherlands.*

The balances and movements for current tax and deferred tax for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 are presented below:

Amounts may not add up due to rounding

Current income tax liabilities		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Income tax payable		6,145	452	-	-

The current tax positions of the Group are linked to the profit recorded by the company. For the financial year ended December 31, 2018, the Group had recorded a positive fiscal result and hence an income tax payable position, which was subsequently netted off with the unused tax losses recorded in the previous financial years.

The (net) deferred tax asset positions of the Group are mainly related to tax losses carried forward, the amortization pattern of intangibles, right-of-use asset and lease liability positions resulting from the application of IFRS 16 and derivative positions resulting from the application of hedge accounting.

Deferred tax assets		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Intangible assets		745	653	595	381
Property, plant and equipment		95	68	36	35
Right-of-use assets		(346)	(287)	(329)	-
Derivatives		(82)	(108)	(26)	20
Contract assets		62	(9)	(88)	113
Lease liabilities		432	345	355	-
Tax losses carried forward		-	-	747	970
Other		3	85	83	66
Total net deferred tax asset		**909**	**747**	**1,373**	**1,585**

Changes in deferred tax assets and (liabilities), net		2020 EUR	2019 EUR	2018 EUR
Carrying amount as at January 1		747	1,373	1,585
Changes:				
Recognised in income statement		(22)	(600)	(157)
Recognised in other comprehensive income		143	(88)	(141)
Other		41	62	86
Balance as at December 31		**909**	**747**	**1,373**

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 ones recognized in the income statement refer to lease balances and intangible assets amortization.

9. Intangible assets

Accounting policy – Intangible assets

The intangible assets for the Group consist of development assets, software and assets under construction. Development assets are internally generated intangible assets. The costs capitalized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized 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.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Significant estimate – Estimation useful life of intangible assets

The Group has made a critical estimate with regards to the useful life of Development assets and Software. Uncertainty about this estimate could result in significant changes in the reported amount of amortization expenses and, subsequently, in result for the year. The estimated useful life of intangible assets is 5 years.

Note – Intangible assets

	Development assets	Software	Assets under construction	Total
Cost				
At January 1, 2018	8,803	66	-	8,869
Additions	118	74	-	192
At December 31, 2018	8,921	140	-	9,061
Additions	34	22	40	96
At December 31, 2019	8,955	162	40	9,157
Additions	1,462	989	-	2,451
Transfers	-	40	(40)	-
At December 31, 2020	**10,417**	**1,191**	**-**	**11,608**
Amortisation				
At January 1, 2018	1,712	-	-	1,712
Amortisation	1,764	21	-	1,785
At December 31, 2018	3,476	21	-	3,497
Amortisation	1,788	24	-	1,812
At December 31, 2019	5,264	45	-	5,309
Amortisation	1,795	61	-	1,856
At December 31, 2020	**7,059**	**106**	**-**	**7,165**
Net book value				
At January 1, 2018	7,091	66	-	7,157
At December 31, 2018	5,445	119	-	5,564
At December 31, 2019	3,691	117	40	3,848
At December 31, 2020	**3,358**	**1,085**	**-**	**4,443**

Development assets refer to the design, construction and testing of a chosen alternative for the new low floor bus which is 100% electrically powered. The additions to cost of development reflect entirely costs incurred by the Group, except the addition incurred in 2020, which has been sourced from its associate, Pondus Operations B.V.

Software refers mainly to the Group's inventory management system, acquired from and developed by third party suppliers.

The Group has no aggregate amount of R&D expenditures recognised as an expense during the reporting period.

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 remaining intangible assets and has not found any impairment indicators.

Assets developed in connection with a loan made by the RVO, having a carrying value of EUR 1.7 million at December 31, 2020, are subject to a right of pledge; refer to Note 19 - Loans and borrowings.

10. Property, plant and equipment

Accounting policy – 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.

Amounts may not add up due to rounding

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 5 years. Transportation assets, which include buses used for demonstration and engineering purposes, as well as buses which the Group has leased out on an operational basis, have an estimated useful life of between 5 to 10 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 Note 20 - Leases.

Note – Property, plant and equipment

	Equipment and office inventory	Transportation	Assets under construction	Total
Cost				
At January 1, 2018	339	1,522	1,246	3,107
Additions	88	1,740	-	1,828
Transfers	-	1,246	(1,246)	-
At December 31, 2018	427	4,508	-	4,935
Additions	263	54	-	317
Disposals	(66)	(859)	-	(925)
At December 31, 2019	624	3,703	-	4,327
Additions	826	-	560	1,386
Disposals	(2)	(15)	-	(17)
At December 31, 2020	**1,448**	**3,688**	**560**	**5,696**
Depreciation				
At January 1, 2018	192	360	-	552
Depreciation	68	347	-	415
At December 31, 2018	260	707	-	967
Depreciation	99	1,044	-	1,143
Disposals	(66)	(468)	-	(534)
At December 31, 2019	293	1.283	-	1,576
Depreciation	142	889	-	1,031
Disposals	(1)	-	-	(1)
At December 31, 2020	**434**	**2,172**	-	**2,606**
Net book value				
At January 1, 2018	147	2,408	-	2,555
At December 31, 2018	167	3,801	-	3,968
At December 31, 2019	331	2,420	-	2,751
At December 31, 2020	**1,014**	**1,516**	**560**	**3,090**

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.

Amounts may not add up due to rounding

11. Policy note: 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.

Accounting policy – 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.

Accounting policy: 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 transactions 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
- Amortized 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:

- Amortized 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 recognized 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 amortized cost.

Impairment:

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized 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.

Performing (non-credit impaired) financial assets (stage 1): Each reporting date, the Group decreases its receivables, by deducting the payments, with an amount that is equal to the payment by the borrower or debtor (minus the interest income, if applicable). When the end of the payment term is reached the receivable will amount to zero.

The simplified approach is applied for trade receivables. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit impaired financial assets – (Default) (stage 2 & 3): For purposes of assessing, recognizing and reporting credit impaired assets, the Group defines a credit impaired asset as any receivable from a borrower or debtor who is considered unable to pay its credit obligations. The definition of credit impaired by the Group is in line with the Group's own credit risk approach. The assessment whether a receivable is credit impaired is based on management individual assessment and takes into account quantitative and qualitative measures. Any subsequent changes in lifetime ECL, both with a positive and negative effect, will be recognized immediately in the profit and loss statement of the Group.

The Group's policy focuses exposures to financial institutions with high quality credit ratings. Therefore, the Group applies the low credit risk simplification, hence all assets are considered to be in stage 1 and a 12-month expected credit loss is applied (e.g. cash). In case the probability of default increases on cash or granted loans, the Group shall, based on management judgement, consider lifetime expected credit losses if deemed necessary.

The Group's policy requires an assessment of the counter party before exposure is taken with respect to "non-trade receivables". The Group's assessment requires a credit quality check and limits the exposure to a maximum amount. As a result, the Group applies the low credit risk simplification, hence all assets (not originating from a contract with financial institutions) are considered to be in stage 1 and a 12-month expected credit loss is applied. In case the probability of default increases on such a financial instrument, the Group shall, based on management judgement, consider lifetime expected credit losses if deemed necessary.

The simplified approach is applied to 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
- Longer than 60 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.

12. 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: – Payments associated with letters of credit to suppliers – 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 December 31, 2020, December 31, 2019, December 31, 2018 and January 1, 2018). Approximately 81% of the liabilities of the Group are short-term (this amounts to EUR 62.2 million, including income tax payable);	**Limited**

Risk type	Risk description	Risk assessment and mitigation	Remaining risk
		the Group's current assets (maturity shorter than 1 year) amount EUR 94.3 million. The Group also has access to sufficient credit to mitigate liquidity risk, including access to a credit facility of EUR 70.0 million and a revolving credit facility of EUR 10.0 million. Based on this, the Group considers the residual liquidity risk to be low. The remaining risk is 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), Swiss Franc (CHF) and Australian Dollar (AUD) based on: – Sales in NOK, CHF and AUD – Trade and other receivables denominated in NOK, CHF and AUD – Purchases in RMB, NOK, CHF and AUD – Trade and other payables denominated in RMB, NOK, CHF and AUD For its RMB 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 NOK, CHF and AUD sales are immaterial. The Group accepts the limited remaining risk.	**Limited**
	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. 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**

Amounts may not add up due to rounding

Risk type	Risk description	Risk assessment and mitigation	Remaining risk
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. The Group has awarded a short term loan to its associate, Pondus Operations B.V. Considering the amount and nature of loan, the Group has assessed its credit risk with regards to loans and borrowings as limited.	**Limited**

The table below summarizes the maturity profile of the Group's financial liabilities (excluding derivatives) based on contractual undiscounted payments, including interest and dividend on cumulative preference shares. It has been assumed that the loan from related parties and the loan financing provided by the preference shareholders in 2020 will be repaid after 5 years:

Amounts may not add up due to rounding

As at December 31, 2020		Carrying amount	Total Cash-flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debits to credit institutions		41,788	42,491	19,754	22,737	-	-
Loan from RVO		5,436	5,812	300	2,700	2,812	-
Cumulative preference shares		10,400	14,400	-	400	3,200	10,800
Loan from related parties		441	562	-	-	-	562
Lease liabilities		1,782	1,887	158	488	1,241	-
Trade creditors		6,762	6,762	6,762	-	-	-
Contract liabilities		190	190	190	-	-	-
Other current liabilities		3,332	3,332	3,332	-	-	-
Total		**70,131**	**75,436**	**30,496**	**26,325**	**7,253**	**11,362**

