Annual report 2021

Green Vision Holding B.V.

Date : 7 March 2024
Status : Final

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1 Directors report

General introduction

Green Vision Holding B.V. has been acquired by Hydrogen Solutions B.V. which is a 100% group company of HoSt Holding B.V. (HoSt Group) in Enschede. This acquisition finally took place on 6 February 2023 and gives comfort and certainty to the continuity of HyGear for coming years. This directors report is a combination of the management which was in place during 2021 and the current management.

The core activity of our company is to develop, to assemble, to market and to service hydrogen production, purification and recycling systems as well as associated products for different industrial gases. The uniqueness of these products is the smaller scale and high efficiency, that allows the end-users to operate them on-site or near their production facilities. This reduces the need for transporting of hydrogen, increases the reliability of supply, improves the safety and also reduces the environmental impact and operational costs.

Our most important product is the on-site hydrogen generator system Hy.GEN. This product is standardized in three sizes called HyGEN-50, Hy.GEN-100 and Hy.GEN-150, referring to the difference in hourly cubic meter output. By combining these systems, we are able to serve a broad range of customers in Industrial Hydrogen, as well as Hydrogen Energy applications.

In recent years we developed and started selling a second product called Hy.REC. These systems allow industrial end users to capture their spent industrial gases, clean them and upgrade them to standards for new gases at their own site. With Hy.REC, our customers can achieve an even further reduction in Industrial gases expenses, but most importantly, realise a significant reduction in environmental impact and a further contribution to circularity.

Historically, hydrogen has been widely used in industrial sectors, such as chemistry, the glass industry, the steel- and metal industry, the semiconductor industry and the food industry. In these industries hydrogen is used in large volumes mostly to protect the semi-finished products from atmospheric influences. In recent years an increasing interest is observed in the utilisation of hydrogen as energy carrier, for example as vehicle fuel. Hydrogen has the advantage over conventional fuels that it can be converted to electricity in highly efficient fuel cells and does not generate harmful emissions like CO2, NOx and Particulate Matter (PM). On this moment we have a filling site near the office in Arnhem which is used to supply hydrogen to third parties, including fuelling stations.

Hydrogen is the lightest gas, that does not naturally exist in standard conditions. More than 99% of all hydrogen in the world is produced by a method called steam methane reforming. Traditionally this methodology, using natural gas and steam as input, is applied by bulk producers at large industrial sites. From these bulk plants hydrogen is transported to end-users across the world, mostly by conventional tube-trucking. Since hydrogen is generated in gaseous state, the capacity that can be transported in a trailer is limited and therefore, trucking expenses, incl. various compressing processes and associated emissions of harmful components are relatively large. On this moment there is an increasing focus in the production of hydrogen via electrolysis. We offer a Hy.GEN-E installation in which the production of hydrogen is via electrolysis.

Over time we have developed five different revenues streams consisting of:
- (i) turnkey sales;
- (ii) Gas as a Service ("GAAS") contracts (essentially systems owned and operated by HyGear at customers sites);
- (iii) service & maintenance on the installed base of turnkey systems;
- (iv) hydrogen sales from our Hydrogen Production Plant ("HHP") in Arnhem; and
- (v) subsidies for R&D projects.

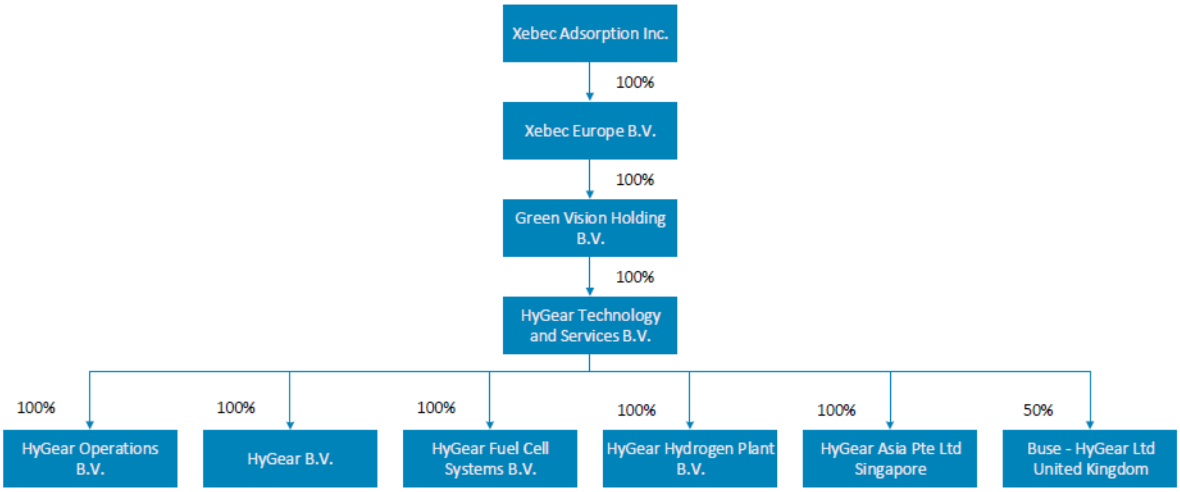
The strategy of the previous Board was to accelerate the growth of the installed base both in turnkey as well as GAAS. In addition, they had the ambition to roll-out a network of Decentralised Production Hubs ("DPHs"), copying the model of the filling site in Arnhem. The network of DPHs will complement and support the roll out of a network of GAAS systems, by providing back-up and peak supply with trailers to our GAAS clients. Through our R&D department, they intended to stay at the forefront of technological innovations in the development of a hydrogen economy.

Our unique offering of on-site generation technology, that operates with an efficiency comparable to large steam reformers, position our company well for further growth.

Corporate Structure

Green Vision Holding is a limited liability company. Our statutory address is Westervoortsedijk 73 6827 AV in Arnhem, The Netherlands. In addition there is an office in Singapore, at 133 Cecil Street |#09-01B Keck Seng Tower Singapore 069535. In 2023 the Singapore office was downsized and moved to the new address 229 Mountbatten Road #01-01, Mountbatten Square, Singapore (398007) per April 1st, 2023.

The group structure over 2021 was:



Xebec Adsorption Inc. (Canada) is the ultimate holding company. Xebec Europe B.V. is the holding company for the European entities of Xebec Adsorption Inc.

Green Vision Holding is the holding company in the Netherlands in which patents and financial resources are managed.

HyGear Technology and Services B.V. is an intermediary company for administrative services, some product specific R&D and other services towards the operational units.

HyGear Operations B.V. is the entity that purchases the materials.

HyGear B.V. manages our supply contract (GaaS) and the turn key supply contracts as well as some product specific Engineering and product improvement.

HyGear Fuel Cell Systems B.V. focuses on R&D.

HyGear Hydrogen Plant B.V. is responsible for the operation of our hydrogen plant in The Netherlands as well as the trailer supply from that plant. Xebec Asia Pte Ltd is our office in Singapore responsible for sales, maintenance and installation and product development, all specific to the Asia-Pacific region.

Finally, Buse-HyGear is our joint venture company established in the UK to operate a Decentralised Production Hub for hydrogen near Birmingham that is currently under construction. The joint venture was sold by HyGear to Buse and the transaction was completed by December 1st 2023.

Board of Directors
During 2021 The Board of Directors was initially formed by Mr. M. van Driel, CEO. From October 2021 Mr. E. de Wit was appointed as General Manager of HyGear and replaced M. van Driel for the daily operations.

Since the acquisition of Green Vision Holding by HoSt Holding B.V. in February 2023 the Board exists of following persons and positions:

- Mr. J. Klein Teeselink, CEO of HoSt Group
- Mr. H.J. Kleef, CEO of HyGear

Development of the company in 2021
During 2021 there was an increase in revenue (2021: EUR 9,6 million and 2020: EUR 5,3 million). The increase in revenue is especially caused by the delivery of a GaaS contract within Turkey. In line with RJ 292 this contract is classified as financial lease and as such the revenue is recognised when the equipment is operational.

During 2021 there was an operating loss of EUR 14,1 million (2020: EUR 2,7 million). Besides the result over 2021 is heavily affected by depreciation and impairment of intangible and tangible fixed assets of EUR 9,8 million. The remaining loss is mainly caused by the following circumstances:

- Less new turn-key contracts due the impact of Corona. As a result of corona less new contracts were signed in 2020. Due the fact that less new contracts were signed in 2020 the recognised revenue in 2021 was lower.
- Additional transport expenses in relation to the GaaS contracts and the filling site.
- Additional expenses due the integration with Xebec Adsorption Inc.
- Rent of an additional warehouse.

The total loss over 2021 is EUR 15,6 million (2020: EUR 4,4 million). The difference between the operating loss and the nett loss is especially caused by the financial expenses of EUR 1,5 million. Within December 2021 the loans from Oost NL are repaid and as such the interest expenses will decrease for 2022.

The solvability (equity + subordinated debt (this are the following loans: Bridge Loan DRL Resources B.V., Dividend loan DRL Resource and dividend loan DRL Resource) divided by balance sheet total) decreased from +8,3% to -62,7%. The decrease of the solvability is caused by the big loss over 2021 and the repayment of the loans to Oost NL in December 2021. See also specific disclosures for the breakdown of the loans.

Over 2021 the cashflow from operations was EUR 8,0 million (2020: EUR 2,2 million). The positive cashflow over 2021 is especially caused by the increase in the liabilities in group companies. The liability was used to start producing in stock.

Human resources:
At the end of 2021 we had 86 FTE translating into 78 FTE (compared to 72 FTE in 2020) within the Netherlands. In addition to this there were 8 employees employed within Xebec Asia. The number of employees will remain stable within 2022. On this moment there is no code of conduct for the employees. For 2022 a code of conduct is received from Xebec Adsorption Inc.

For the further development of our products the employees are important. To make sure that the employees can develop their selves they have the option to follow additional education besides their job. In addition to this HyGear hired also some students who will combine their study with a parttime job.

Management view on the future
At the end of 2021 there were a lot of opportunities included within the client relationship management system and we see a lot of commercial interest in our HY.GEN and Hy.REC systems. Although we did not expect to reach an equally high conversion rate from quotation to signed order as we did in the past, we concluded that the differentiation in business models between Turnkey sales, decentralised production hubs (DPH's) and Gas as a Service (GaaS) increases their addressable market as well as their growth rate. In addition to this we expected increasing prices and longer lead-times due the war in Ukraine. The increases in the purchase prices will be included within the sales prices for the installations. Due the fact that we started the production on inventory within 2021, we assumed to have sufficient inventory available.

Our strategy going forward will be to retain the two business models side by side (GaaS and DPH), but put more emphasis than we previously did in signing GAAS contracts in specific geographies where we have competitive advantage over traditional supply method. It was our intention to create critical mass in these regions, become globally local, and from there, further improve their offering for new GAAS customers in those regions. An example is the second hydrogen generation plant (Decentralized Production Hub or DPH) that we intended to build together with Buse Gases in the UK. These activities are capital intensive. We assumed to have options to grow within this business models.

Another means of improving their financial overall performance and to strengthen our base for growth, is to keep working on product development and product improvement. For our existing systems we were already working on a large cost reduction program. In direct materials, direct labour for assembly, but also including supply chain management, sourcing from multiple suppliers and reduction of maintenance costs.

