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

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Semi-annual Management Board Report

This report contains the semi-annual financial report of Ebusco Holding N.V. ("Ebusco" or "The Group" or "The Company"), a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam. The headquarters and registered office of the Company are located at Vuurijzer 23, 5753 SV Deurne, the Netherlands.

The interim condensed consolidated financial statements for the six months ended 30 June 2024 consists of the interim condensed consolidated financial statements, the management board report and responsibility statement by the Company's management board. The information in this semi-annual report has not been audited or reviewed by an external auditor.

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

Performance

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

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

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

Risk management

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

Deurne, 31 July 2024

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

J.I. Jongma
Chief Financial Officer

R.P.A. Dogge
Chief Operating Officer

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

(In thousands of euro)

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

Condensed Consolidated Statement of Financial Position

As at 30 June 2024 and 31 December 2023

(In thousands of euro)

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

Condensed Consolidated Statement of Changes in Equity

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

In thousands of euro	Equity attributable to equity holders of the Group							Non-controlling interests	Total Equity
	Share capital	Share premium	Translation reserve	Cash flow hedge reserve	Other capital reserves	Retained earnings	Total		
Balance as at 1 January 2023 (audited)	**590**	**315,324**	**14**	**966**	**15,354**	**(58,251)**	**273,997**	**(539)**	**273,458**
Result for the period	-	-	-	-	-	(35,480)	(35,480)	(305)	(35,785)
Other comprehensive income	-	-	(8)	3,315	-	-	3,307	-	3,307
Total comprehensive income/(loss) for the period	**-**	**-**	**(8)**	**3,315**	**-**	**(35,480)**	**(32,173)**	**(305)**	**(32,478)**
Shares issued	-	-	-	-	-	-	-	-	-
Share based payment reserve	-	-	-	-	93	-	93	-	93
Transfer to/from legal reserve	-	-	-	-	2,566	(2,566)	-	-	-
Transfer of cash flow hedge reserve	-	-	-	(32)	-	-	(32)	-	(32)
Other movements	-	-	-	-	-	(26)	(26)	-	(26)
Balance as at 30 June 2023 (unaudited)	**590**	**315,324**	**6**	**4,249**	**18,013**	**(96,323)**	**241,859**	**(844)**	**241,015**
Balance as at 1 January 2024 (audited)	**640**	**337,379**	**10**	**3,664**	**19,411**	**(181,281)**	**179,823**	**(1,526)**	**178,297**
Result for the period	-	-	-	-	-	(64,549)	(64,549)	(139)	(64,688)
Other comprehensive income	-	-	(8)	(36)	-	-	(44)	-	(44)
Total comprehensive income/(loss) for the period	**-**	**-**	**(8)**	**(36)**	**-**	**(64,549)**	**(64,593)**	**(139)**	**(64,732)**
Shares issued	42	9,964	-	-	-	-	10,006	-	10,006
Share based payment reserve	-	-	-	-	(289)	-	(289)	-	(289)
Transfer to/from legal reserve	-	-	-	-	(1,194)	1,194	-	-	-
Transfer of cash flow hedge reserve	-	-	-	(588)	-	-	(588)	-	(588)
Transfer of non-controlling interest	-	-	-	-	-	(1,665)	(1,665)	1,665	-
Other movements	-	-	-	-	-	(90)	(90)	-	(90)
Balance as at 30 June 2024 (unaudited)	**682**	**347,343**	**2**	**3,040**	**17,929**	**(246,391)**	**122,604**	**-**	**122,604**

Condensed Consolidated Statement of Cash Flows

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

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

Notes to the Condensed Consolidated Financial Statements

1. Corporate information

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

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

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

2. Basis of preparation and consolidation

Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting as endorsed by the European Union. In accordance with IAS 34, interim financial information is prepared solely in order to update the most recent annual consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the six months ended 30 June 2024 and not duplicating the information previously published in the Annual Report for the year ended 31 December 2023. Therefore, the interim condensed consolidated financial statements do not include all the information that would be required in complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. In view of the above, for an adequate understanding of the information, these condensed consolidated financial statements should be read in conjunction with the Group's Annual Report 2023 approved by the Board of Supervisory Directors on 26 March 2024 (to be found via https://investors.ebusco.com/financial-reports-and-presentations/) .

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

Going concern

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

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

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

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

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

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

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

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

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

3. Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the Group's revenue recognition accounting policy for the performance obligation of the supply of the bus. Historically the Group has solely satisfied the respective performance obligation over time as the Group produced buses without an alternative use. However, as the Group's product design reaches a more mature and standardized state it now identified contracts for which revenue of the performance obligation of the supply of the bus is required to be recognised at a point in time. Whether the performance obligation is satisfied over time or at a point in time is assessed at contract inception.

New standard, interpretations and amendments adopted by the Group

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

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

4. Estimates and judgements

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

In preparing these condensed consolidated financial statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies were the same as those applied to consolidated financial statements as at and for the year ended 31 December 2023 and disclosed in the Annual Report 2023 except for goodwill for which reference is made to note 5.

5. Goodwill

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

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

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

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

6. Acquisitions

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

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

7. Revenue, cost of materials and segment reporting

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

7.1 Revenue

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

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

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

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

7.2 Cost of materials

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

7.3 Segment reporting

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

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

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

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

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

7.4 Contract assets and contract liabilities

The contract assets and liabilities are as follows:

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

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

8. Earnings per share

The earnings per share can be specified as follows:

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

9. Equity

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

10. Provisions

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

11. Convertible bond

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

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

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

12. Related party transactions

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

13. Contingencies and commitments

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

14. Dividends

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

15. Subsequent events

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

There are no other events to report.