As at December 31, 2019		Carrying amount	Total Cash-flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debits to credit institutions		8,213	8,363	8,176	187	-	-
Loan from RVO		5,647	6,412	300	900	5,212	-
Loan from shareholders		2,000	2,140	35	2,105	-	-
Loan from related parties		420	562	-	-	-	562
Lease liabilities		1,650	2,332	91	366	1,875	-
Trade creditors		1,485	1,485	1,485	-	-	-
Payables to related parties		9	9	9	-	-	-
Other current liabilities		3,377	3,377	3,377	-	-	-
Total		**22,801**	**24,680**	**13,473**	**3,558**	**7,087**	**562**

Amounts may not add up due to rounding

As at December 31, 2018		Carrying amount	Total Cash-flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debits to credit institutions		7,514	8,040	131	7,909	-	-
Loan from RVO		5,993	7,167	455	1,365	5,347	-
Loan from shareholders		2,035	2,140	35	2,105	-	-
Loan from related parties		400	562	-	-	-	562
Lease liabilities		1,779	2,093	72	229	1,792	-
Trade creditors		3,013	3,013	3,013	-	-	-
Payables to related parties		52	52	52	-	-	-
Other current liabilities		1,712	1,712	1,712	-	-	-
Total		**22,498**	**24,779**	**5,470**	**11,608**	**7,139**	**562**

As at January 1, 2018		Carrying amount	Total Cash-flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debits to credit institutions		2,611	2,794	46	2,748	-	-
Loan from RVO		5,601	7,167	-	1,365	5,802	-
Loan from related parties		381	562	-	-	-	562
Trade creditors		912	912	912	-	-	-
Other current liabilities (excluding derivatives)		258	258	258	-	-	-
Total		**9,763**	**11,693**	**1,216**	**4,113**	**5,802**	**562**

13. Non-current financial assets

Accounting policy – Non-current financial assets

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

Amounts may not add up due to rounding

Note – Non-current financial assets

Non-current financial assets		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Long-term deposit		305	109	56	56
Total		**305**	**109**	**56**	**56**

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 low value of the deposit, the Group estimates the carrying amount is not materially different from its fair value.

13.1. 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 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 (EUR).

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 excludes the forward element and currency basis spreads by only designating the spot element.

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.

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 December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Carrying amount hedging instruments		331	432	106	(79)
Notional amount hedging instruments		(46,323)	(19,666)	(5,556)	(47,295)

The derivatives used for cash flow hedge accounting are included in the statement of financial position line-item Other current financial assets respectively liabilities.

The average currency exchange rate used in cash flow hedge accounting is for 2020 EUR/RMB 7.9718 (2019: 7.8294; 2018: 7.9154).

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 December 31, 2020				
FX	331	(573)	936	(32)
As at December 31, 2019				
FX	432	386	142	(96)
As at December 31, 2018				
FX	106	22	78	6
As at January 1, 2018				
FX	(79)	(215)	135	1

Gains and losses on the effective portions of derivatives (changes in spot rates) designated under cash flow hedge accounting are recognised in Other Comprehensive Income (hedge reserve). Gains and losses attributable to changes in currency basis spread are recognized in a separate component in Other comprehensive income (cost of hedging reserve). The amortization of the forward element and gains and losses on ineffective portions of such derivatives are recognised immediately in the statement of profit or loss.

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 recognized in the statement of profit or loss, gain (+) / loss (-)	Amortization of forward element	Amount reclassified from cash flow hedge reserve
As at December 31, 2020				
FX	(605)	0	936	(163)
As at December 31, 2019				
FX	133	157	142	(247)
As at December 31, 2018				
FX	28	0	78	(319)
As at January 1, 2018				
FX	(214)	(1)	135	(59)

The main sources of ineffectiveness for cash flow hedges are:

– 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.

Amounts may not add up due to rounding

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		Fair value measurement using			
Fair value measurement hierarchy for assets as at December 31, 2020, 2019 and 2018	**Date of valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:					
Derivative financial assets 2020, 2019 and 2018		-	-	-	-
Foreign exchange forward/swaps contracts - CNH	December 31, 2020	331	-	331	-
Foreign exchange forward/swaps contracts - CNH	December 31, 2019	432	-	432	-
Foreign exchange forward/swaps contracts - CNH	December 31, 2018	106	-	106	-

There were no transfers between Level 1 and Level 2 during 2020, 2019 and 2018.

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.

14. Inventories

Accounting policy – Inventories

Inventories are the assets sold in the ordinary course of business. Inventories are measured at the lower of cost and net realizable value.

The Group adjusts the valuation of inventory with provisions for inventory that is obsolete or defective.

Note – Inventories

Inventories relate to trade goods ready for sale and spare parts for services to zero emission electric buses sold by the Group.

Inventories		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Trade goods for sale and spare parts		3,873	2,687	1,118	48
Inventories, gross		**3,873**	**2,687**	**1,118**	**48**
Allowance for obsolescence		(233)	-	-	-
Inventories, net		**3,640**	**2,687**	**1,118**	**48**

The amount of write down of inventories recognised as an expense during 2020 was EUR 233 (2019: EUR 0; 2018: EUR 0).

15. Trade and other receivables

15.1. Trade receivables

Accounting policy – Trade receivables

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

The Group applies the simplified expected credit loss approach in the form of a provision matrix based on historic inputs to determine the expected losses. In this approach it has taken into account forward looking information that might have an impact on the way the trade receivables will be settled in the future.

Note – Trade receivables

Trade receivables		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Trade receivables		2,501	12,449	1,112	4,599
Doubtful debtor provision		(638)	(60)	(40)	(50)
Net trade debtors		**1,863**	**12,389**	**1,072**	**4,549**

The Group defines "default" as amounts that are written-off and will, therefore, never be recovered. Based on this definition of default, the Group has never incurred any default on either IFRS 15 contract assets, lease receivables or trade receivables. Consequently, the Group does not need to prepare an ECL provision calculation, given that historical write-off amount for IFRS 15 contract assets, lease receivables and trade receivables is 0.

Nevertheless, as at the opening book value date (January 1, 2018) and the end of each reporting period (December 31, 2018, December 31, 2019 and December 31, 2020), the Group recognized that, with regards to some trade receivables, there is an impairment indication. As a result, the Company has booked a provision to reflect this matter.

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.

15.2. Other receivables and accrued assets

Accounting policy – Other current financial assets

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

Note – Other current financial assets

Other current financial assets		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Taxes and social securities		5	-	-	4
Derivatives		331	432	106	-
Other accrued assets		1,066	481	159	234
Total other current financial assets		**1,402**	**913**	**265**	**238**

Derivative assets are held by the Group for its cash flow hedging positions.

Due to the short duration of the receivables the fair value approximates the carrying value.

16. Cash and cash equivalents

Accounting policy – 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, net of overdraft.

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

Note – Cash and cash equivalents

Cash and cash equivalents		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Cash at hand		1	1	2	-
Cash at bank		26,861	2,809	9,298	1,733
Total cash and cash equivalents		**26,862**	**2,810**	**9,300**	**1,733**

The risk of default of the counterparty is assessed to be low taking into account the short duration of the cash and cash equivalents balances. The resulting expected credit loss is estimated to be insignificant. 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.

Due to the short-term nature of cash and cash equivalents the fair value approximates the carrying value.

17. Group equity

Accounting policy – Equity

Ordinary shares are classified as equity. Costs directly attributable to the issuance of the ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

A single depository receipt can be exchanged for one ordinary share of the Group. Depository receipts are classified as equity instruments under IFRS.

The Group evaluates its equity instruments, including its preferred shares, and whether 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 instrument.

Note – 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 maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors and its compliance its loan covenants through maintaining a 1.5 to 1 ratio of total senior debt to net worth; senior debt defined as the Total Net Debt after deducting that part of Total Net Debt attributable to subordinated debt and net worth defined as the consolidated Group equity, including retained earnings, preference shares, reserves, and subordinated debt, after deducting intangible assets. The Group maintained a ratio of 0.65 for the year.

The Group ensures that it meets financial covenants attached to the interest-bearing loans and borrowings that define its capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2020 and 2019 and 2018.

Note – Equity and capital management

The issued and paid in ordinary share capital amounts to EUR 24 as at December 31, 2020 (December 31, 2019, December 31, 2018, and January 1, 2018: EUR 24) and is subdivided into:

- 18,000 ordinary shares A with a nominal value of EUR 1;
- 5,999 ordinary shares B with a nominal value of EUR 1.

In 2020, preference shares have been issued to be specified as follows:

- 1 cumulative preference share A with a nominal value of EUR 1;
- 1 cumulative preference share B with a nominal value of EUR 1;
- 1 cumulative preference share C with a nominal value of EUR 1.

Peter Bijvelds Holding Erp B.V. (45%), Van Der Valk Investments B.V. (30%) and ING Corporate Investments Participaties B.V. (25%) are current shareholders.

The preference shares provide for an exit/liquidation waterfall mechanism, that would ensure the recovery of the original investment amount for the preference shares holders. Moreover, the holders of preferred shares are entitled to an 8% share of the investment amount, to be paid on an annual basis, based on profits available for distribution.

The preference shares issued to each of the 3 existing shareholders represent a contractual obligation to deliver cash to another entity and are classified as a liability. Refer to Note 19 for detail on the payable.

Part of the Group's equity position is an amount of EUR 600 granted by an external investor in 2016. The terms of the loan do not specify any contractual repayments, repayment date or interest to be paid and provides the option of conversion into 2% of Ebusco B.V.'s share capital. The convertible loan qualifies as equity instrument.