Finally, we wanted to broaden our product scope. In 2019 we already signed sourcing contracts for electrolyser components and started the design of Hygeas' own electrolyser technology in order to become more technologically neutral and have a full scope offering for customers, who can choose a technology based on our specific demands and situation instead of only on what was available at HyGear. Aside to this, we put effort in the purification technologies. On one hand the CO2 capture or sequestration technologies to further reduce CO2 emissions from the Hy.GEN systems and on the other hand, end-of-pipe purification technologies that allow industrial end users to buy gases from nearby sources and upgrading them at our site. We believed this so-called Hy.PURE technology offers significant benefits in both cost and environmental impact.

Risks and uncertainties Their company develops, build, installs and operates capital intensive equipment, often used in long term contracts. This inherently imposes risks that we tried to reduce as much as possible. The overview below describes the most important risks but is not exhaustive.

Counterparty risk
As any other company we were exposed to the risk that a counterparty cannot (fully) fulfil its financial obligations. This risk can (amongst other reasons) happen when a counter party becomes insolvent. We were trying to reduce this risk by making an assessment of each counterparty's financial situation before signing new contracts and by agreeing payment schedules in which a significant part of our expenses is covered before products were supplied.

Competition risk
The markets for industrial process gases and hydrogen for transportation applications is large and characterised by several large players, both national and international, that can be regarded as competitors. There is a risk that one of these players can become more successful than HyGear at some point in time. This could result in a situation where HyGear cannot (fully) realise our future expectations.

In order to reduce these risks, we invested a lot in product development, compared to the size of our company. Our focus is to make the technology more efficient, more cost effective and more reliable, while at the same time focus on development of new products and technologies that allow us to offer a broader package to our customers and be able to serve a broader customer base. At the same time, we were investing in international partnerships and facilities for back-up supply to become regionally stronger.

Cost risks
A large portion of the expenses of our company are fixed, amongst other wage costs, housing and administrative charges. The fixed character of these expenses imposes the risk that if gross margins reduces, the situation could occur that we have insufficient financial means to pay our suppliers or service providers. To mitigate this risk, We focus on the growth of the revenue and the payment schedules which are included within the contract.

Due the war in Ukraine the risk exist that the purchase prices will increase but also the timely availability of the parts could be a risk. To mitigate this risk, we updated the purchase prices on a quarterly basis. During 2021 we started the production on inventory for 10 installations. In 2021 we have inventory left for the production during 2022.

An additional risk is the increase in the gas prices. The risk with respect to the sales of the Hy.GEN systems is limited due the fact that the amount of natural gas is limited within the production process. To mitigate the risk, we are currently negotiating quarterly indexations with the clients. In addition to this there is an agreement with the Dutch Tax Authorities based on which we receive the energy taxes back.

Risks of supplier limitations
Our company depends on external suppliers for components and sub-modules. In most cases these components can be supplied by multiple sources, but in some cases, supply is limited to one or two parties. Examples are catalysts and adsorbents. If one or more of these companies would, either temporarily or fully, stop the supply of these components, it could lead to manufacturing or maintenance delays. For this reason, we are actively striving for duel- or multi sourcing for all components. As part of the continuous development of our products we are also searching for new suppliers to limit this risk.

Risk of dependence on large accounts
Inherent to the nature of our projects for on-site generation and recovery of industrial gases, the number of customers that we serve annually is limited and the revenue for each project relatively large. We intended to reduce this risk by focusing on multiple industries and within each industry, multiple customers. At the same time, we changed our strategy since recent years to also adopt a model of what we call Gas as a Service. In Gas as a Service, we invest in our equipment and sign long term contracts for certain off-take with large industrial customers. This will in time generate a steady cash flow that would support possible downfall with customers in turn-key installations.

If one or more of these Gas as a Service customers would seize operations, this could have impact on our revenue from that customer. We intended to mitigate this risk by standardising our installations as much as possible so that redeployment of these systems at new customers is possible. In addition to this, the risk is limited by the fact that we intended to do business with greater companies which have good credit ratings.

Risk in acquiring R&D subsidies and grants
One of the reasons for our relatively low profitability is that we considered themselves to be a high-tech growth company with strong focus on product development. Most of our developments are supported by national and international subsidy programs like the EU Horizon 2020 program. If these subsidies would reduce at one point, we will lose leverage on our R&D expenses and have to either reduce our efforts or accept lower profitability or losses. Therefore we intended to have an active policy to acquire new research funding and maintain our income from this source. Besides this we intended to work on the development on our products.

Liquidity risks
Green Vision Holding B.V. is responsible for the obligations resulting from loans and bonds towards banks, financial institutions and bond holders. These obligations mainly consist of interest and repayment of the principles. The payments will be done from the cash flow from operations. In order to mitigate this risk, management and supervisory board generate quarterly rolling forecasts of cash flow for a year in advance.

Solvency risks
The solvency risk relates to the going concern risk. For a further description of the impact regarding the Coronavirus, the Russia-Ukraine war, the Restructuring proceedings under the CCAA and some other situations, it is referred to the directors' report.

Reputation risks
The hydrogen production systems of our company have been supplied on a commercial basis since 2009. The design life of the most critical components is 15 years. Therefore, we had not been able to proof yet that these systems will actually last as long as we projected. If degradation risks would occur after longer time and multiple systems fail, this could lead to reputation risks and increasing maintenance expenses (if it concerns Gas as a Service supply modes).

Technology risks
After over ten years of field experience, it is known that the functioning of our on-site hydrogen generators depends on local circumstances like natural gas quality, air pressure, temperature, air pollution and water quality. It could occur that in the future, installations would not comply to our specifications under certain local circumstances, or that performance of these installations would deteriorate faster than expected. The risks could be that this would lead to increased warranty and maintenance expenses.

Another technological risk is related to Hy.REC recovery systems. The product for recovery of pure hydrogen (Hy. Rec-pure) has been operated for longer already, but the product for recovery of mixed gases (Hy. Rec-mix) is relatively new. It could appear that this product is technically or economically not viable.

In case these technical risks occur, it could have a negative impact on our growth and or company results.

Fiscal risks
Green Vision Holding B.V. has not valued their fiscal losses for 2021 and earlier, mainly due to no clear view on when these losses will be used.

Fraud risks
Green Vision Holding B.V. intended to be an honest organization and reliable partner for our stakeholders. The starting point for this is the good faith of its employees, customers, vendors and all other parties we cooperate with. As Company, we expected our employees to always prevent integrity violations and do not tolerate any form of fraud.

IT risks
Green Vision Holding B.V. is, like almost all companies, dependent on availability of internet connection and availability of software solutions (Exact Online, TimeTell) in the cloud. Dependency of IT is a fact and cannot be avoided. In terms of IT we cooperate with good and stable IT parties related to our most elemental software applications and do have capable IT employees staffed in the company.

General legal risks
The former Board was aware that there is always a risk that other parties will prepare lawsuits against them. Whether these lawsuits are admissible or not, defending against allegations will be costly and these costs usually cannot be (fully) charged to the counterparty. Legal charges can't be insured fully and therefore our policy is to seek legal advice for especially larger contracts in advance or use standardized contracts that have been evaluated by legal counsel before.

Political and country risk
Political risks concern risks related to stability and legitimacy of political institutes, orderly succession of political leaders, transparency in economic decision making, national safety and geopolitical risks. All these risks could have negative effects on our business and can't be mitigated. We do have an active policy to target countries with stable regimes and certainly when it comes to long term Gas as a Service contracts, we intended to refrain from signing contracts in regions or countries with increased political risks.

Currency risks
The expenses from our operation in Singapore, like salaries, rental and small investments, are paid in Singapore Dollar (SGD). We consider this a minor currency risk because of the size of this operation, relative to the size of the company. Our contracts are usually nominated in Euro. With further internationalisation, it could happen that we need to sign contracts in different currencies, which would yield currency risk. Especially in long term supply agreement, the former management intended always have to assess this risk and decide whether this risk should be hedged for the specific contract or not.

Continuity paragraph

1. Global outbreak of the Corona virus (Covid-19)

In the 2021 financial year, the company has to deal with the consequences of the 'Corona virus'. This has resulted in a lower turnover than expected for the legal entity. The reasons for the lower than expected turnover are:

- Sales orders were delayed because customers had other priorities. Customers were focusing on keeping the doors open due to declining sales of our products. For example, the glass market is one of the most important markets for HyGear. The glass industry produces among other things glass for the automotive sector. There was a drop in new car sales, which directly had an effect on the glass industry sector;
- Travel restrictions. The travel restrictions influence four parts of our business negatively:
    - The first is that we could not commission newly delivered installations in countries with travel restrictions. This currently mainly concerns new installations in Bangladesh, as European travel was still not allowed. In the specific case of Bangladesh, our customer faces the same issues of delay as our equipment is part of a larger plant and we did not expect too much long-term effects. Due to Covid-19 delayed visit by HyGear, the first installation was finalized a few months later (Dec 2021) . Second installation needed additional materials and this one was successfully commissioned in half of 2022.
    - Sharp drop in service revenue. Because of travel restriction, service activities were brought down to a minimum. Customers were forced to do basic service activities themselves resulting in regular failures of the equipment.
    - Thirdly, our sales force has not been able to follow up on leads as effectively because site visits, conferences and trade shows have proven to be strong instruments to identify new customers and build relations. We have seen the sales funnel grow, but the actual number of booked orders stays behind target. On that moment we see that the clients have managed to live with Covid and also start up our investments.
    - Drop in revenue from funding projects. Establishing partnerships in order to sign-up for new funded projects was more difficult because of travel restrictions.
- Disruptive supply chain. Because there was shortage of for example electronic components and problems with import of steel, the prices of materials increased at an incredible rate. The purchase of these materials for contracts concluded in 2020 was scheduled for 2021 resulting in unexpected increase in costs. This has a strong negative effect on the margin in 2021.

The following measures have been taken to address these issues.

- The Dutch government issued measures to compensate companies for loss in revenue. We have applied for and been (provisionally) granted subsidy under NOW programs. These NOW programs has continued within 2021;
- Strict cash flow management;
- Implementing cost reduction program in order to save on energy costs, material costs;
- Cost reduction measures and taking measures to reduce collective and individual salary raises;
- Outsourcing staff in order to balance the work flow;
- Continue to fill the sales pipeline in order to be ready for the next year.

2. The Russia Ukraine war

The conflict between Russia and Ukraine started in February 2022. This situation directly has a negative effect on HyGear's business.