The Group has recorded cash flow and cost of hedging reserves as a result of application of hedge accounting, linked to its foreign currency risk management policy as at December 31, 2020 of EUR (454) (January 1, 2018: EUR (161); December 31, 2018: EUR 21; December 31, 2019: EUR 100). In addition, The Group has recorded a legal (non-distributable) reserve in respect of capitalized development assets (classified as Other Legal reserve) as at December 31, 2020 of EUR 3,358 (January 1, 2018: EUR 7,091; December 31, 2018: EUR 5,445; December 31, 2019: EUR 3,691) as required by Dutch law.

18. Related party transactions

Accounting policy – 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.

Note – 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 3 provides information about the Group's structure, including details of the subsidiaries and the holding company.

The Group's shareholders consist of Peter Bijvelds, Van der Valk Investments, and ING. 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.

Receivables from related parties

As at December 31, 2020, there was an outstanding balance of EUR 505 receivables from related parties, mainly being Pondus Operations B.V. For December 31, 2019 receivables from related parties increased to EUR 794. As at December 31, 2018 the amount of receivables from related parties was EUR 2. As at January 1, 2018, the amount of receivables from related parties was EUR 12.

Commitments with related parties

Other accrued assets include short term loans provided to other related parties, as follows: as at December 31, 2020 a short-term loan of EUR 3 (2019: EUR 6; 2018: EUR: 2) to Bijvelds Car Trading (related party of shareholder Peter Bijvelds) and a short-term loan of EUR 502 (2019: EUR 788; 2018: EUR 0) to Pondus Operations B.V. The latter bears 2% interest and fair value approximates carrying value. As at December 31, 2020, there was no outstanding balance of payables to related parties. For December 31, 2019 payables to related parties amounted to EUR 9. As at December 31, 2018 the amount of payables to related parties was EUR 52.

The non-current loans and borrowings include a payable to BaBoDiDa Ltd (related party of shareholder Van der Valk Investments 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.

ING is a related party; 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 credit facility net receipts in 2020 amounted to EUR 33,925 (2019: EUR 699; 2018: EUR 4,903). The interest incurred and paid in 2020 amounts to EUR 995 (2019: EUR 942; 2018: EUR 160).

Total available loan facilities		**2020 EUR**	**2019 EUR**	**2018 EUR**
Letter of Credit Facility		70,000	55,000	23,000
Revolving Facility		10,000	5,000	-
Total		**80,000**	**60,000**	**23,000**

Total drawn down at period end		**2020 EUR**	**2019 EUR**	**2018 EUR**
Letter of Credit Facility		45,800	8,700	9,800
Revolving Facility		-	-	-
Total		**45,800**	**8,700**	**9,800**

Compensation of key management personnel of the Group

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 each Statutory Director for the years ended December 31, 2020, 2019 and 2018.

Statutory Directors		**Financial year**	**Base salary**	**Pension**	**Other**	**Total remuneration**
Peter Bijvelds		2020	240	-	42	282
		2019	240	-	-	240
		2018	190	-	-	190
Paul van Beers		2020	316	-	-	316
		2019	215	-	-	215
		2018	261	-	-	261

The Group's Management Team consists of Peter Bijvelds (Chief Executive Officer), Paul van Beers (Chief Financial Officer), Tjaard Sijpkes (Chief Technology Officer), Michel van Maanen (Chief Operating Officer) and Judith Beurskens (HR Director) per December 31, 2020. Total remuneration for the Group's Management Team amounted to EUR 1,055 for 2020 (2019: EUR 778; 2018: EUR 642).

19. Loans and borrowings (long-term and short-term)

Accounting policy – Financial liabilities (non-derivatives)

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

Note – Financial liabilities (non-derivatives)

Non-current loans and borrowings consist of the following:

Loans and borrowings (non-current)		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Non-current loans and borrowings		441	420	400	381
Cumulative preference shares		10,000	-	-	-
RVO loan		2,436	4,446	4,173	4,236
Total		**12,877**	**4,866**	**4,573**	**4,617**

The non-current loans and borrowings include a payable to BaBoDiDa Ltd. 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.

The RVO (*Rijksdienst voor Ondernemend Nederland*) loan relates to a loan received from the Dutch government for the development of new products (Ebusco 2.0, Ebusco 2.1 and related bus types) and bears an interest rate of 7%. Interest is added to the principal amount and the total interest amount is payable at the extended maturity date of June 1, 2022.

The following guarantees have been provided in relation to the loan from RVO:

- Right of pledge on all intangible and tangible fixed assets which were financed by the loan from RVO.
- Guarantee to RVO from Peter Bijvelds Holding Erp B.V. (related party to shareholder Peter Bijvelds) in fulfilling the obligations related to the loan.
- An amount of EUR 3.0 million is due within twelve months (2019: EUR 1.2 million; 2018: EUR 1.8 million). This amount is included in current financial liabilities.

Current loans and borrowings consist of:

Loans and borrowings (current)		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Debts to credit institutions		41,788	8,214	7,514	2,611
Loan from RVO		3,000	1,200	1,820	1,365
Loan from shareholders		-	2,000	2,035	-
Dividend on cumulative preference shares		400	-	-	-
Total		**45,188**	**11,414**	**11,369**	**3,976**

The Group has a EUR 80.0 million credit facility agreement as at December 31, 2020, divided in two parts:

1. A multicurrency revolving facility in an aggregate amount equal to EUR 70.0 million to Ebusco B.V, to be utilised by way of letters of credit ("**Facility A**"), with an (uncommitted) accordion option subject to a condition that the increase of the total commitments as a result of the exercise of the accordion options may not exceed EUR 30.0 million in aggregate; and

2. A revolving credit facility in an aggregate amount equal to EUR 10.0 million to Ebusco B.V. and Ebusco Manufacturing B.V. ("**Facility B**" and, together with Facility A, the "**Facilities**"), to be utilised by way of ancillary facilities (each an "**Ancillary Facility**"), with all amounts borrowed thereunder to be applied for (a) issuing performance guarantees or performance bonds, with a maximum tenor of 36 months, or (b) towards the general working capital purposes of the borrowers, with an (uncommitted) accordion

option subject to a condition that the increase of the total commitments as a result of the exercise of the accordion options may not exceed EUR 30.0 million in aggregate. The borrowers have entered into (i) a EUR 1.0 million Ancillary Facility with ING, (ii) a EUR 1.0 million Ancillary Facility with ABN AMRO Bank N.V. and (iii) a EUR 1.0 million Ancillary Facility with Coöperatieve Rabobank U.A.

The facility was established on September 21, 2020 for EUR 80.0 million, replacing previous arrangements for EUR 60.0 million in 2019 (2018: EUR 23.0 million).

The Group is subject to two covenants for its loan facilities. The first covenant requires that the Group maintains a 1.5 to 1 ratio of total senior debt to net worth; senior debt defined as the Total Net Debt after deducting that part of Total Net Debt attributable to subordinated debt and net worth defined as the consolidated Group equity, including retained earnings, preference shares, reserves, and subordinated debt, after deducting intangible assets. The second covenant requires that the Group maintains a "Last Twelve Months Trading" amount higher than EUR 10 million in 2020 and EUR 15 million in 2021. "Last Twelve Months Trading" is defined as the Group's EBITDA minus the Group's CAPEX spending on a trailing twelve months basis. Both covenants are measured on a half-yearly basis in December and June annually.

At December 31, 2020 the first covenant is calculated to be 0.65 (within the covenant requirement) and the second covenant is calculated to be EUR 23.2 million (within the covenant requirement).

If the Group were to fail to comply with the covenants of these loans the arrangement would be cancelable upon demand by the lenders and all outstanding borrowings could be callable by the lenders with immediate effect unless a waiver or other amendment to the agreement is agreed.

For 2020, an amount of EUR 10.2 million (2019: EUR 8.2 million; 2018: EUR 10.0 million) of the bank account has been blocked as coverage of outstanding letter of credit amounts. In addition, an amount of EUR 462 in 2020 (2019: EUR 132; 2018: EUR 132) of the bank account has been blocked as coverage of the outstanding bank guarantee for the rental agreement of the premises as at December 31, 2020 EUR 132 (2019: EUR 132; 2018: EUR 132).

The loan from shareholders consists of three subordinated loans: one from Bijvelds Car Trading B.V. amounting to EUR 900, one from Van der Valk Investments B.V. amounting to EUR 600 and one from ING Corporate Investment Participaties B.V. amounting to EUR 500.

The subordinated loans bear a 7% (annual) interest. Repayment was contractually set for December 31, 2019. However, shareholders mutually agreed to extend the subordinated loans, which were fully repaid to the shareholders in December 2020.

The Group has 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. The Group has reached the conclusion that the difference between the carrying amount of the loan and their fair value is not material.

The following table sets out the reconciliation from the net cash flows from financing activities with the financing positions of loans and borrowings and lease liabilities as at December 31, 2020, 2019 and 2018.