- For the on-site supply of hydrogen and nitrogen to industrial customers, we noticed customers postpone our investments due to the uncertainty in the gas market. For that reason, customers delayed signing contracts or stopped negotiation processes. This has a negative effect on revenue stream mainly from turn key projects. We expected the effect of this will normalize within the future. On the other hand, we saw a growing demand from industrial customers for gas recovery systems for hydrogen and nitrogen due to the effect that less nitrogen and hydrogen need to be purchased by using the gas recovery systems. With regard to the supply of gases to industrial customers, alternative business models are being developed to

increase the added value of on-site production to customers. Since the attention of industrial customers is mainly focused on the energy crisis, the intention is that by “unburdening”, the customer can continue to focus on the problems that the energy crisis entails. HyGear will also focus much more on other continents such as North America to apply the on-site production technology. Here we see that the impact of the energy crisis is much less and the demand for on-site production technology is increasing strongly. Finally, new marketing campaigns were intended to being developed to promote the application of the recovery systems for hydrogen and nitrogen to our customers in the industrial sector;
- There was an increase in prices for materials and auxiliary equipment needed to construct the hydrogen plants at customers. This has a large effect on the margin for projects signed in 2021. As also explained in the Covid situation, the purchase of materials for contracts concluded in 2021 was scheduled for 2022 resulting in unexpected increase in costs. For example, the storage banks for hydrogen are from steel. The steel price has increased significantly which has a direct effect on the price for the storage banks. This has a strong negative effect on the margin. The increase in the purchase prices will be included within the sales prices for the installations. In addition to this we start the production on inventory during 2021 as such there is sufficient inventory for 2022. Until this moment the increases are included within the sales prices and are accepted by the client. The fact that this was accepted by the client is caused by the fact that the movements were in line with the market trends;
- The gross of the use of natural gas is used at the filling site. To mitigate the risk, we were negotiating quarterly indexations In addition to this the purchase strategy of natural gas will also be done per quarter to make sure we can have the quarterly indexations. In addition to this there is an agreement with the Dutch Tax Authorities based on which we received the energy taxes back;
- In line with the sanctions from the European Union there will be no sales any more to Russia within 2022.

The following measures have been taken to address these issues.
- Keeping the good relationship with customers in order to continue the negotiations and contracting after the situation has mitigated;
- The validity date for quotations and contracts has changed from 1 month to 1 week on order to deal with the large price fluctuations for materials.;
- New supply contracts for hydrogen were intended to be strongly indexed on the price fluctuations regarding energy.

3. Restructuring proceedings under the CCAA

Xebec Adsorption Inc., the parent company of Green Vision Holding B.V. (“HyGear”), has obtained protection under the Companies' Creditors Arrangement Act ("CCAA") in Canada on 29th of September 2022. The CCAA is a Canadian law that gives Xebec the opportunity to improve and restructure its operational and financial activities. The CCAA is similar in many ways to the US Chapter 11 proceedings, which enables a debtor to continue its operations and provide time to reorganize its debts and obligations while providing protection from creditors.
HyGear is not currently involved in any formal restructuring proceedings, but the CCAA does have consequences for HyGear as Xebec Adsorption Inc. serious experience limitations when it comes to providing liquidity to its overseas subsidiaries, including HyGear.

On September 29, 2022, the Supervisory Court in Canada has been ordered a structured sales process for the Xebec group, according to the CCAA. The board and management of Xebec Adsorption Inc., assisted by our advisors, have worked diligently on a sales process and attract bids.
The Xebec group has National Bank Financial, the investment banking branch of a large Canadian bank, hired to support the process. At the same time, the Xebec group remains active, with a view to the implementation of a restructuring as a going concern.

The M&A process was final at the beginning of February 2023.

4. Acquisition of HyGear by HoSt Group

The M&A process has come to an end with final acquisition of the shares in Green Vision Holding B.V. by Hydrogen Solutions B.V. which is a 100% group company of HoSt Holding B.V. (HoSt Group) in Enschede. This acquisition finally took place on 6 February 2023 and gives comfort and certainty to the continuity of HyGear for coming years.

As part of this acquisition the management team of HyGear was replaced completely and this made it possible to reorganize the company heavily during the first 9 months of 2023. This new Director and management team of HyGear should ensure a more stable situation for the company in what we can cope with the different challenges as described in this report.
With the reorganization the number of FTE's was reduced from 80 FTE to 42 FTE, the physical manufacturing of products is mainly outsourced to a group company in Poland, downsizing the Singapore office and the fixed costs base of the company was strongly reduced. The different reorganization measures have resulted in a positive net cashflow in the 3rd quarter of 2023 and positive cashflow forecast for the next 12 months.

Moreover the company strategy was refocused to the existing core markets with expansion into mobility and biohydrogen markets and the geographical areas Europe & North America. The R&D was more directed to strengthen our own portfolio, such as carbon capture, biogas purification and electrolyzers.
Within the HyGear organization project management was implemented and supported by dedicated new software. Cooperation with the HoSt Group for combined activities such as finance, HR, sales, services and engineering were implemented in a positive way and remaining the HyGear operation operating as a separate unit.

The strategy for potential revenue streams are adjusted to

- (i) turnkey sales;
- (ii) Gas as a Service ("GAAS") contracts with the adjustment that a financial company will procure the installation from HyGear and HyGear provides services and maintenance;
- (iii) service & maintenance on the installed base of turnkey systems;
- (iv) hydrogen sales from our Hydrogen Production Plant ("HHP") in Arnhem with periodic indexation;
- (v) subsidies for R&D projects.

Als part of the reorganization was clearing up a lot of administrative backlogs, implementing project management, implementing indexation of the new energy contract, more transparent and periodic company meetings with the staff, together with preparation of the overdue financial statements for 2021 and related obligations to comply with legislation. This process resulted in the fact that the financial statements 2021 were finalized in December 2023. As per 7 March 2024 HoSt Holding B.V. has provided a letter of comfort stating that they will provide financial support to Green Vision Holding for a minimum period of 13 months after the date of these financial statements.

Conclusion
Given the special situation regarding the Coronavirus, the Russia Ukraine war, the Restructuring proceedings under the CCAA and finally the acquisition of the company in February 2023, as the new Board, we do expect challenges for future in 2022 and 2023 but the board has the reasonable expectation that the new created situation for the company is very positive in combination with the provided Letter of Comfort. Combined with the provided comfort in the comfort letter we therefore believe that the valuation principles are based on going concern can be maintained. The accounting policies of valuation and determination of result are therefore based on the assumption of continuity of the company.

2 Consolidated financial statements

2.1 Consolidated balance sheet as at 31 December 2021

(after result allocation)

		2021		2020
		€		€
Fixed assets				
Intangible assets				
Intellectual property rights		208.227		2.336.172
Property, plant and equipment				
Property, plant and equipment in progress and prepayments of property, plant and equipment		5.501.397		17.754.313
Financial fixed assets				
Financial lease receivable		6.102.430		1.860.734
Current assets				
Inventories and work in progress		3.039.696		1.339.399
Construction contracts (assets)		498.907		680.621
Prepayments and accrued income				
Trade receivables		931.937		731.692
Current part financial lease receivable		503.965		180.516
Other accounts receivable		3.264.879		1.688.812
		4.700.781		**2.601.020**
Total current assets		8.239.384		4.621.040
Cash and cash equivalents		1.042.032		1.369.747
		21.093.469		**27.942.006**

Equity and liabilities				
		2021		2020
		€		€
Group equity				
Equity		-13.231.432		2.322.577
Provisions				
Other provisions		318.805		416.397
Long-term liabilities				
Other long-term liabilities		13.012.135		18.650.883
Current liabilities, accruals and deferred income				
Current portion of long term debts		911.689		2.444.109
Trade payables		1.420.094		948.665
Liabilities to group companies		14.522.032		-
Government grants		1.589.117		471.836
Construction contracts (liabilities)		948.415		656.833
Other liabilities and accrued expenses		1.602.614		2.030.706
		20.993.961		**6.552.149**
		21.093.469		**27.942.006**

2.2 Consolidated income statement for the year 2021

	2021	2020
	€	€
Net turnover	**9.633.138**	**5.317.727**
Cost of sales	-7.880.380	-5.834.421
Gross Margin	**1.752.758**	**-516.694**
Wages and salaries	2.334.879	2.698.810
Social security premiums and pension costs	1.082.744	752.606
Depreciation of intangible and tangible fixes assets	12.808.454	1.145.600
Subcontracting and other external costs	144.716	60.418
Personel expenses	140.437	313.317
Housing and utilities expenses	660.063	651.780
Transport expenses	86.301	87.160
Selling and martking expenses	450.071	371.636
Advisory expenses	533.555	1.365.692
General and office expenses	478.672	724.008
Capitalized expense	-2.853.246	-5.957.561
Total of sum of expenses	**15.866.646**	**2.213.467**
Total of operating results	**-14.113.888**	**-2.730.161**
Revenues of receivables from fixes assets and securities		
Other interest and similar income	141.759	116.984
Value changes of receivables from fixed assets and securities		
Interest and similar expenses	-1.592.012	-1.766.554
Financial income and expense	**-1.450.253**	**-1.649.570**
Total of result of activities before tax	**-15.564.141**	**-4.379.731**
Income tax expense	20.555	-5.774
Exchange rate differences		
Total of result after tax	**-15.584.696**	**-4.373.957**

2.3 Consolidated cash flow statement for the year 2021

	2021		2020	
	€	€	€	€
Total of cash flows form (used) in operating activities				
Operating result		-14.113.888		-2.730.161
Adjustments for				
Depreciation intangible assets	243.657		-	
Depreciation tangible assets	921.896		1.145.600	
Impairment of intangible assets	1.884.288		-	
Impairment of tangible assets	9.793.684		-	
Decrease in provisions	-97.592		416.397	
		12.745.933		1.561.997
Changes in working capital				
Decrease/increase in inventories	-1.700.297		-14.739	
Decrease/increase in construction contracts	181.714		2.429.597	
Decrease/increase in trade receivables	-200.245		-731.692	
Decrease/increase in financial lease receivables	-323.449		-180.516	
Liabilities from group companies	14.522.032		-	
Decrease/increase other receivables	-1.576.067		380.980	
Decrease/increase other payables	-49.532		2.655.683	
Total of cash flows from (used in) operations		10.854.156		4.539.313
Interest received	141.759		116.984	
Interest paid	-1.592.012		-1.292.329	
Exchange rate differences				
Income tax paid	-20.555		5.774	
		-1.470.808		-1.169.571
Total of cash flows from (used in) operation activities		8.015.392		2.201.578
Total of cash flows from (used in) investment activities				
Purchase of intangible assets	-		-1.857.993	
Purchase of property, plant and equipment	-2.152.437		-2.992.390	
Capitalized interest expenses	-		-1.164.804	
Purchase of property, plant and equipment Desinv.	-		-	
Purchase of financial assets	-		141.297	
Proceeds from sales of property, plant and equipment	-		-	
Mutation of financial assets	-551.923		-	
Total of cash flows from (used in) investment activities		-2.704.360		-5.873.890
Total of cash flows from (used in) financing activities				
Dividend paid				
Proceeds from borrowings	-		2.345.390	
Repayments from borrowings	-5.638.748		-511.874	
Payment of pricipal portion of lease liabilities			-383.134	
		-5.638.748		1.450.382
Mutatie geldmiddelen		**-327.715**		**-2.221.930**
Stand per begin boekjaar		1.369.747		3.591.677
Mutaties in boekjaar		-327.715		-2.221.930
Stand per eind boekjaar		1.042.032		1.369.747

2.4 Notes to the consolidated financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Green Vision Holding B.V. is Westervoortsedijk 73, 6827 AV in Arnhem. Green Vision Holding B.V. is registered at the Chamber of Commerce under number 810587798.

General notes

The most important activities of the entity

The activities of Green Vision Holding B.V. and its group companies consists mainly of piloting for third parties, the development and manufacturing of on-site hydrogen generators based on steam reforming technology, the development and manufacturing of fuel cell products and the research and development of hydrogen technologies.

Disclosure of group structure

Green Vision Holding was acquired by Xebec Adsorption Inc. on December 31, 2020. Xebec Adsorption Inc. owns all shares of Xebec Europe B.V., which own all shares of Green Vision Holding B.V. Green Vision Holding B.V. forms the mother company of a group. The group structure and consolidation is as follows:

- HyGear Technology and Services B.V.,Arnhem, 100%
- HyGear Operations B.V., Arnhem, 100%
- HyGear B.V., Arnhem, 100%
- HyGear Fuel Cell Systems B.V., Arnhem, 100%
- HyGear Hydrogen Plant B.V., Arnhem, 100%
- HyGear Asia Pte Ltd, Singapore, 100%
- Buse – HyGear Ltd United Kingdom, Birmingham, 50%

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of HoSt Holding B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

The accounting standards used to prepare the financial statements

The consolidated financial statements are drawn up in accordance with the provisions of Title 9, Book 2.362 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Green Vision Holding B.V. has issued a 403-statement regarding the entities: HyGear Operations B.V., HyGear B.V., HyGear Fuel Cell Systems B.V., and HyGear Hydrogen Plant B.V. As a result, Green Vision Holding B.V. is liable for the debts of these entities.

Disclosure of changes in accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Dutch Accounting Standards (Dutch GAAP). The group prepared Dutch GAAP financial statements over 2021 as a result of the transaction with HoSt Holding B.V. in previous years IFRS has been applied as accounting standard.

As a result of the change in Dutch Accounting Standards, construction contracts are no longer presented netted in the balance sheet. The balance of the construction contracts can be a debit or credit balance as of the balance sheet date, depending on the extent of realized project revenues, recognized losses and instalments already declared. If the balance of the construction contract is an debit balance, the net amount is treated as an asset and if the construction contract is a credit balance, the net amount is treated as a liability. Furthermore operational lease are no longer presented as a balance sheet item. The change in the presentation has been accounted for retrospectively.

As a result of this retrospective processing in the current year, the following effects are taken into account in the 2021 financial statements:

Assets	*Dutch GAAP*	*IFRS*	*Reclassifications and Remeasurements*
(after result allocation)	2020	2020	2020
	€	€	€
Fixed assets			
Intangible assets			
Intellectual property rights	2.336.172	2.650.720	-314.548
Property, plant and equipment			
Property, plant and equipment in progress and prepayments of property, plant and equipment	17.754.313	18.059.314	-305.001
Financial fixed assets			
Operational leases	0	1.988.773	-1.988.773
Financial lease receivable	1.860.734	1.932.184	-71.450
	1.860.734	**3.920.957**	**-2.060.223**
Current assets			
Inventories and work in progress	1.339.399	1.339.399	-
Construction contracts (assets)	680.621	678.818	1.803
Prepayments and accrued income			
Trade receivables	731.692	729.216	2.476
Current part financial lease receivable	180.516	82.653	97.863
Other accounts receivable	1.688.812	1.694.816	-6.004
	2.601.020	**2.506.685**	**94.335**
Total current assets	**4.621.040**	**4.524.902**	**96.138**
Cash and cash equivalents	1.369.747	1.369.747	-
	27.942.006	**30.525.640**	**-2.583.634**

Equity and liabilities	*Dutch GAAP*	*IFRS*	*Reclassifications and Remeasurements*
	2020	2020	2020
	€	€	€
Group equity			
Equity	2.322.577	2.519.378	-196.801
Provisions			
Other provisions	416.397	416.397	-
Long-term liabilities			
Lease liabilities		1.674.066	-1.674.066
Deferred taxes		224.324	-224.324
Other long-term liabilities	18.650.883	18.650.884	-1
	18.650.883	20.549.274	-1.898.391
Current liabilities, accruals and deferred income			
Current portion of long term debts	2.444.109	2.444.109	-
Trade payables	948.665	948.665	-
Lease liabilities		448.514	-448.514
Liabilities to group companies	-	-	-
Government grants	471.836	471.836	-
Construction contracts (liabilities)	656.833	656.833	-
Other liabilities and accrued expenses	2.030.706	2.070.634	-39.928
	6.552.149	**7.040.591**	**-488.442**
	27.942.006	**30.525.640**	**-2.583.634**

	Dutch GAAP	IFRS	Reclassifications and Remeasurements
	2020	2020	2020
	€	€	€
Net turnover	**5.317.727**	**5.317.727**	**-**
Cost of sales	-5.834.421	-2.784.656	-3.049.765
Gross Margin	**-516.694**	**2.533.071**	**-3.049.765**
Wages and salaries	2.698.810	1.342.961	1.355.849
Social security premiums and pension costs	752.606	752.606	-
Depreciation of intangible and tangible fixes assets	1.145.600	1.145.600	-
Subcontracting and other external costs	60.418	60.418	-
Personel expenses	313.317	313.317	-
Housing and utilities expenses	651.780	315.090	336.690
Transport expenses	87.160	39.772	47.388
Selling and martking expenses	371.636	121.057	250.579
Advisory expenses	1.365.692	1.365.692	-
General and office expenses	724.008	258.666	465.342
Capitalized expense	-5.957.561	-969.317	-4.988.244
Total of sum of expenses	**2.213.467**	**4.745.862**	**-2.532.395**
Total of operating results	**-2.730.161**	**-2.212.791**	**-517.370**
Revenues of receivables from fixes assets and securities			
Other interest and similar income	116.984	116.984	-
Value changes of receivables from fixed assets and securities			-
Interest and similar expenses	-1.766.554	-1.766.554	-
Financial income and expense	**-1.649.570**	**-1.649.570**	**-**
Total of result of activities before tax	**-4.379.731**	**-3.862.361**	**-517.370**
Income tax expense	-5.774	-5.774	-
Exchange rate differences			
Total of result after tax	**-4.373.957**	**-3.856.587**	**-517.370**

Additionally, the presentation in the income statement has changed. Whereas previously a total of production value was presented consisting of net turnover and the change in work in progress, now all project revenue based on the percentage of completion method is presented as net turnover. This has no further impact on amounts recognized in the income statement.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and payables, and financial derivatives.

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Contingent rights and obligations'.

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item.

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Continuity paragraph

1. Global outbreak of the Corona virus (Covid-19)
In the 2021 financial year, the company has to deal with the consequences of the 'Corona virus'. This has resulted in a lower turnover than expected for the legal entity. The reasons for the lower than expected turnover are:

- Sales orders were delayed because customers had other priorities. Customers were focusing on keeping the doors open due to declining sales of our products. For example, the glass market is one of the most important markets for HyGear. The glass industry produces among other things glass for the automotive sector. There was a drop in new car sales, which directly had an effect on the glass industry sector;
- Travel restrictions. The travel restrictions influence four parts of our business negatively:
    - The first is that we could not commission newly delivered installations in countries with travel restrictions. This currently mainly concerns new installations in Bangladesh, as European travel was still not allowed. In the specific case of Bangladesh, our customer faces the same issues of delay as our equipment is part of a larger plant and we did not expect too much long-term effects. Due to Covid-19 delayed visit by HyGear, the first installation was finalized a few months later (Dec 2021) . Second installation needed additional materials and this one was successfully commissioned in half of 2022.
    - Sharp drop in service revenue. Because of travel restriction, service activities were brought down to a minimum. Customers were forced to do basic service activities themselves resulting in regular failures of the equipment.
    - Thirdly, our sales force has not been able to follow up on leads as effectively because site visits, conferences and trade shows have proven to be strong instruments to identify new customers and build relations. We have seen the sales funnel grow, but the actual number of booked orders stays behind target. On that moment we see that the clients have managed to live with Covid and also start up our investments.
    - Drop in revenue from funding projects. Establishing partnerships in order to sign-up for new funded projects was more difficult because of travel restrictions.
- Disruptive supply chain. Because there was shortage of for example electronic components and problems with import of steel, the prices of materials increased at an incredible rate. The purchase of these materials for contracts concluded in 2020 was scheduled for 2021 resulting in unexpected increase in costs. This has a strong negative effect on the margin in 2021.

The following measures have been taken to address these issues.
- The Dutch government issued measures to compensate companies for loss in revenue. We have applied for and been (provisionally) granted subsidy under NOW programs. These NOW programs has continued within 2021;
- Strict cash flow management;
- Implementing cost reduction program in order to save on energy costs, material costs;
- Cost reduction measures and taking measures to reduce collective and individual salary raises;
- Outsourcing staff in order to balance the work flow;
- Continue to fill the sales pipeline in order to be ready for the next year.

2. The Russia Ukraine war
The conflict between Russia and Ukraine started in February 2022. This situation directly has a negative effect on HyGear's business.
- For the on-site supply of hydrogen and nitrogen to industrial customers, we noticed customers postpone our investments due to the uncertainty in the gas market. For that reason, customers delayed signing contracts or stopped negotiation processes. This has a negative effect on revenue stream mainly from turn key projects. We expected the effect of this will normalize within the future. On the other hand, we saw a growing demand from industrial customers for gas recovery systems for hydrogen and nitrogen due to the effect that less nitrogen and hydrogen need to be purchased by using the gas recovery systems. With regard to the supply of gases to industrial customers, alternative business models are being developed to increase the added value of on-site production to customers. Since the attention of industrial customers is mainly focused on the energy crisis, the intention is that by "unburdening", the customer can continue to focus on the problems that the energy crisis entails. HyGear will also focus much more on other continents such as North America to apply the on-site production technology. Here we see that the impact of the energy crisis is much less and the demand for on-site production technology is increasing strongly. Finally, new marketing campaigns were intended to being developed to promote the application of the recovery systems for hydrogen and nitrogen to our customers in the industrial sector;

- There was an increase in prices for materials and auxiliary equipment needed to construct the hydrogen plants at customers. This has a large effect on the margin for projects signed in 2021. As also explained in the Covid situation, the purchase of materials for contracts concluded in 2021 was scheduled for 2022 resulting in unexpected increase in costs. For example, the storage banks for hydrogen are from steel. The steel price has increased significantly which has a direct effect on the price for the storage banks. This has a strong negative effect on the margin. The increase in the purchase prices will be included within the sales prices for the installations. In addition to this we start the production on inventory during 2021 as such there is sufficient inventory for 2022. Until this moment the increases are included within the sales prices and are accepted by the client. The fact that this was accepted by the client is caused by the fact that the movements were in line with the market trends;
- The gross of the use of natural gas is used at the filling site. To mitigate the risk, we were negotiating quarterly indexations In addition to this the purchase strategy of natural gas will also be done per quarter to make sure we can have the quarterly indexations. In addition to this there is an agreement with the Dutch Tax Authorities based on which we received the energy taxes back;
- In line with the sanctions from the European Union there will be no sales any more to Russia within 2022.

The following measures have been taken to address these issues.
- Keeping the good relationship with customers in order to continue the negotiations and contracting after the situation has mitigated;
- The validity date for quotations and contracts has changed from 1 month to 1 week on order to deal with the large price fluctuations for materials.;
- New supply contracts for hydrogen were intended to be strongly indexed on the price fluctuations regarding energy.

3. Restructuring proceedings under the CCAA
Xebec Adsorption Inc., the parent company of Green Vision Holding B.V. ("HyGear"), has obtained protection under the Companies' Creditors Arrangement Act ("CCAA") in Canada on 29th September 2022. The CCAA is a Canadian law that gives Xebec the opportunity to improve and restructure its operational and financial activities. The CCAA is similar in many ways to the US Chapter 11 proceedings, which enables a debtor to continue its operations and provide time to reorganize its debts and obligations while providing protection from creditors.
HyGear is not currently involved in any formal restructuring proceedings, but the CCAA does have consequences for HyGear as Xebec Adsorption Inc. serious experience limitations when it comes to providing liquidity to its overseas subsidiaries, including HyGear.