	Debt to credit institutions	RVO Loan	Debt to share-holders	Debts to other related parties	Leases	Cumulative preference shares	Total
Balance as at January 1, 2020	**8,213**	**5,647**	**2,000**	**420**	**1,650**	**-**	**17,930**
Changes from financing cash flows							
Proceeds from issuance of shares	-	-	-	-	-	10,000	10,000
Proceeds from loans & borrowings	33,525	-	-	-	-	-	33,525
Repayment of loans & borrowings	-	(600)	(2,000)	-	-	-	(2,600)
Payment of lease liabilities	-	-	-	-	(457)	-	(457)
Interest paid	(855)	-	(140)	-	-	-	(995)
Total changes from financing cash flows	**32,670**	**(600)**	**(2,140)**	**-**	**(457)**	**10,000**	**39,473**
Other changes							
New leases	-	-	-	-	519	-	519
Interest expense	905	389	140	21	70	400	1,925
Total liability-related other changes	**905**	**389**	**140**	**21**	**589**	**400**	**2,444**
Balance as at December 31, 2020	**41,788**	**5,436**	**-**	**441**	**1,782**	**10,400**	**59,847**

Amounts may not add up due to rounding

	Debt to credit institutions	RVO Loan	Debt to share-holders	Debts to other related parties	Leases	Cumulative preference shares	Total
Balance as at January 1, 2019	**7,514**	**5,993**	**2,035**	**400**	**1,779**	**-**	**17,721**
Changes from financing cash flows							
Proceeds from loans & borrowings	699	-	-	-	-	-	699
Repayment of loans & borrowings	-	(755)	-	-	-	-	(755)
Payment of lease liabilities	-	-	-	-	(304)	-	(304)
Interest paid	(802)	-	(175)	-	-	-	(977)
Total changes from financing cash flows	**(103)**	**(755)**	**(175)**	**-**	**(304)**	**-**	**(1,337)**
Other changes							
New leases	-	-	-	-	112	-	112
Interest expense	802	409	140	20	63	-	1,434
Total liability-related other changes	**802**	**409**	**140**	**20**	**175**	**-**	**1,546**
Balance as at December 31, 2019	**8,213**	**5,647**	**2,000**	**420**	**1,650**	**-**	**17,930**
Balance as at January 1, 2018	2,611	5,601	-	381	-	-	8,593
Changes from financing cash flows							
Proceeds from loans & borrowings	4,903	-	2,000	-	-	-	6,903
Payment of lease liabilities	-	-	-	-	(85)	-	(85)
Interest paid	(97)	-	(28)	-	-	-	(125)
Total changes from financing cash flows	**4,806**	**-**	**1,972**	**-**	**(85)**	**-**	**6,693**
Other changes							
New leases	-	-	-	-	1,825	-	1,825
Interest expense	97	392	63	19	39	-	610

Amounts may not add up due to rounding

Total liability-related other changes	**97**	**392**	**63**	**19**	**1,864**	**-**	**2,435**
Balance as at December 31, 2018	**7,514**	**5,993**	**2,035**	**400**	**1,779**	**-**	**17,721**

20. Leases

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.

Accounting policy – Leases (the Group as a lessee)

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 lease term and tested for impairment whenever events or changes in circumstances indicates that the carrying amount may not be recoverable. Interest on lease liability is recognised as an expense in the statement of profit or loss.

Note – Leases as lessee

Lease liability		**As at December 31, 2020 EUR**	**As at December 31, 2019 EUR**	**As at December 31, 2018 EUR**	**As at January 1, 2018 EUR**
Lease liability (non-current)		1,238	1,355	1,563	-
Lease liability (current)		544	295	216	-
Total		**1,782**	**1,650**	**1,779**	**-**

The Group has several lease agreements in which it acts as a lessee. The main lease concerns a contract for facility space in the Netherlands with a lease term of 5 years. This lease contains an extension period of 5 additional years which the Group is not expected to exercise as at the end of the current reporting period.

The Group also has lease contracts which consist of cars for company personnel. The lease term for the aforementioned lease contracts is 5 years. No lease contracts for the personnel cars contain an extension option.

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:

	Land and buildings	Cars	Total
Cost			
At January 1, 2018	-	-	-
Additions	1,599	227	1,826
At December 31, 2018	1,599	227	1,826
Additions	30	81	111
At December 31, 2019	1,629	308	1,937
Additions	252	267	519
At December 31, 2020	**1,881**	**575**	**2,456**
Depreciation			
At January 1, 2018	-	-	-
Depreciation	175	22	197
At December 31, 2018	175	22	197
Depreciation	302	56	358
At December 31, 2019	477	78	555
Depreciation	363	110	473
At December 31, 2020	**840**	**188**	**1,028**
Net book value			
At January 1, 2018	-	-	-
At December 31, 2018	1,424	205	1,629
At December 31, 2019	1,152	230	1,382
At December 31, 2020	**1,041**	**387**	**1,428**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Lease liability		**2020 EUR**	**2019 EUR**	**2018 EUR**
As at January 1		1,650	1,779	-
Additions		519	113	1,825
Accretion of interest		70	63	39
Payments		(457)	(304)	(85)
As at December 31		**1,782**	**1,650**	**1,779**

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. These include rental of a maintenance garage in Haarlem, expensed due to its short-term nature. The amount of expense incurred in 2020 is EUR 10 (2019: EUR nil; 2018: EUR nil).

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 22 Commitments and contingencies.

For interest expenses on leases where the Group is a lessee, we refer to Note 25: Finance expenses, net.

Amounts may not add up due to rounding

Accounting policy – Leases (the Group as a lessor)

Operating leases

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Group records assets which are leased on an operational basis within Property, Plant and Equipment. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

For subsequent measurement of operating leases, the Group recognises lease income from the lease within the statement of profit or loss. Depreciation and possible impairments are consistent with the Group's policy for similar assets. We refer to the accounting policy for Property, Plant and Equipment.

Finance leases

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. The Group will recognise at initiation a finance lease receivable at the amount equal to the net investment in the lease. This equals the present value of the future minimum lease payments and the residual value, after any accumulated impairment losses. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term.

For subsequent measurement of finance leases, the Group recognises finance income equal to the interest implicit in the lease of the lease receivable, adjusted for any possible impairment. Finance lease income is calculated using the effective interest method.

Impairment requirements are applied to finance lease receivables in accordance with the simplified approach as prescribed in IFRS 9. The loss allowance is measured at lifetime expected credit losses.

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets, including finance lease receivables based on lifetime ECLs at each reporting date.

Note – Group as a lessor

The Group has entered into operating leases on some of its electric buses. At year-end 2020, the Group has no operating lease contracts. The rental income recognised by the Group during the year is presented in the table below.

		2020 EUR	2019 EUR	2018 EUR
Lease income		431	494	215
Total		**431**	**494**	**215**

As of December 31, 2020 no buses were leased to customers. As of December 31, 2019: the carrying value of the four buses leased to customers amounts to EUR 1.2 million. As of December 31, 2018: the carrying value of the one bus leased to a customer amounts EUR 329. When the Group enters into operating lease agreements with its customers, each contract specifies that the buses must be returned to the Group in working condition and any damage to the bus must be repaired prior to the return of the asset to the Group. Any other risks associated with leasing buses to customers are minimal.

Future minimum rentals receivable under non-cancellable operating leases as at December 31 are as follows:

		2020 EUR	2019 EUR	2018 EUR
Within one year		-	422	195
After one year but not more than five years		-	-	130
More than five years		-	-	5
Total		**-**	**422**	**330**

21. Provisions

Accounting policy – 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.

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. The increase in the provision due to passage of time is recognised as interest expense.

Amounts may not add up due to rounding

Note – Provisions

A provision for energy costs invoiced by the landlord of the Deurne office space but disputed by the Group has been booked. The dispute relates to service charges invoiced by the landlord.

Details of the provisions are presented in the table below:

Provisions		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Provisions for energy costs		141	81	21	-
Total		**141**	**81**	**21**	**-**

In May 2021, the Group has reached an agreement with the landlord and settled for an amount of EUR 138.

Significant accounting judgement: Provision for warranties

The Group is 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 sufficient historical information regarding warranty expenses is not available, whether from the Group's experience or based on similar publicly available information from industry peers. The Group does not record a provision for warranty expense.

22. Commitments and contingencies

Purchase commitments

The Group made no commitments for the purchasing of electric buses at December 31, 2020 (2019: EUR 43.0 million; 2018: EUR 16.0 million).

Leasing and rental commitments

The Group entered into a contract to rent extra office space in December 2020. As the commencement date of the updated agreement is February 1, 2021, the related right-of use asset and lease liability in the amount of EUR 1.5 million were only recognised in the balance sheet as from that date.

Other contingencies

The Group has received a loan from the RVO (*Rijksdienst voor Ondernemend Nederland*), a Dutch government agency, for the development of new products (Ebusco 2.0, Ebusco 2.1 and related bus types). For the purpose of obtaining the loan, the Group was required to present a guarantee for the repayment of the loan, which has been provided by one shareholder, Peter Bijvelds. The guarantee is in place until full repayment of the loan, due June 1, 2022.

Other disputes

During December 2020, the Group delivered four buses to a customer, generating revenues for EUR 2.0 million. 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 under dispute and the Group plans to pursue collection of the amount receivable. The outcome is neither probably nor estimable and no significant expected credit loss is recorded.

23. Trade payables and other current financial liabilities

Accounting policy – Financial liabilities (non-derivatives)

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

Note – Financial liabilities (including derivatives)

The breakdown of the trade creditors and other current liabilities is as follows:

Trade payables and other current liabilities		As at December 31, 2020 EUR	As at December 31, 2019 EUR	As at December 31, 2018 EUR	As at January 1, 2018 EUR
Trade payables		6,762	1,485	3,013	912
Pension funds liabilities		3	5	52	-
Taxes and social securities		1,133	2,446	924	66
Other current liabilities		2,196	926	736	272
Total		**10,094**	**4,862**	**4,725**	**1,250**

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 2 months.

24. 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.

Note – Earnings per share

The Group's equity structure is as follows:

– 18,000 ordinary shares A with a nominal value of EUR 1.00;
– 5,999 ordinary shares B with a nominal value of EUR 1.00.

No additional ordinary shares have been issued in 2018, 2019 and 2020.