On September 29, 2022, the Supervisory Court in Canada has been ordered a structured sales process for the Xebec group, according to the CCAA. The board and management of Xebec Adsorption Inc., assisted by our advisors, have worked diligently on a sales process and attract bids.
The Xebec group has National Bank Financial, the investment banking branch of a large Canadian bank, hired to support the process. At the same time, the Xebec group remains active, with a view to the implementation of a restructuring as a going concern.

The M&A process was final at the beginning of February 2023.

4. Acquisition of HyGear by HoSt Group
The M&A process has come to an end with final acquisition of the shares in Green Vision Holding B.V. by Hydrogen Solutions B.V. which is a 100% group company of HoSt Holding B.V. (HoSt Group) in Enschede. This acquisition finally took place on 6 February 2023 and gives comfort and certainty to the continuity of HyGear for coming years.

As part of this acquisition the management team of HyGear was replaced completely and this made it possible to reorganize the company heavily during the first 9 months of 2023. This new Director and management team of HyGear should ensure a more stable situation for the company in what we can cope with the different challenges as described in this report.
With the reorganization the number of FTE's was reduced from 80 FTE to 42 FTE, the physical manufacturing of products is mainly outsourced to a group company in Poland, downsizing the Singapore office and the fixed costs base of the company was strongly reduced. The different reorganization measures have resulted in a positive net cashflow in the 3rd quarter of 2023 and positive cashflow forecast for the next 12 months.

Moreover the company strategy was refocused to the existing core markets with expansion into mobility and biohydrogen markets and the geographical areas Europe & North America. The R&D was more directed to strengthen our own portfolio, such as carbon capture, biogas purification and electrolyzers.
Within the HyGear organization project management was implemented and supported by dedicated new software.
Cooperation with the HoSt Group for combined activities such as finance, HR, sales, services and engineering were implemented in a positive way and remaining the HyGear operation operating as a separate unit.

The strategy for potential revenue streams are adjusted to

(vi) turnkey sales;
(vii) Gas as a Service ("GAAS") contracts with the adjustment that a financial company will procure the installation from HyGear and HyGear provides services and maintenance;
(viii) service & maintenance on the installed base of turnkey systems;
(ix) hydrogen sales from our Hydrogen Production Plant ("HHP") in Arnhem with periodic indexation;
(x) subsidies for R&D projects.

Als part of the reorganization was clearing up a lot of administrative backlogs, implementing project management, implementing indexation of the new energy contract, more transparent and periodic company meetings with the staff, together with preparation of the overdue financial statements for 2021 and related obligations to comply with legislation. This process resulted in the fact that the financial statements 2021 were finalized in December 2023. As per 7 March 2024 HoSt Holding B.V. has provided a letter of comfort stating that they will provide financial support to Green Vision Holding for a minimum period of 13 months after the date of these financial statements.

Conclusion
Given the special situation regarding the Coronavirus, the Russia Ukraine war, the Restructuring proceedings under the CCAA and finally the acquisition of the company in February 2023, as the new Board, we do expect challenges for future in 2022 and 2023 but the board has the reasonable expectation that the new created situation for the company is very positive in combination with the provided Letter of Comfort. Combined with the provided comfort in the comfort letter we therefore believe that the valuation principles are based on going concern can be maintained. The accounting policies of valuation and determination of result are therefore based on the assumption of continuity of the company.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Research and development costs

Development costs comprise expenditure on design and production of new or substantially improved products and processes. Development costs are capitalised only if:

− Development costs can be measured reliably;
− The product or process is technically and commercially feasible;
− Future economic benefits are probable; and
− The Group intends to, and has, sufficient resources to complete development, and to use or sell the resulting asset.

Expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs capitalised in terms of the Group's accounting policies. Capitalisation of the development costs is initially done when the above criteria are met. Expenditure that does not meet the above criteria or incurred on development activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in profit/loss as research costs as it is incurred.
Amortisation on Development Costs is calculated from the date that the developed products and processes become commercially viable and are actively marketed to the Group's customer base. Amortisation is calculated on a straight-line basis over the period of expected future benefit as stated below.

Software

Software licenses acquired are capitalised at acquisition cost and amortised over their estimated future useful lives. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. When internally produced, such assets are capitalised if future economic benefits are probable to flow from the asset, and the expenditure can be reliably measured. Costs associated with maintaining computer software and research expenditure are recognised in profit or loss as it is incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Assets under construction are not depreciated.

Cost includes expenditures that are directly attributable to the acquisition or manufacturing of the asset, including borrowing costs capitalised in terms of the Group's accounting policies. Manufacturing price is comprised of the cost of raw materials and consumables, plus expenditure directly attributable to an asset's manufacturing and installation, including labour costs. Internal hours worked are capitalised at fixed rates that included a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Subsequent costs, such as replacement of parts or major inspections, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Repairs and maintenance costs are charged to the consolidated statement of profit or loss and other comprehensive income during the year in which they are incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives. All assets have residual values of nil. The major categories of property, plant and equipment are amortised on a straight-line basis, with amortisation recognised in profit or loss. The useful lives are as follows:

Machinery and equipment	5 years
Lease equipment	15 years
Productive equipment	15 years
Furniture and fixtures	5 years
Transport equipment	5 to 10 years

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and amortises each such component separately. Residual values, method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

An item of property, plant or equipment is derecognised upon disposal (date that the recipient obtains control) or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of a replaced asset is derecognized when replaced. Gains and losses on disposals of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are included as part of other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as HoSt Holding B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the non-consolidated income statement.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the non-consolidated income statement.

Participations, in which the company exercises joint control with other participants (joint ventures), are valued according to the equity method based on the net asset value.

When assets are transferred or sold by the company to a joint venture, the company that part of the result in the profit and loss account that corresponds to the relative importance of the other participants in the joint venture. No result is recognized as the non-monetary assets contributed by the participants are approximately equal in terms of use (in the same business activity) and fair value.

Any unjustified results are deducted from the net asset value of the joint venture. Any losses the company accounts for current assets or impairment of fixed assets on the other hand, direct and complete.

When assets are sold by the joint venture to the company, the company accounts for it share in the profit or loss of the joint venture on that sale only in the profit and loss account if the asset in question has been sold or resold to a third party. However, if there is a current loss assets or an impairment of fixed assets, the company takes its share this loss immediately.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the non-consolidated income statement.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Lessor accounting for leases (Gas-as-a-Service (GaaS) revenue)

As part of its normal business activities, the Group enters into lease contracts whereby gas generation technologies are manufactured and placed at customer premises in order for the customer to have on demand gas supply. Depending on the lease contracts, the Group either classifies the leases as operating or finance leases.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease term is for the major part of the economic life of the assets.

If an arrangement contains lease and non-lease components, the Group applies Dutch GAAP to allocate the consideration in the lease arrangement.

Income from operating lease contracts is recognised using the straight-line method over the lease term. The income from these leases is presented in the consolidated statement of profit or loss under revenue.

Amounts due from lessees under finance leases are recognised at the amount of the Group’s net investment in the leases (finance lease receivables). Finance lease income, presented within finance income, is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group reviews the estimated unguaranteed residual value and applies the expected credit loss model to recognise a provision on its finance lease receivables.

Impairment of non-current assets

On each balance sheet date, the group assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.
An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

Inventories

Inventories (stocks) are valued at cost price based on the FIFO method or lower realisable value.

The cost price consists of the historical cost or production cost and costs incurred in order to bring the stocks to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

Construction contracts

Construction contracts commissioned by third parties comprises the balance of project costs realised, profit attributed, and if applicable, recognised losses and instalments already invoiced. When the outcome of a construction contract can be estimated reliably and its probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of the completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contracts costs will exceed total contract revenue, the expected loss is recognised as en expense immediately.

Expenditure relating to project costs for work not yet performed is recognised under inventories. When the outcome of a construction contract can not be estimated reliably, contract revenue is recognised only to the extend of contract costs in curred that are likely to be recoverable.

The company uses the 'percentage-of-completion' method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as e percentage of total estimated costs for each contract.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. Construction contracts are seperately presented in the balance sheet. Construction contracts with a debet balance will be presented under current assets. Construction contracts with a credit balance will be presented under current liabilities.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Share in group equity not accrued to legal entity

Non-controlling interests in group equity are stated at the amount of the net interest in the net assets of group companies concerned.

Where the group corporation in question has an equity deficit, the negative value and any other losses are not allocated to the non-controlling interest, unless the non-controlling interest holders have a constructive obligation and are able to clear the losses. As soon as the group company manages to post an equity surplus, profits are allocated to the participating interest.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at discounted value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Non-current liabilities
On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.
The difference between stated book value and the mature redemption value is accounted for as interest cost in the non-consolidated income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result
The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition
Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover. Turnover includes the change in work-in-progress.

The gross margin includes the net turnover, change in finished products and work-in-progress, capitalised production costs of own assets, other operating income, costs of raw materials and consumables and costs of work contracted out, and other external costs.

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

If the outcome of a project can be estimated reliably, contract revenue and contract costs are recognised as net revenue and expenses in the income statement by reference to the stage of completion of the contract as at the balance sheet date. The progress made on the contract is determined based on the contract costs incurred as at the balance sheet date in proportion to the total estimated contract costs. If the result of the contract cannot (yet) be estimated reliably, the revenue is recognised in the income statement for the amount of the contract costs incurred from which it is likely that they can be recovered; the contract costs are then recognised in the income statement for the period in which they were incurred. As soon as the result can be estimated reliably, revenue recognition takes place in accordance with the PoC method in proportion to the stage of completion of the contract as at the balance sheet date. The result is the difference between the contract revenue and - costs.

Contract revenue is the contractually agreed revenues and revenues from extra work and less work, claims and compensations if and insofar as it is likely that they are realised and can be estimated reliably. Contract costs are the expenditures directly related to the project, which in general can be attributed to project activities and allocated to the project, and other costs which can be attributed under the contract to the commissioner of the project. If it is probable that the total contract costs exceed the total revenue, the expected losses will be directly recognised in the income statement. This loss is taken into account in the cost price of the operating result.

Wages
The benefits payable to personnel are recorded in the non-consolidated income statement on the basis of the employment conditions.

Applied policy of pension costs
The group applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense.

Amortisation of intangible assets and depreciation of property, plant and equipment

Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets and capitalised goodwill. Land is not depreciated.
Future depreciation and amortisation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as the group has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the non-consolidated income statement.

Other interest income and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets to which they relate.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences

The Group's (Green Vision Holding B.V.) consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Income tax expense
Tax on the result is calculated based on the result before tax in the non-consolidated income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result. The corporate income tax that is due by these group companies is charged into the current accounts with the group.

Share in results of participating interests
The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to the group.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

2.5 Notes to the consolidated balance sheet

Fixed assets

Intangible assets

The movements in intangible fixed assets can be summarized as follows:

	Developm. Costs	Software	Total
	€	€	€
Balance as at 1 January 2021			
Cost or manufacturing price	2.290.600	124.450	2.415.050
Accumulated amortization	-	-78.878	-78.878
Book value as at 1 January 2021	2.290.600	45.572	2.336.172
Movements			
Additions	-	-	-
Impairment	-1.878.522	-5.766	-1.884.288
Amortisations	-229.060	-14.597	-243.657
Balance movements	-2.107.582	-20.363	-2.127.945
Balance as at 31 December 2021			
Cost or manufacturing price	412.078	118.684	530.762
Accumulated amortization	-229.060	-93.475	-322.535
Book value as at 31 December 2021	183.018	25.209	208.227
Depreciation rate	10%	20%	10-20%

In 2021 an impairment has been processed amounting € 1.878.522 referring to the development costs, due to lower contribution of the HyRec and the HyGen 150. The following assumptions are taken into account:

- Expected contribution margins has been set to 10% (HyRec) and 7,5% (HyGen 150);
- Expected future revenue is based on existing and updated sales funnel;
- Expected future free cashflow is based on a 10 year forecast;
- Used WACC is 14%.

The sensitivity of the used WACC:
- If the WACC increases with 2%, the negative effect will be € 14.614
- If the WACC decreases with 2%, the positive effect will be € 31.057

Property, plant and equipment

The movements in tangible fixed assets can be summarized as follows:

	Machinery	Lease	Productive equipment	Assets under construction	Other	Total
			€	€	€	€
Balance as at 1 January 2021						
Cost or manufacturing price	1.203.010	5.643.333	5.071.306	7.145.309	1.789.302	20.852.260
Accumulated impairments	-1.105.068	-548.100	-709.884	-	-734.895	-3.097.947
Book value as at 1 January 2021	97.942	5.095.233	4.361.422	7.145.309	1.054.407	17.754.313
Movements						
Additions	17.000	1.140.663		852.068	142.706	2.152.437
Depreciation	-48.251	-326.059	-337.749		-209.837	-921.896
Disposals		-			-33.879	-33.879
Depreciation on disposals					31.879	31.879
Transfers		1.666.943		-5.354.716		-3.687.773
Impairment		-5.798.238	-2.295.665	-1.699.781		-9.793.684
Balance movements	-31.251	-3.316.691	-2.633.414	-6.202.429	-69.131	-12.252.916
Balance as at 31 December 2021						
Cost or manufacturing price	1.220.010	8.450.939	5.071.306	2.642.661	1.898.129	19.283.045
Accumulated impairments	-	-5.798.238	-2.295.665	-1.699.781	-	-9.793.684
Accumulated depreciation	-1.153.319	-874.159	-1.047.633	-	-912.853	-3.987.964
Book value as at 31 December 2021	66.691	1.778.542	1.728.008	942.880	985.276	5.501.397
Depreciation rate	20%	6,67%	6,67%	20%	10-20%	

In 2021 an impairment has been processed amounting € 9.793.684, due to lower contribution of the different contracts. The following assumptions are taken into account:

- Expected future cashflows has been updated with current estimations for expenses and income;
- Used WACC is 14%.

The sensitivity of the used WACC:

- If the WACC increases with 2%, the negative effect will be € 244.573
- If the WACC decreases with 2%, the positive effect will be € 279.270

Financial assets

Finance leases
The Group has entered into finance leases on GaaS contracts consisting of gas generating systems. These leases have terms of 15 years, which represents substantially all of the economic life of the systems.

Future minimum rentals receivable under non-cancellable finance leases are as follows:

Future minimum rentals receivable		
	31-12-2021	**31-12-2020**
Within one year	503.965	173.688
1-2 years	503.965	173.688
2-3 years	503.965	173.688
3-4 years	503.965	173.688
4-5 years	503.965	173.688
More than 5 years	4.770.802	1.546.269
	7.290.625	**2.414.709**
Unguaranteed residual value (discounted)	1.028.677	468.000
	8.319.303	2.882.709
Unearned finance income:	-1.712.907	-841.459
Balance sheet per 31-12-2020:	**6.606.395**	**2.041.250**
Current finance lease receivable	€ 503.965	€ 180.516
Non-current finance lease receivable	€ 6.102.431	€ 1.860.734

The following are the amounts recognised in profit or loss related to finance lessor leases:

	2021	**2020**
	€	€
Income from variable payments on finance leases not based on an index or a rate	-	1.512
Interest income on finance lease receivables	141.759	116.984
Total amount recognised in profit or loss	**141.759**	**118.496**

Current assets

Inventories

Inventories				
		31-12-2021		31-12-2020
		€		€
Raw materials / assemble parts		2.273.578		1.448.343
Provision		-91.827		-150.211
		2.181.751		1.298.132
Prepaid inventory		857.945		41.267
Balance as at 31 December		3.039.696		1.339.399

Construction contracts (assets)

		31-12-2021		31-12-2020
		€		€
Accumulated project revenues of construction				
contracts		-5.103.705		-3.940.592
Advanced received for construction contracts		5.602.612		4.621.213
Balance as at 31 December		498.907		680.621

Receivables

Other receivables				
		31-12-2021		31-12-2020
		€		€
Trade receivables		931.937		731.692
Current part financial lease receivable		503.965		180.516
Taxes and social security		383.249		503.536
Government grants (subsidy)		1.371.711		210.717
Receivable shareholders		9.964		9.964
Other receivables		1.499.953		964.595
Balance as at 31 December		4.700.779		2.601.020

Trade receivables

		31-12-2021		31-12-2020
		€		€
Trade receivables		981.224		731.692
Provision for doubtful debts		-49.287		-
		931.937		731.692

Taxes and social security

		31-12-2021		31-12-2020
		€		€
Value added tax		343.014		370.572
Income wage tax		40.235		13.976
Other tax		-		118.988
		383.249		503.536

Government grants

		31-12-2021		31-12-2020
		€		€
Government grants		1.371.711		210.717
		1.371.711		210.717

Receivable shareholders

		31-12-2021		31-12-2020
		€		€
Current account STAK HyGear		4.964		4.964
Current account employee		5.000		5.000
		9.964		9.964

Other receivables

Other receivables				
		31-12-2021		31-12-2020
		€		€
Invoice received in advance		682.221		-
Prepaid Insurance		193.300		108.907
Other receivables		624.432		855.688
		1.499.953		964.595

Cash and cash equivalents

		31-12-2021		31-12-2020
		€		€
Cash in banks and cash on hands		1.011.948		1.205.411
Short-term deposits		30.084		164.336
		1.042.032		1.369.747

The Rabobank has issued bank guarantees in total of EUR 750.125. From this amount EUR 745.000 relates to a guarantee with an end date of 31 March 2022.

Group equity

For a supplement of the extended notes, we refer to the notes for the company only balance sheet.

Provisions

		31-12-2021		31-12-2020
		€		€
Balance as at 1 January		416.397		-
Increase/decrease		-97.592		416.397
Balance as at 31 December		318.805		416.397

The provision relates to an onerous contract and is the impairment of the assets related to this contract.

Non-current liabilities

	Total 31-12-2020	Repayment due / issued	Total	Longtime Balance as 31-12-2021	Shorttime Balance as 31-12-2021	Remaining pay-back time >1 < 5 years
	€	€	€	€	€	€
Subordinated loan DRL 2017-05	285.765	-	285.765	-	285.765	
Subordinated loan PPM 2017-05	250.000	-250.000	-	-	-	
Subordinated loan DRL 2018-06	214.340	-	214.340	-	214.340	
Bridgeloan DRL 2017-05	182.837	-	182.837	-	182.837	
Bridgeloan PPM 2017-05	159.940	-159.940	-	-	-	
Bridgeloan PPM 2017-05	187.332	-187.332	-	-	-	
Subordinated loan Oost 2019	3.928.508	-3.928.508	-	-	-	
Lease VW Arteon		46.582	46.582	35.771	10.811	35.771
Lease DBS VW golf	25.730	-5.424	20.306	-	20.306	-
Lease trailers	390.145	-38.138	352.007	300.198	51.809	300.198
Lease heftruck	32.743	-5.126	27.617	21.188	6.429	21.188
DLL Lease H2 Car	3.078	-3.078	-	-	-	
Rabo lening A 2017-2023	123.621	-54.948	68.673	27.462	41.211	27.462
Rabo lening B 2017-2023	420.826	-104.110	316.716	233.385	83.331	233.385
Rabo lening C 2017-2023	95.238	-	95.238	80.388	14.850	80.388
Loan FHBG HHP	767.317	-767.317	-		-	
Innovation loan Hyrec	1.925.221	-1.925.221	-		-	
NPEX Bond 2019-2025 8%	4.723.607	172.935	4.896.542	4.896.542	-	4.896.542
NPEX Bond 2018-2024 7,5%	4.913.968	24.295	4.938.263	4.938.263	-	4.938.263
NPEX Bond 2017-2023 7%	2.464.776	14.162	2.478.938	2.478.938	-	2.478.938
	21.094.992	-7.171.168	13.923.824	13.012.135	911.689	13.012.135

<u>Subordinated loans shareholders</u>

On May 19, 2017 subordinated bridge loans were issued by DRL Resource Management B.V. and PPM Oost NL for an amount of € 285,765 and € 250,000. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable per June 2023. The loans are subordinated to the NPEX bonds 2017-2023.

The subordinated loan PPM Oost NL is repaid by Xebec Adsorption Inc. at the end of 2021. The subordinated dividend loan is repaid by Xebec Adsorption Inc. within January 2022.

On June 19,2017 subordinated dividend loans were issued by DRL Resource Management B.V. and PPM Oost NL for an amount of € 182,837 and € 159,940. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable six months after redemption of the 2017-2023 NPEX bonds. The loan is subordinated to the NPEX bonds 2017-2023.

Bridgeloan PPM Oost NL is repaid by Xebec Adsorption Inc. at the end of 2021. The subordinated dividend loans are repaid by Xebec Adsorption Inc. within January 2022.

On July 1, 2018 subordinated dividend loans were issued by DRL Resource Management B.V. and PPM Oost NL for an amount of € 214,340 and €187,332. The DRL loan bears 7.5% interest on an annual basis and the Oost NL loan bears 7.8% interest on an annual basis. Interest is paid quarterly. The loan is subordinated on the NPEX bonds 2018-2024.

Bridgeloan PPM Oost NL is repaid by Xebec Adsorption Inc. at the end of 2021. The subordinated dividend loans were repaid within January 2022 by Xebec Adsorption Inc.

Subordinated loan Oost NL

On October 25, 2019 a subordinated loan was issued by shareholder Oost NL for a maximum amount of € 5,000,000. The loan bears 8% interest on an annual basis. Interest is paid quarterly.
The Subordinated loan Oost NL was repaid by Xebec Adsorption Inc. within December 2021.

Lease VW Arteon

The loan issued by Rabobank November 2021 for an amount of € 48.131 for a car is repayable over 5 years via monthly instalments. Loan has been repaid in 2023.

Loan DBS Car

The loan issued by DBS on September 21, 2018 for an amount of SGD 62,930 for a car is repayable over 7 years via monthly instalments. Loan has been repaid in 2023.

Loan Rabobank H2 Trailers

The loan issued by Rabobank on May 2, 2019 for an amount of €450,750 for two H2 trailers is repayable over 10 years via monthly instalments. In the agreements the trailers are included as collateral for the lease issued by Rabobank. Lease has been repaid in 2023.

Loan Toyota forklift truck

The loan issued by Toyota on November 1, 2019 for an amount of €39,130 for a forklift truck is repayable over 7 years via monthly instalments.

Loan DLL H2 Car

The loan issued by DLL on May 2, 2017 for an amount of €33,878 for a H2 car is repayable over 5 years via monthly instalments. Loan has been repaid at the end of June 2021.