In order to meet its cash demands in 2016, the Group received an amount of EUR 600 from a private party. In the contractual agreement it is stipulated that the private party has the option to convert the deposit of EUR 600 into 2% of equity stake, as ordinary shares. Consequently, the aforementioned instrument has been considered in the calculations of diluted earnings per share. As no interest expense has been associated with this arrangement, the dilutive effect has been determined only for the weighted average number of ordinary shares.

Share information		2020 EUR	2019 EUR	2018 EUR
Net profit attributable to ordinary shareholders (in euro thousands)		16,659	3,110	(30)

Amounts may not add up due to rounding

Weighted average number of ordinary shares for the period		23,999	23,999	23,999
Dilutive number of shares		480	480	480
Total number of dilutive ordinary shares		24,479	24,479	24,479
Basic earnings per share (in euro's)		694	130	(1)
Dilutive earnings per share (in euro's)		680	127	(1)

25. Finance expenses, net

Accounting policy – Finance income/(expense)

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

Note – Finance income/(expense)

Finance costs		2020 EUR	2019 EUR	2018 EUR
Foreign currency exchange rate results		(114)	(46)	23
Interest and similar expenses		2,040	1,480	588
Gains/(losses) arising on derivatives designated as hedging instruments		(637)	(221)	57
Total		**1,289**	**1,213**	**668**

26. Investment in associate

Accounting policy – Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Note – Investment in associate

The Group has a 20% interest in Pondus Holding B.V., acquired in August 2018, which is involved in the research and production of lightweight composite materials suitable for use in constructing electric zero emission buses. Pondus Holding B.V.'s principal place of business is the Netherlands.

The Group is the sole customer of Pondus Holding B.V. and the CEO of the Group, Peter Bijvelds, also serves as the CEO of Pondus Holding B.V. Although the board of Pondus includes the Company's CEO, the shareholders of Pondus can appoint and dismiss the board of Pondus and therefore the shareholders have an indirect right to direct the distribution of the returns and change the statutes of Pondus. Furthermore, for all major decisions, Pondus' CEO needs to receive approval from the shareholders, of which the Group's share consists of a minority interest of 20%. Consequently, the Group has significant influence over Pondus Holding B.V., but no control.

Pondus Holding B.V. is a private entity that is not listed on any public exchange. The Group's interest in Pondus Holding B.V. is accounted for using the equity method in the consolidated financial statements. The nature of business of the associate remains stable and consistent for all periods presented and the Group determines there is minimal risk associated with this investment.

	2020 EUR	**2019 EUR**	**2018 EUR**
Book value as at January 1	135	224	-
Movements			
Investments	-	-	250
Result for financial year	(112)	(89)	(26)
Book value as at December 31	**23**	**135**	**224**

The Group has not incurred any contingent liabilities relating to its interests in Pondus Holding B.V. Van Der Valk Investments B.V., one of the Group's largest shareholders, retains a 20% stake in Pondus Holding B.V.

Based on the carrying amount of the equity investment in this associate the Group has determined this associate is not material. The Group's share of the aggregate loss from continuing operations of its associate was EUR 112 for the year ended December 31, 2020 (December 31, 2019: EUR 89; December 31, 2018: EUR 26).

Amounts may not add up due to rounding

27. First time adoption

Accounting policy – First time adoption

These financial statements, for the year ended December 31, 2020, are the first the Group has prepared in accordance with IFRS as issued by the European Union. For the year ended December 31, 2019, the Group prepared its financial statements in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch GAAP ("DAS"), as published by the Dutch Accounting Standards Board (*Raad voor de Jaarverslaggeving*).

In preparing the financial statements, the Group's opening statement of financial position was prepared as per January 1, 2018, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Dutch GAAP financial statements including the Statement of Financial Position as per January 1, 2018, December 31, 2018 and December 31, 2019 and the Statement of Profit or Loss and Statement of Cash Flows for the years ended December 31, 2018 and December 31, 2019.

Note – First time adoption

Refer to the following reconciliation tables.

27.1. Group reconciliation of statement of financial position as at January 1, 2018

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Assets							
Non-current assets							
Property, plant and equipment		1,513	*A*	1,042		-	2,555
Intangible assets		8,613	*B*	(1,456)		-	7,157
Deferred tax assets		-	*C*	1,565	*II*	20	1,585
Non-current financial assets		-		56		-	56
		10,126		**1,207**		**20**	**11,353**
Current assets							
Inventories		48		-		-	48
Trade receivables		4,888	*D*	(339)		-	4,549
Receivables from related parties		12		-		-	12
Contract assets		2,132	*E*	(1,696)	*III*	70	506
Other current financial assets		276		(38)		-	238
Cash and cash equivalents		1,701		32		-	1,733
		9,057		**(2,041)**		**70**	**7,086**
Total assets		**19,183**		**(834)**		**90**	**18,439**
Equity and liabilities							
Equity							
Share capital		24		-		-	24
Share premium		12,630		-		-	12,630
Legal reserves		8,613	*F*	(1,522)		(161)	6,930
Retained earnings		(12,471)		1,381		102	(10,988)
Total equity		**8,796**		**(141)**		**(59)**	**8,596**
Non-current liabilities							
Loans and borrowings		5,601	*G*	(984)		-	4,617
Provisions		136		(136)		-	-
		5,737		**(1,120)**		**-**	**4,617**

Amounts may not add up due to rounding

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Current liabilities							
Loans and Borrowings		-	*H*	3,906		70	3,976
Trade payables		3,472	*I*	(2,560)		-	912
Payables to related parties		981	*J*	(981)		-	-
Other current liabilities		197	*K*	62		79	338
		4,650		**427**		**149**	**5,226**
Total liabilities		**10,387**		**(693)**		**149**	**9,841**
Total equity and liabilities		**19,183**		**(834)**		**90**	**18,439**

Amounts may not add up due to rounding

27.2. Group reconciliation of financial position as at December 31, 2018

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Assets							
Non-current assets							
Property, plant and equipment		4,241	*A*	(199)		(74)	3,968
Right-of-use assets		-		-	*I*	1,629	1,629
Intangible assets		8,601	*B*	(2,802)		(235)	5,564
Deferred tax assets		737	*C*	632	*II*	4	1,373
Investments in associates		15		(15)		224	224
Non-current financial assets		-		56		-	56
		13,594		**(2,328)**		**1,548**	**12,814**
Current assets							
Inventories		1,184		(66)		-	1,118
Trade receivables		1,711	*D*	(639)		-	1,072
Receivables from related parties		2		-		-	2
Contract assets		6,498	*E*	228	*III*	(30)	6,696
Other current financial assets		134		25		106	265
Cash and cash equivalents		9,300		-		-	9,300
		18,829		**(452)**		**76**	**18,453**
Total assets		**32,423**		**(2,780)**		**1,624**	**31,267**
Equity and liabilities							
Equity							
Share capital		24		-		-	24
Share premium		12,630		-		-	12,630
Legal reserves		8,367	*F*	(2,922)		21	5,466
Retained earnings		(9,986)		651		(37)	(9,372)
Total equity		**11,035**		**(2,271)**		**(16)**	**8,748**

Amounts may not add up due to rounding

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Non-current liabilities							
Loans and borrowings		3,718	*G*	855		-	4,573
Provisions		26		7		(12)	21
Non-current lease liabilities		74		-		1,489	1,563
		3,818		862		1,477	6,157
Current liabilities							
Loans and borrowings		11,843	*H*	(421)		(53)	11,369
Trade payables		1,405	*I*	1,608		-	3,013
Payables to related parties		452	*J*	(400)		-	52
Other current liabilities		3,870	*K*	(2,158)		-	1,712
Current lease liabilities		-		-		216	216
		17,570		**(1,371)**		**163**	**16,362**
Total liabilities		**21,388**		**(509)**		**1,640**	**22,519**
Total equity and liabilities		**32,423**		**(2,780)**		**1,624**	**31,267**

Amounts may not add up due to rounding

27.3. Group reconciliation of comprehensive income for the period ended December 31, 2018

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Revenue		20,383	*M*	856	*V*	118	21,357
Cost of materials		(14,167)	*N*	279		(95)	(13,983)
Employee benefit expenses		(1,653)	*O*	(245)		-	(1,898)
Amortisation and depreciation expenses		(794)	*P*	(1,406)		(197)	(2,397)
Other operational expenses		(2,289)		(54)		85	(2,258)
Total operational expenses		**(18,903)**		**(1,426)**		**(207)**	**(20,536)**
Operating profit		**1,480**		**(570)**		**(89)**	**821**
Finance expenses, net		(571)		-		(97)	(668)
Share of loss of an associate		-		(26)		-	(26)
Profit before tax		**909**		**(596)**		**(186)**	**127**
Income tax credit/(expense)		731		(934)		46	(157)
Profit for the year		**1,640**		**(1,530)**		**(140)**	**(30)**

Amounts may not add up due to rounding

27.4. Group reconciliation of cash flows as at December 31, 2018

		DAS	Correction of errors	Remeasurements and Reclassifications	IFRS
Cash flows from operating activities					
Profit/(Loss) before tax		-	-	127	127
Operating result		1,480	-	(1,480)	-
Non-cash adjustments:					
Amortisation and depreciation		794	1,406	197	2,397
Additions to/(Releases from) provisions		(111)	132	-	21
Finance expenses, net		-	-	668	668
Share of results of an associate		-	26	-	26
Movements in working capital:					
Inventories		(1,136)	66	-	(1,070)
Receivables		(1,034)	(1,713)	124	(2,623)
Payables		1,674	1,931	(24)	3,581
Cash generated from Operations		**1,667**	**1,822**	**(362)**	**3,127**
Income tax paid		(6)	-	-	(6)
Net cash flows from operating activities		**1,661**	**1,822**	**(362)**	**3,121**
Cash flows from investment activities					
Investments in tangible assets		(3,157)	1,329	-	(1,828)
Investments in intangible assets		(118)	(74)	23	(169)
Investments in associate companies		(250)	-	-	(250)
Net cash flows from investment activities		**(3,525)**	**1,255**	**23**	**(2,247)**
Cash flows from financing activities					
Proceeds from/(Repayments of) borrowings		9,642	(2,615)	(124)	6,903
Payment of principal portion of lease		-	-	(85)	(85)
Interest paid		(179)	54	-	(125)
Net cash flow from financing activities		**9,463**	**(2,561)**	**(209)**	**6,693**