Loan A Rabobank

Loan A was issued by the Rabobank on November 16, 2017 for an amount of €238,096. The loan carries a fixed 4.5% interest rate and is redeemable via monthly instalments of €4,579, starting in May 2018 and ending in February 2023. Early redemption is possible. This loan is secured by the Group as per general terms and conditions of Rabobank Nederland. Loan has been repaid in 2023.

Loan B Rabobank

Loan B was issued by the Rabobank on November 16, 2017 for a nominal amount of €666,666. The loan carries a fixed 2.4% interest rate and is redeemable via monthly instalments of €9,259, starting in May 2018 and ending in November 2024. Early redemption is possible. This loan is secured by the Group as per general terms and conditions of Rabobank Nederland. Loan has been repaid in 2023.

Loan C Rabobank

Loan C was issued by the Rabobank on November 16, 2017 for an amount of €95,238. The loan carries a fixed 4.65% interest rate and is redeemable via a 100% instalment of €95,238, in November 2024. Early redemption is possible. This loan is secured by the Group as per general terms and conditions of Rabobank Nederland. Loan has been repaid in 2023.

Loan FHBG HPP
On August 2, 2018 a subordinated loan was issued by Fonds Herstructurering Bedrijventerreinen Gelderland (FHBG), part of Oost NL, for a total amount of € 800,000.
This loan bears 6.32% interest on an annual basis, fixed for a period of five years. Interest is paid quarterly. Loan FHBG HHP is repaid by Xebec Adsorption Inc. within December 2021.

Innovation loan HYREC (Innovatiekrediet)
This loan was issued by RVO on December 16, 2016 for a maximum amount of €1,777,410.
This loan bears 7% interest on an annual basis. The loan is repaid within the first quarter of 2021.

NPEX Bonds 2017-2023; changed to 2028
On March 1, 2017 HyGear Technology & Services BV concluded a nominal €2,499,000 public bond placement via NPEX. The bonds are included at amortised cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the bonds using the effective interest method.
Until 6 February 2023: The bonds, having a nominal value of €1.000 each, carry a 7% annualised interest rate and a six-year duration. Interest is paid monthly and the bonds are redeemable on February 28, 2023. Early redemption is possible after three years. All Green Vision Holding B.V. group companies (refer to Note 12) are jointly and severally liable for interest payments and redemptions. Under the terms of the bond placement the shareholders of Green Vision Holding BV have signed a non-withdrawal statement. This stipulates that the former shareholders will refrain from dividend payments, capital repayments or any other cash pay-outs for the whole bond duration that would result in Green Vision Holding BV's solvency ratio declining below 35%.

Due to acquirement from Hydrogen Solutions B.V. of Green Vision Holding B.V. and its group companies, change have been applied as per February 6th 2023. In highlight these changes are:

- All NPEX Bonds nominal value has been changed from € 1.000 per bond to € 400 per bond
- NPEX bonds are redeemable at 1 February 2028
- For the period 1 March 2023 up and until 28 February 2024, no interest is payable for the NPEX bonds.
- As of 1 March 2024, interest on all NPEX bonds amounting 5%.

NPEX Bonds 2018-2024; changed to 2028
On July1, 2018 HyGear Technology & Services BV concluded a nominal €4,999,000 public bond placement via NPEX. The bonds are included at amortised cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the bonds using the effective interest method.
Until 6 February: The bonds, having a nominal value of €1.000 each, carry a 7.5% annualised interest rate and a six-year duration. Interest is paid monthly, and the bonds are redeemable on June 16, 2024. Early redemption is possible after three years. All Green Vision Holding B.V. group companies (refer to Note 12) are jointly and severally liable for interest payments and redemptions.
Under the terms of the bond placement the shareholders of Green Vision Holding BV have signed a non-withdrawal statement. This stipulates that shareholder will refrain from dividend payments, capital repayments or any other cash pay-outs for the whole bond duration that would result in Green Vision Holding BV's solvency ratio declining below 35%. The bonds are subordinated to the loans from the Coöperatieve Rabobank U.A., a loan from the Ministry of Economic Affairs and future bank loans.

Since bond holders have not exercised their right for early repayment due to the Xebec acquisition, these bonds are still deemed as Long Term.

Due to acquirement from Hydrogen Solutions B.V. of Green Vision Holding B.V. and its group companies, change have been applied as per February 6th 2023. In highlight these changes are:

- All NPEX Bonds nominal value has been changed from € 1.000 per bond to € 400 per bond
- NPEX bonds are redeemable at 1 February 2028
- For the period 1 March 2023 up and until 28 February 2024, no interest is payable for the NPEX bonds.
- As of 1 March 2024, interest on all NPEX bonds amounting 5%.

NPEX Bonds 2019-2025; changed to 2028

On June 24, 2019 HyGear Technology & Services BV concluded a nominal €4,999,000 public bond placement via NPEX. The bonds are included at amortised cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the bonds using the effective interest method.

Until 6 February 2023: The bonds, having a nominal value of €1,000 each, carry an 8% annualised interest rate and a six-year duration. Interest is paid monthly and the bonds are redeemable on June 24, 2025. Early redemption is possible after three years. All Green Vision Holding B.V. group companies (refer to Note 12) are jointly and severally liable for interest payments and redemptions. The bonds are subordinated to the loans from the Coöperatieve Rabobank U.A., a loan from the Ministry of Economic Affairs, a loan from De Lage Landen Financial Services B.V., a loan from the DBS bank and future loans.

Since bond holders have not exercised their right for early repayment due to the Xebec acquisition, these bonds are still deemed as Long Term.

Due to acquirement from Hydrogen Solutions B.V. of Green Vision Holding B.V. and its group companies, change have been applied as per February 6th 2023 . In highlight these changes are:

- All NPEX Bonds nominal value has been changed from € 1.000 per bond to € 400 per bond
- NPEX bonds are redeemable at 1 February 2028
- For the period 1 March 2023 up and until 28 February 2024, no interest is payable for the NPEX bonds.
- As of 1 March 2024, interest on all NPEX bonds amounting 5%.

Current liabilities, accruals and deferred income

Liabilities to group companies (Xebec Adsorption Inc.)

		31-12-2021		31-12-2020
		€		€
Balance as at 1 January		-		-
Increase/decrease		14.522.032		-
Balance as at 31 December		14.522.032		-

No interest has been calculated.

Construction contracts (liabilities)

		31-12-2021		31-12-2020
		€		€
Accumulated project revenues of construction				
contracts		-5.465.117		-4.890.861
Advanced received for construction contracts		6.413.532		5.547.694
Balance as at 31 December		948.415		656.833

Other liabilities and accrued expenses

		31-12-2021		31-12-2020
		€		€
Payables shareholders		17.560		17.560
Wages payable		213		195.637
Reservation holiday allowance / days		547.325		308.519
Reservation accountants costs		281.828		170.348
Accruals		755.688		1.338.642
		1.602.614		2.030.706

Post-employment benefit costs

Defined contribution retirement benefit
Payments to defined contribution retirement benefit plans for the year is €576,297 (2020: €472,249). The defined contribution plan is administered and insured at Nationale-Nederlanden.

Defined benefit retirement benefit plans
The Group sponsored as of January 1, 2017 a defined benefit plan for qualifying employees of its subsidiaries in the Netherlands. The defined benefit plan has during 2019 retroactively been replaced by a defined contribution plan as of January 1, 2019. The defined benefit plan is administered by and insured at Delta Lloyd Levensverzekering N.V. (‘Delta Lloyd’) that is legally separated from the entity.
The defined benefit plan is an average pay pension plan with an accrual rate of 1% of the pensionable base per annum for old-age pension. The standard retirement age is 68 years. The defined benefit plan requires contributions from employees. Contributions are based on a fixed percentage of the total premiums paid. The plan typically exposes the entity to actuarial risks such as: interest rate risk, longevity risk and salary risk. The risk relating to benefits to be paid to the dependents of plan members is reinsured by the external insurance company.

Interest risk	A decrease in the high-quality corporate bond interest rate will increase the plan liability but this will be partially offset by an increase on the plan assets.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the expected future mortality rates of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.
The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at December 31, 2019. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. The replacement of the pension plan retroactively during 2019 is treated as a plan amendment as at March 31, 2019 and accounted for as a past service credit of €895,139. The value of the obligation is offset by the value an asset of the same amount representing the amount recoverable from the insurance entity. Therefore, the net of the asset and obligation is nil.

The Group's subsidiaries funded the cost of the entitlements accrued on a yearly basis. Employees paid a fixed percentage of the total premium. Apart from paying the costs of the entitlements the Group is not liable to pay additional contributions in case the plan does not hold sufficient assets. The Group is liable to make additional payments in case of an individual legal value transfer by former employees.

2.6 Notes to the consolidated income statement

The net turnover increased with 79% in 2021 to € 9.530.313.

	31-12-2021	31-12-2020
	€	€
Net turnover		
Turnover	9.530.313	5.317.727
	9.530.313	5.317.727
Cost of sales		
Cost of sales	7.880.380	5.834.421
	7.880.380	5.834.421
Wages and salaries		
Wages and salaries	2.334.879	2.698.810
	2.334.879	2.698.810
Social security premiums and pensions cost		
Social security charges	609.866	550.133
Other pension charges	472.878	202.473
	1.082.745	752.606
Depreciation of intangible and tangible assets		
Amortisation of intangible fixes assets	2.107.583	16.097
Depreciation of property, plant and equipment	10.700.871	1.129.503
	12.808.454	1.145.600
Amortisation of intangible fixes assets		
Depreciation costs of software	14.957	16.097
Depreciation costs of Development costs	229.060	-
	244.017	16.097
Impairment of Development costs	1.863.566	-
Impairment of software	-	-
	2.107.583	16.097
	-	
Depreciation of property, plant and equipment		
Depreciation costs of machinery	48.251	64.893
Depreciation costs of lease assets	326.059	261.513
Depreciation costs of productive equipment	337.749	334.411
Other fixed assets	209.837	173.400
	921.896	834.217
Sales result other fixed assets	-15.009	-
Impairment of lease assets	5.798.538	-
Impairment of machinery	2.295.665	-
Impairment of other fixed assets	1.699.781	295.286
	10.700.871	1.129.503

Other interest and similar income				
Interest financial lease receivable		141.759		116.984
		141.759		116.984

Interest and similar expenses				
Interest on bank loans		24.778		93.274
Interst on other long-term debt		1.515.117		1.551.154
Interest on lease liabilities		15.097		122.126
Other interest expenses		37.020		-
		1.592.012		1.766.554

Income tax expense				
Deferred income tax expense		0		0
Income tax expense from current financial year		20.555		-5.774
Total of income tax expense		20.555		-5.774

The corporate income tax relates to HyGear Asia. The effective tax rate is 14%.
In 2021, no corporate income tax is due for the fiscal unity because of the negative result.

The tax losses from the past and for 2021 have not been valued. Assumptions are:

- Use of fiscal arrangements, which deduct the future fiscal profits.
- Uncertainty as to whether losses can be used to reduce future taxable profits.
- There is a dependency of the former shareholder for the realization of the fiscal losses regarding 2021 and earlier.

In 2020, corporate income tax was also exclusively Asia and the situation regarding tax losses was the same.