Amounts may not add up due to rounding

		DAS	Correction of errors	Remeasurements and Reclassifications	IFRS
(Decrease)/Increase in Cash and cash		**7,599**	**516**	**(548)**	**7,567**
Exchange losses/gains on cash, cash equivalents and bank overdrafts		-	-	-	-
Cash and cash equivalents at January 1		1,701	-	32	1,733
Cash and cash equivalents at December 31		**9,300**	**516**	**(516)**	**9,300**

Amounts may not add up due to rounding

27.5. Group reconciliation of statement of financial position as at December 31, 2019

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Assets							
Non-current assets							
Property, plant and equipment		3,055	*A*	(246)		(58)	2,751
Right-of-use assets		-		-	*I*	1,382	1,382
Intangible assets		7,921	*B*	(3,861)		(212)	3,848
Deferred tax assets		-	*C*	798	*II*	(51)	747
Investments in associates		-		-		135	135
Non-current financial assets		53		56		-	109
		11,029		**(3,253)**		**1,196**	**8,972**
Current assets							
Inventories		2,753		(66)		-	2,687
Trade receivables		12,389		-		-	12,389
Receivables from related parties		747		47		-	794
Contract assets		6,501		-	*III*	205	6,706
Other current financial assets		537		(56)		432	913
Cash and cash equivalents		2,810		-		-	2,810
		25,737		**(75)**		**637**	**26,299**
Total assets		**36,766**		**(3,328)**		**1,833**	**35,271**
Equity and liabilities							
Equity							
Share capital		24		-		-	24
Share premium		12,630		-		-	12,630
Legal reserves		7,591	*F*	(3,900)		100	3,791
Retained earnings		(5,005)		421		76	(4,508)
Total equity		**15,240**		**(3,479)**		**176**	**11,937**

Amounts may not add up due to rounding

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Non-current liabilities							
Loans and borrowings		5,046	*G*	(180)		-	4,866
Provisions		86		96		(101)	81
Non-current lease liabilities		52		-		1,303	1,355
		5,184		**(84)**		**1,202**	**6,302**
Current liabilities							
Loans and borrowings		10,654		600		160	11,814
Trade payables		1,485		-		-	1,485
Payables to related parties		429	*J*	(420)			9
Other current liabilities		3,065	*K*	312		-	3,377
Current lease liabilities		-		-		295	295
Income tax payable		709	*L*	(257)		-	452
		16,342		**235**		**455**	**17,032**
Total liabilities		**21,526**		**151**		**1,657**	**23,334**
Total equity and liabilities		**36,766**		**(3,328)**		**1,833**	**35,271**

Amounts may not add up due to rounding

27.6. Group reconciliation of statement of profit or loss for the period ended December 31, 2019

		DAS	Notes 27.8	Correction of errors	Notes 27.8	Remeasurements and Reclassifications	IFRS
Revenue		49,217	*M*	(331)	*V*	38	48,924
Cost of materials		(32,035)	*N*	(79)		(25)	(32,139)
Employee benefit expenses		(3,526)	*O*	(77)		-	(3,603)
Amortisation and depreciation expenses		(2,056)	*P*	(937)		(319)	(3,312)
Other operational expenses		(4,515)		(181)		289	(4,407)
Total operational expenses		**(42,132)**		**(1,274)**		**(55)**	**(43,461)**
Operating profit		**7,085**		**(1,605)**		**(17)**	**5,463**
Finance expenses, net		(1,373)		-		160	(1,213)
Share of loss of an associate		(62)		(27)		-	(89)
Profit before tax		**5,650**		**(1,632)**		**143**	**4,161**
Income tax credit/(expense)		(1,445)		424		(30)	(1,051)
Profit for the year		**4,205**		**(1,208)**		**113**	**3,110**

Amounts may not add up due to rounding

27.7. Group reconciliation of cash flows for the period ended December 31, 2019

		DAS	Correction of errors	Remeasurements and Reclassifications	IFRS
Cash flows from operating activities					
Profit/(Loss) before tax		-	-	4,161	4,161
Operating result		7,085	-	(7,085)	-
Non-cash adjustments:					
Amortisation and depreciation expenses		2,056	937	319	3,312
Loss on disposal of property, plant and equipment		-	-	168	168
Additions to/(Releases from) provisions		60	-	-	60
Finance expenses, net		-	-	1,213	1,213
Share of results of an associate		-	-	89	89
Movements in working capital:					
Inventories		(1,569)	-	-	(1,569)
Receivables		(11,929)	(543)	(12)	(12,484)
Payables		(746)	838	-	92
Cash generated from Operations		**(5,043)**	**1,232**	**(1,147)**	**(4,958)**
Income tax paid		(1)	-	-	(1)
Net cash flows from operating activities		**(5,044)**	**1,232**	**(1,147)**	**(4,959)**
Cash flows from investment activities					
Investments in tangible assets		(243)	(74)	11	(306)
Investments in intangible assets		(171)	74	(15)	(112)
Proceeds from tangible fixed assets		224	-	-	224
Net cash flows (used in)/from investment activities		**(190)**	**-**	**(4)**	**(194)**

Amounts may not add up due to rounding

		DAS	Correction of errors	Remeasurements and Reclassifications	IFRS
Cash flows from financing activities					
Proceeds from/(Repayments of) borrowings		(291)	-	235	(56)
Payment of principal portion of lease		-	-	(304)	(304)
Interest paid		(965)	(12)	-	(977)
Net cash flow from financing activities		**(1,256)**	**(12)**	**(69)**	**(1,337)**
(Decrease)/Increase in Cash and cash		**(6,490)**	**1,220**	**(1,220)**	**(6,490)**
Exchange losses/gains on cash, cash equivalents and bank overdrafts		-	-	-	-
Cash and cash equivalents at January 1		9,300	-	-	9,300
Cash and cash equivalents at December 31		**2,810**	**1,220**	**(1,220)**	**2,810**

For the year ended December 31, 2020 the financial statements were prepared solely under IFRS. The Group did not prepare financial statements under Dutch GAAP for this period.

27.8. Notes to the reconciliation of statement of financial position as at January 1, 2018, December 31, 2018 and December 31, 2019 and statement of profit or loss for the years ended December 31, 2018 and December 31, 2019

Corrections of errors

A. Property, plant and equipment

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification from contract assets	1,246	-	(190)
[b]	All other adjustments	(205)	(199)	(55)
		1,042	**(199)**	**(245)**

[a] The Company had accounted for a demonstration bus as a work-in-progress contract asset. As this asset was meant to be a demonstration bus for the use of the Group, the amount was reclassifed as a transportation asset. The Group also recorded a revision to depreciation expense related to this asset.

[b] The remaining entries are due to reassessment and adjustment of depreciation expenses and reclassification of software as an intangible asset.

Amounts may not add up due to rounding

B. Intangible assets

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Amortisation of development assets	(1,522)	(2,921)	(3,900)
[b]	Reclassification of software from property, plant and equipment	66	119	39
		(1,457)	**(2,802)**	**(3,861)**

[a] The Group previously amortized its development assets on a units-of-production basis. The Group changed its amortization to a straight-line method. [b] The remaining entries are due to reassessment and adjustment of depreciation expenses and reclassification of software as an intangible asset.

[b] The Group had previously classified software as a tangible fixed asset as part of property, plant and equipment; this balance was reclassified as an intangible asset.

C. Deferred tax assets

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Recognition of tax asset from carry-forward losses	970	-	-
[b]	Timing differences	596	631	798
		1,566	**631**	**798**

[a] The Group revised its assessment of its previous losses as realizable to offset future profits and recognized a deferred tax asset.

[b] The Group recorded the tax effect of all other corrections and revisions recorded for the periods presented.

D. Trade receivables

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Adjustment due to penalty	(300)	(426)	-
[b]	Elimination of intercompany receivable	-	(157)	-
[c]	All other adjustments	(39)	(56)	-
		(339)	**(639)**	**-**

[a] A customer of the Group was entitled to receive a penalty due to late delivery of buses by the Group. The payable for this penalty was offset against receivables due from this customer.

[b] An amount due from a wholly-owned subsidiary of the Group was classified as a receivable; this amount was derecognized and eliminated.

[c] The remaining entries are balance sheet reclassifications, including reclassifications from short to long term receivables.

Amounts may not add up due to rounding

E. Contract assets

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification from contract assets	(1,246)	-	-
[b]	Adjustment to percentage of completion for a customer contract	(578)	331	-
[c]	All other adjustments	127	(102)	-
		(1,697)	**229**	**-**

[a] The Company had previously accounted for a demonstration bus as a work-in-progress contract asset. As this asset was meant to be a demonstration bus for the use of the Group, the amount was reclassified as a transportation asset.

[b] For a specific customer contract the Group reassessed its percentage of completion and the contract asset for this contract was revised to reflect this reassessment.

[c] The remaining entries represent reclassifications from work-in-progress to receivables and the effect of adjustments to certain projects' percentage of completion.

F. Legal reserves

Legal reserves represent undistributable earnings associated with the value of internally developed assets; these reserves are adjusted by the amount of additional amortization of development assets (refer also to B above).

G. Non-current loans and borrowings

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification of related party loan from current to non-current liabilities	381	400	420
[b]	Reclassification of RVO loan from current to non-current liabilities (relief)	(1,365)	455	(600)
		(984)	**855**	**(180)**

[a] A loan made by a shareholder was previously classified as current. Upon review of the terms of the loan the Group reclassified the loan as non-current.

[b] The Group previously received a loan from the Dutch government. The group re-assessed the classification of this loan and concluded on an adjustment for this loan between non-current and current liabilities.

H. Current loans and borrowings

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification from trade payables to debts to credit institutions	2,541	-	-
[b]	Reclassification of RVO loan from current to non-current liabilities (relief)	1,365	(455)	600
[c]	All other adjustments	-	34	-
		3,906	**(421)**	**600**

[a] Amounts recorded as trade payables were reclassified as debts to credit institutions.

[b] The Group previously received a loan from the Dutch government. The group re-assessed the classification of this loan and concluded on an adjustment for this loan between non-current and current liabilities.

Amounts may not add up due to rounding

[c] Remaining entries relate to reclassification of accrued interest.

I. Trade payables

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification from trade payables to debts to credit institutions	(2,541)	-	-
[b]	Adjustment due to penalty	-	(426)	-
[c]	Reclassification of other current liabilities to trade payables	-	2,432	-
[d]	All other adjustments	(19)	(398)	-
		(2,560)	**1,608**	**-**

[a] Amounts recorded as trade payables were reclassified as debts to credit institutions.

[b] A customer of the Group was entitled to receive a penalty due to late delivery of buses by the Group. The payable for this penalty was offset against receivables due from this customer.

[c] The Group previously recorded invoices received from a supplier as other current liabilities, this balance was reclassified as a trade payable.

[d] Remaining entries relate to cutoff corrections, VAT corrections, and corrections for items inappropriately classified as work-in-progress.

J. Payables to related parties

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassifiation of convertible loan to equity	(600)	-	-
[b]	Reclassification of related party loan from current to non-current liabilities	(381)	(400)	(420)
		(981)	**(400)**	**(420)**

[a] The Group reclassified an amount received from an outside party from a debt instrument to an equity instrument due to the nature of the arrangement.

[b] A loan made by a shareholder was previously classified as current. Upon review of the terms of the loan the Group reclassified the loan as non-current.

K. Other current liabilities

		January 1, 2018	December 31, 2018	December 31, 2019
[a]	Reclassification of other current liabilities to trade payables	-	(2,432)	-
[b]	All other adjustments	62	273	-
		62	**(2,159)**	**-**

[a] The Group previously recorded invoices received from a supplier as other current liabilities, this balance was reclassified as a trade payable.

[b] Remaining entries relate to revised amounts for a government subsidy, revisions to holiday accruals, elimination of intercompany balances, corrections to operating expenses, and reclassification of accrued interest expense.

Amounts may not add up due to rounding

L. Corporate income tax payable

The Group revised its corporate income tax payable based on its subsequently-received income tax return for the year 2019.

M. Revenue

		Year 2018	Year 2019
[a]	Adjustment due to penalty	450	-
[b]	Adjustment to percentage of completion of customer contracts	381	(331)
[c]	All other	25	-
		856	**(331)**

[a] A customer of the Group was entitled to receive a penalty due to late delivery of buses by the Group. The Group reduced the amount of revenue recognized to the extent of the penalty incurred.

[b] The Group revised revenue upon revision of its estimate of percentage completion of certain of its customer contracts.

[c] Other entries relate to reclassification of lease revenue.

N. Cost of materials

		Year 2018	Year 2019
[a]	Adjustment to percentage of completion of certain customer contracts	436	-
[b]	All other	(157)	(78)
		279	**(78)**

[a] The Group revised cost of materials upon revision of its estimate of percentage completion of certain of its customer contracts.

[b] Other entries relate to reversals of provisions and reclassification to lease revenue.

O. Employee benefit expenses

		Year 2018	Year 2019
[a]	Understated holiday & overtime accrual	(87)	(105)
[b]	Revision to pension accrual	(89)	27
[c]	Adjustment to subsidy	(70)	-
		(246)	**(78)**

[a] The Group revised its accruals (and corresponding expenses) for holiday and overtime expense, inclusive of social security costs.

[b] The Group revised its accruals for pension expense.

[c] The Group receives research & development grants from the Dutch government; the Group revised the amount of subsidy due.

Amounts may not add up due to rounding

P. Amortisation

		Year 2018	Year 2019
[a]	Revised amortisation of development assets	(1,399)	(979)
[b]	All other	(21)	(6)
		(1,420)	**(985)**

[a] The Group previously amortized its development assets on a units-of-production basis. The Group changed its amortization to a straight-line method.

[b] Other entries relate to reclassification of software from property, plant and equipment.

Remeasurements

I. Leases

In the financial statements prepared under DAS, the expenses resulting from lease agreements in which the Group acts as a lessee were expensed in the statement of profit or loss and other comprehensive income ('Other operational expenses'). Under IFRS the leased assets are held by the Group as a ROU asset with a corresponding lease liability. Amortization of the lease liability and interest payments are shown in the relevant line items on the statement of profit or loss and other comprehensive income. At the date of transition to IFRS, the Group did not have any leases. As at December 31, 2019, the Group recognised an increase of EUR 1,598 (December 31, 2018: EUR 1,705) of lease liabilities included under interest-bearing loans and borrowings and EUR 1,382 (31 December 2018: EUR 1,629) of right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Under Dutch GAAP, assets held under finance leases are capitalised and included in property, plant and equipment. Under IFRS, they are presented in right-of-use assets. At the date of transition to IFRS, there was no reclassification from property, plant and equipment to right-of-use assets. Additionally, depreciation increased by EUR 313 and finance costs increased by EUR 102 for the year ended December 31, 2019. The change in accounting had an impact on the cash flow statement as the principal portion of lease payment liabilities is presented as a cash flow from financing activities. Under DAS the expenses are included in the operating cash flows.

II. Deferred tax assets

The various transitional adjustments resulted in various temporary differences. According to the accounting policies in Note 8, the Group has to recognise the tax effects of such differences. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity.

The deferred tax positions of the Group are mainly related to the Right-of-use asset and Lease liability positions resulting from the application of IFRS 16, amortization pattern of intangibles assets and derivative positions resulting from the application of hedge accounting.

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 ones recognized in the income statement refer to lease balances and intangible assets amortization.

III. Contract assets

Under Dutch GAAP, the Group recognised trade receivables, even if the receipt of the total consideration was conditional on successful completion of installation services. Under IFRS, any earned consideration that is conditional should be recognised as a contract asset rather than a receivable. Therefore, Group reclassified from trade receivables to contract assets.

IV. Financial instruments – hedge accounting

In the financial statements prepared under DAS, the Group did not apply hedge accounting. As part of the first-time adoption of IFRS, the Group applied the mandatory exemptions required in IFRS 1. All derivatives were measured at fair value and there were no deferred gains or losses to treat as assets or liabilities. The Group uses derivative financial instruments, such as forward currency contracts and FX swaps to hedge its foreign currency risks (as outlined in Note 13.1). Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

V. Revenue

In the financial statements prepared under DAS, the Group has recognised revenue from the sale of zero emission buses in the period that the service is rendered by reference to the stage of completion. For the other goods and services, revenue recognition focuses on transactions and events involving the sale of goods and the rendering of services instead of arising from contracts with customers. Revenue is recognised when the entity has transferred significant risks and rewards of ownership to the buyer. Under this approach revenue is typically recognised at a point in time when risks and rewards pass rather than when control transfers.

Under 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 Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. If a contract involves several performance obligations, revenue is separately attributed to the performance obligations based on relative stand-alone selling prices. The group estimates the stand-alone selling prices of the supply of zero emission buses on the basis of the expected cost plus an appropriate margin. The stand-alone selling prices for the remaining performance obligations are estimated on the basis of the price that customers would be prepared to pay in the market for those goods or services. The Group recognises revenue from the performance obligation for the supply of zero emission buses based on the stage of completion. For the other goods or services 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.

Under DAS, the Group did not separate the different performance obligations and accounted for the difference in overtime versus point in time. As a result of application of IFRS, the Group has recorded an increase in revenue of EUR 38 and a respective increase in cost of materials of EUR 25 for the year ended December 31, 2019 (December 31, 2018: EUR 118 increase in revenue and EUR 95 increase in cost of materials).

28. Standards issued not yet adopted

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

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after January 1, 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after January 1, 2023, but not yet endorsed in the EU)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable for annual periods beginning on or after January 1, 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (applicable for annual periods beginning on or after January 1, 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 January 1, 2023, but not yet endorsed in the EU)

- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after January 1, 2022, but not yet endorsed in the EU)

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.

29. Events after the balance sheet date

Pondus acquisition

On April 19, 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's 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.

This consideration to be transferred includes the following:

- EUR 16.6 million (the initial purchase price) will be payable by the Purchaser on completion of the acquisition;
- EUR 5.0 million (the deferred purchase price) of contingent consideration will be payable by the Purchaser dependent upon:
    - an initial public offering ("IPO") with a minimum net proceeds of EUR 250 million for the Group;
    - a sale (including via a Special Purpose Acquisition Company) of the Group with a minimum valuation of EUR 250 million.
- EUR 0.75 million (earn out) of contingent consideration if the IPO or sale of the Group is affected before December 31, 2022.