2.7 Other notes

Average number of employees

During the year 2021, the average number of employees, based on full-time equivalents, was 86 (2020: 74). No employees were employed outside the Netherlands 8 (2020: 8).

		31-12-2021		31-12-2020
Management		8		7
Purchase		1		1
Sales		2		5
Production and distribution		16		14
Finance		2		1
Other		57		46
		86		74

Remuneration of managing and supervisory directors

Remuneration of a managing director		158.937		155.046
Total of remuneration of managing and former managing directors		158.937		155.046

The directors' remuneration includes management fee payments, to the extent that these items were charged to Green Vision Holding BV and all its subsidiaries.

Events after 31-12-2021

On February 6, 2023, Hydrogen Solutions B.V. acquired Green Vision Holding B.V. and its group companies. Hydrogen Solutions B.V. is part of the HoSt Group (Enschede, The Netherlands). Effects of the acquirement are:

- Xebec group has released all intercompany loans against the Group Companies;
- All NPEX Bonds nominal value has been changed from € 1.000 per bond to € 400 per bond;
- NPEX bonds are redeemable at 1 February 2028;
- For the period 1 March 2023 up and until 28 February 2024, no interest is payable for the NPEX bonds;
- As of 1 March 2024, interest on all NPEX bonds amounting 5%.
- For more detailed information on events after balance sheet date we refer to paragraph 'continuity'

Result 2021

In anticipation of the General Meeting of Shareholders, the negative result for the financial year 2021 will be deducted from the general reserves.

Foreign offices

The group has offices in the United Kingdom (Buse – HyGear Ltd) and Singapore. (HyGear Asia Pte Ltd).

3 Company-only financial statements

3.1 Company-only balance sheet as at 31 December 2021

Assets				
		2021		2020
		€		€
Current assets				
Financial fixed assets				
Participations		-		-
Prepayments and accrued income				
Other accounts receivable		1.669.506		8.036.029
Cash and cash equivalents		59.516		322.822
		1.729.022		8.358.851

Equity and liabilities				
		2021		2020
		€		€
Equity		-13.231.432		2.322.577
Long-term liabilities				
Long-term liabilities		13.847.032		5.136.554
		13.847.032		5.136.554
Current liabilities, accruals and deferred income				
Current part of long-term liabilities		682.942		-
Payables Shareholders		17.560		17.560
Trade payables		160.218		449.076
Other liabilities and accrued expenses		252.701		433.084
		1.113.421		899.720
		1.729.022		8.358.852

3.2 Non-consolidated abridged statement of income and expenses for the year 2021

		2021		2020
		€		€
Result form participations		-14.628.930		-3.016.871
Company result after taxes		-955.766		-1.357.086
Net result after taxation		-15.584.696		-4.373.957

3.3 Notes to the company-only financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Green Vision Holding B.V. is Westervoortsedijk 73, 6827 AV in Arnhem. Green Vision Holding B.V. is registered at the Chamber of Commerce under number 810587798.

General accounting principles

The accounting standards used to prepare the financial statements

The non-consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Boar ('Raad van de Jaarverslaggeving'). For the company profit and loss account, use has been made of the exemption pursuant to section 2:402 of the Netherlands Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Accounting Principles

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Green Vision Holding B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Share in results of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Green Vision Holding B.V.

3.4 Notes to the company-only balance sheet

Current assets

Participations

Participations		31-12-2021		31-12-2020
		€		€
Hygear Technology & Services B.V.				
Balance as at 1 January		-694.840		2.435.605
Share of profit of group companies after taxes		-14.628.930		-3.016.871
Change in accounting policies				234.333
Exchange rate		30.621		-31.060
Other movements		18.040		-316.847
Equity Participation		-15.275.109		-694.840
Provision receivables		15.275.109		694.840
		-		-

List of group companies

Green Vision Holding B.V. has direct interests in the following group company (see section 2.4): Name, registered office*	Share in equity (%)
Fully consolidated	
HyGear Technology & Services B.V., Arnhem	100.00

** Unless indicated otherwise, the above companies have their registered offices in the Netherlands.*

Green Vision Holding B.V. exercises decisive control over the related parties. Other companies whose financial and operating activities it can control also qualify as related parties.

Receivables

Other receivables		31-12-2021		31-12-2020
		€		€
Taxes and social security		288.109		159.729
Receivables group companies		16.463.206		8.094.716
Provision negative net asset value group companies		-15.275.109		-883.813
Other receivables		193.300		665.397
Balance as at 31 December		1.669.506		8.036.029

Taxes and social security

		31-12-2021		31-12-2020
		€		€
Value added tax		288.109		159.729

Receivables group companies

		31-12-2021		31-12-2020
		€		€
Hygear Technology & Services B.V.				
Balance as at 1 January		8.094.716		6.342.502
Increase/decrease		8.368.490		1.752.214
Balance as at 31 December		16.463.206		8.094.716

No interest is calculated.

Provision negative net asset value group companies

		31-12-2021		31-12-2020
		€		€
Hygear Technology & Services B.V.				
Balance as at 1 January		883.813		-
Increase/decrease		14.391.296		883.813
Balance as at 31 December		15.275.109		883.813

Other receivables

		31-12-2021		31-12-2020
		€		€
Prepaid Insurances		193.300		108.907
Other receivables		-		556.490
		193.300		665.397

Cash and cash equivalents

		31-12-2021		31-12-2020
		€		€
Cash in banks and cash on hands		53.450		216.756
Short-term deposits		6.066		106.066
		59.516		322.822

Equity

Share capital paid and called up

Ordinary shares

The authorised ordinary share capital of Green Vision Holding B.V. amounts to € 21,853, divided into 4,368,600 ordinary shares of € 0.005 each. All ordinary shares are issued and as at December 31, 2021, 0 (December 31, 2020: 66,881) share certificates were held by the Group. For the years ended December 31, 2021 and December 31, 2020, no dividends where distributed.

Cumulative preferred share

The authorized cumulative preferred share capital of Green Vision Holding B.V. amounts to € 10, divided into 10 cumulative preferred shares of € 1 each that were issued on June 21, 2017 to Oost NL raising total proceeds of € 360,810 for the Group. The cumulative preference shares carry a cumulative dividend of 5% per annum. For the year ended December 31, 2021 and 2020, no dividends where distributed. The cumulative preference shares dividend ad at December 31, 2021 is € 54,120 (December 31, 2020: € 36,080 and January 1, 2020: € 18,040).

Exchange rate difference foreign entities

These exchange rate differences are caused by the translation of the Xebec Asia entity from Singapore dollar to euro.

See the movement schedule included within the consolidated financial statements. The change in the legal reserve (EUR -2.107.582) is caused by the impairment of the intangible assets.

2020	Issued ordinary share	Issued cumulative preferred share	Share premium ordinary	Share premium Cum Pref	Other reserves cum pref	Exchange difference foreign entities	Legal reserves	Other reserves Ordinary	Retained earnings	**Total equity**
	€	€	€	€		€	€	€	€	**€**
As at January 1, 2020	**21.843**	**10**	**2.780.331**	**360.800**	**36.080**	**13.868**	**1.650.749**	**-225.170**	**1.626.295**	**6.264.806**
Stelselwijziging					-		-314.548	635.117		320.569
Adjusted As at January 1, 2020	**21.843**	**10**	**2.780.331**	**360.800**	**36.080**	**13.868**	**1.336.201**	**409.947**	**1.626.295**	**6.585.375**
Profit for the year	-	-	-	-		-		-	-4.373.957	-4.373.957
Other comprehensive income	-		-	-		-31.036		-	-	-31.036
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-31.036**	**-**	**-**	**-4.373.957**	**-4.404.993**
Shares-based payments	-		-	-	-	-		98.195	-	98.195
Other movements	-		-	-	-	-	954.399	-910.399	-	44.000
As at December 31, 2020	**21.843**	**10**	**2.780.331**	**360.800**	**36.080**	**-17.168**	**2.290.600**	**-402.257**	**-2.747.662**	**2.322.577**

2021	Issued ordinary share	Issued cumulative preferred share	Share premium ordinary	Share premium Cum Pref	Share premium Cum Pref	Exchange difference foreign entities	Legal reserves	Other reserves Ordinary	Retained earnings	**Total equity**
	€	€	€	€	€	€	€	€	€	**€**
As at January 1, 2021	**21.843**	**10**	**2.780.331**	**360.800**	**36.080**	**-17.168**	**2.290.600**	**-402.257**	**-2.747.662**	**2.322.577**
Profit for the year	-	-	-	-	18.040	30.687		-18.040	-15.584.696	**-15.554.009**
Other comprehensive income	-	-	-	-	-	-		-	-	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**18.040**	**30.687**	**-**	**-18.040**	**-15.584.696**	**-15.554.009**
Shares-based payments										**-**
Other movements							-2.107.582	2.107.582		**-**
As at December 31, 2021	**21.843**	**10**	**2.780.331**	**360.800**	**54.120**	**13.519**	**183.018**	**1.687.285**	**-18.332.358**	**-13.231.432**

Long-term liabilities

Long-term liabilities				
		31-12-2021		31-12-2020
		€		€
Subordinated loan DRL 2017-05		-		285.765
Subordinated loan PPM 2017-05		-		250.000
Subordinated loan DRL 2018-06		-		214.340
Bridgeloan DRL 2017-05		-		182.837
Bridgeloan PPM 2017-05		-		159.940
Bridgeloan PPM 2017-05		-		187.332
Subordinated loan Oost 2019		-		3.856.340
Intercompany Xebec Adsorption Inc.		13.847.032		-
		13.847.032		5.136.554

Remaining pay-back time for all loans is < 5 years.

For information on loans, please refer to the notes to the consolidated balance sheet.

Current liabilities, accruals and deferred income

		31-12-2021		31-12-2020
		€		€
Short term part long-term liabilities		682.942		-
Payable shareholders		17.560		17.560
Accounts payable		160.218		449.076
Other liabilities		252.701		433.084
		1.113.421		899.720

Contingent assets and liabilities

Average number of employees

During the year 2021, the average number of employees, based on full-time equivalents, was null (2020: 0). No employees were employed outside the Netherlands (2020: 0).

Rental obligations
There is a rent agreement of € 320.079 with IPKW for the rent of building and land with a duration of 5 years.

Intercompany

An invoice (amounting € 1,4m) from Adsorption Inc. in 2021 has not been registered because the is disputed. As part of the acquirement by Hydrogen Solutions B.V., this obligation has been cancelled.

Directors' remuneration

Remuneration of a managing director		158.937		155.046
Total of remuneration of managing and former managing directors		158.937		155.046

The directors' remuneration includes management fee payments, to the extent that these items were charged to Green Vision Holding BV and all its subsidiaries.

3.5 Other notes

Subsequent events

Disclosure of subsequent events
There are no subsequent events with significant financial implications for the financial statements.

Provisions of the Articles of Association relating to profit appropriation
According to article 8 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds. The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called up part of the capital plus the legally required reserves.

As the independent auditor's report scope applicable to the financial statements has not been completed yet the auditors' report has not yet been provided. This draft financial statement report will only be used to review the contents of this financial draft and it is not meant to be distributed. The draft may also be subject to change and the final financial statements may differ from this draft.

Arnhem, 7 March 2024

HoSt Holding B.V.

Signed	Signed	Signed
H. Klein Teeselink Managing Director	M.A.F. te Braak Managing Director	J. Klein Teeselink Managing Director