At the acquisition date, the fair value of the contingent consideration was estimated to be EUR 5.75 million. The Group considers the IPO a probable event within the next three months. Considering the short period of time, the amounts have not been discounted.

The preliminary purchase price allocation is as follows:

	Fair value of identifiable net assets
Non-current assets	
Property, plant and equipment	1,473
Intangible assets	3,872
Non-current financial assets	54
Total non-current assets	**5,398**
Net working capital	
Receivables from related parties	1,605
Other current assets	1
Creditors	(363)
Payables to related parties	(1,544)
Taxes	(1)
Other current liabilities	(45)
Total net working capital	**(348)**
Loans and borrowings	**(7,469)**
Cash and cash equivalents	**6**
Subtotal identifiable net assets acquired at fair value	**(2,413)**
Fair value of non-controlling interest	7,247
Fair value of previously held equity	7,450
Fair value of consideration transferred	22,350
Subtotal consideration transferred	**37,047**
Goodwill arising on acquisition	**39,460**

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.

Prior to the acquisition date, the carrying value of the Group's 20% interest in Pondus was immaterial (EUR 23). The Group will recognise a gain of EUR 7.4 million as a result of remeasuring the carrying amount of its 'Investment in associates' at fair value. The Group will recognise a legal reserve for the remeasurement gain.

The Group has elected to measure the non-controlling interest in Pondus at fair value; non-controlling interest is determined based on Pondus' full amount of goodwill. As a result, the value of the non-controlling interest is EUR 7.2 million.

No (material) transaction costs have been incurred.

ING Credit Agreement

On April 15, 2021, the Group and ING Corporate Investments Mezzanine Fonds B.V. (as lender) entered into an EUR 32.5 million credit agreement.

Amounts may not add up due to rounding

The loan under the ING Credit Agreement may be utilised only for the following:

- The acquisition of 60% of the shares in Pondus by Ebusco Holding B.V.;
- Repayment of the existing financial indebtedness of Pondus;
- Financing of the costs involved in the run-up to a potential listing or private placement of shares of Ebusco Holding B.V.;
- Financing of initial investments for the realisation of the Group's roll-out plan; and
- Working capital financing required by the Group and not covered by the Facilities Agreement.

The interest rate for the ING Credit Agreement is equal to (i) 3.50% per annum until July 15, 2021, (ii) 4.00% per annum from July 15, 2021 to October 15, 2021 and (iii) 4.50% per annum from October 15, 2021 until the maturity date (March 15, 2022). Management plans to repay this loan with proceeds to be generated by the initial public offering ("IPO"). An IPO that will generate sufficient funds before the maturity date is therefore important to timely repay this loan.

Settlement of equity / debt instrument

As of April 11, 2021, the Group has entered into an agreement with an external investor for the settlement of the outstanding arrangement which was originally classified as an equity instrument. To settle the arrangement the Group will pay cash of EUR 800 to settle the arrangement.

Compliance with and amendments to covenants

The Group was in breach of one of its covenants at the measurement period of June 2021, under the terms of its original covenant agreements; refer to the Liquidity and risk management section in Note 3 for further discussion. Due to this breach of the covenant clause, the lender is contractually entitled to demand immediate repayment of the outstanding loan amounts. To mitigate the risk of immediate repayment, the lenders have agreed a temporary waiver related to the "Last Twelve Months Trading" for Q2-2021. In addition, a holiday for adjusted EBITDA for Q3-2021 has been agreed, as the "Last Twelve Months Trading" is at risk.

On July 15, 2021 the Group agreed and amended its covenant agreements with the lenders of its loan facilities. The Group agreed to the following amendments to the agreements with its lenders:

- For a temporary holiday period of Q1 2022-Q3 2022, the Group is exempt from its covenant to maintain a senior debt to net worth ratio which shall not exceed 1.50:1.00 (though, as per the contract, covenants are measured at the end of Q2 and Q4 only). Outside of this period the original covenant is effective. More specifically, as of Q4-2022 the original covenant becomes effective again.
- For the period Q4 2021 through Q3 2022, the Last Twelve Months Trading amount higher than EUR (2.5) million. More specifically, as of Q4-2022 the original covenant becomes effective again.
- The Group's repayment terms are extended for the next 50 buses produced by the Group from the normal 180 days to 240 days.

As consideration for these amendments the Group agreed to pay an immaterial amount of consideration. Besides the amendments stated above, no other amendments were made to the agreement.

Management plans to repay its loan facility with proceeds to be generated by the IPO. An IPO will generate sufficient funds for the Group to repay its current loan facilities and enter into a new loan facility, if required.

Based on these amendments the Group expects to continue with sufficient liquidity and continue to operate as a going concern.

Issuance of ordinary shares

On May 28, 2021, the Group issued at par value 15,750 ordinary shares A and 5,250 ordinary shares B to its existing shareholders. The shares have been distributed as follows:

- 9,450 ordinary shares A to Peter Bijvelds Holding Erp B.V having a nominal value of EUR 1 and an issue price of EUR 1;
- 6,300 ordinary shares A to Van Der Valk Investments B.V. having a nominal value of EUR 1 and an issue price of EUR 1;
- 5,250 ordinary shares B to ING Corporate Investments Participaties B.V. having a nominal value of EUR 1 and an issue price of EUR 1.

Considering that the par value of the shares is equal to the issue price, no share premium has been recorded. The shares are issued at par and satisfied at the expense of the general share premium reserve.

Subsequent to the share issuance, the shareholders have retained the same equity stake in the Group as presented in Note 17 - Group equity.

Signing of the Special Purpose Consolidated Financial Statements

Deurne, September 13, 2021

Board of Management

signed by P.H.A.M. Bijvelds | signed by P. Van Beers

Other information - Independent auditor's report

To: the shareholders and management board of Ebusco Holding B.V.

Our qualified opinion

We have audited the special purpose consolidated financial statements of Ebusco Holding B.V. (the Company), based in Deurne, the Netherlands.

In our opinion, except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying special purpose consolidated financial statements give a true and fair view of the financial position of Ebusco Holding B.V. as at December 31, 2020, December 31, 2019 and December 31, 2018, and of its result and its cash flows for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

The special purpose consolidated financial statements comprise:

– the consolidated statement of financial position as at December 31, 2020, December 31, 2019, December 31, 2018 and January 1, 2018
– the following statements for the years ended December 31, 2020, December 31, 2019 and December 31, 2018: the consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity
– the notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our qualified opinion

The Company was incorporated on July 18, 2019 and acquired Ebusco B.V. in September 2019. The Company applied the pooling of interest method and the results of Ebusco B.V. are included in the special purpose consolidated financial statements of the Company as of January 1, 2018.

We have been appointed as the auditor of Ebusco Holding B.V. on November 22, 2019. Therefore, we were not able to attend the physical observation of the inventories per January 1, 2018 and December 31, 2018. It has not been possible to obtain sufficient and appropriate audit evidence on the existence of the inventories as of January 1, 2018 and December 31, 2018 in any other way. These inventories are included in the consolidated statement of financial position as at January 1, 2018 for EUR 48 and as at December 31, 2018 for EUR 1,118 in the line item "Inventories" and have an impact on the determination of the "Cost of materials" and therefore the Company's result. As a result of the aforementioned circumstances, we were unable to determine whether any adjustments were necessary with respect to the results for the years ended December 31, 2018 and December 31, 2019 and the opening balance of retained earnings for the year ended December 31, 2020 as well as the retained earnings as at December 31, 2018 and December 31, 2019.

Our opinion on the special purpose consolidated financial statements for the year ended December 31, 2020 is also modified because of the possible effect of above matter on the comparability of these figures for the year ended December 31, 2020 and the corresponding figures for the years ended December 31, 2019 and December 31, 2018.

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 special purpose consolidated financial statements" section of our report.

We are independent of Ebusco Holding B.V. in accordance with 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 qualified opinion.

Emphasis on the special purpose and restriction on use

We draw attention to note 1, which describes the special purpose of the special purpose consolidated financial statements. The special purpose consolidated financial statements do not represent Ebusco Holding B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including these in the prospectus in connection with the initial public offering and admission to listing and trading on Euronext Amsterdam in order to comply with the requirements for historical financial information by, or pursuant to, Regulation (EU) 2017/1129). As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our independent auditor's report is required by the Commission Delegated Regulation (EU) 2019/980 and is issued for the purpose of complying with that Delegated Regulation. Therefore, our auditor's report should not be used for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter with respect to the Company's financing

We draw attention to the paragraphs Covid-19 impact on business, Liquidity and risk management and Going concern in the disclosure note 3 Basis of Preparation to the financial statements which indicates, among other things, that an IPO that will generate sufficient funds before the maturity date of the EUR 32.5 million credit facility is an important prerequisite to timely repay the new ING Credit Agreement. Management is comfortable that an IPO will be successful, and therefore will generate sufficient funds before the maturity date. In addition, management is comfortable that in the unforeseen event that an IPO will not be successful, that they can successfully refinance this credit facility with the ongoing support of the current shareholders and/or lenders. Our opinion is not modified in respect of this matter.

Responsibilities of the management board for the special purpose consolidated financial statements

The management board is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with EU-IFRS. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the special purpose consolidated 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 special purpose consolidated 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 special purpose consolidated financial statements.

Our responsibilities for the audit of the special purpose consolidated 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 special purpose consolidated 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. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the special purpose consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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
- 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
- Concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a 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 special purpose consolidated 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
- Evaluating the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures
- Evaluating whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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.

We communicate with the management 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.

Eindhoven, September 13, 2021

Ernst & Young Accountants LLP

signed by J.C.F. Lemmens

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