

Annual report 2022

Green Vision Holding B.V.

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1. Accountants report

1.1 General

Comparative figures

The comparative figures published in this report are derived from the report as prepared on March 7, 2024 with accompanying unqualified audit opinion of Flynth Audit B.V. dated March 11, 2024.

Incorporation company

The Company was incorporated on July 17, 2002.

Activities

The activities of Green Vision Holding B.V., having its legal seat at Enschede, primarily consist of: Development, production and marketing of products and components for energy and heat conversion, as well as management activities.

Board

The board is formed by Hydrogen Solutions B.V..

2. Management Board's report

1. Directors' report

1.01 Policy, state of affairs and previous expectations

Our most important product is the on-site hydrogen generator system Hy.GEN. This product is standardized in three sizes called Hy.GEN-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, NO_x and Particulate Matter (PM). On this moment HyGear has a filling site near the office in Arnhem which is used to supply hydrogen to third parties, including fuelling stations.

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.

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

1.02 Objectives and core activities

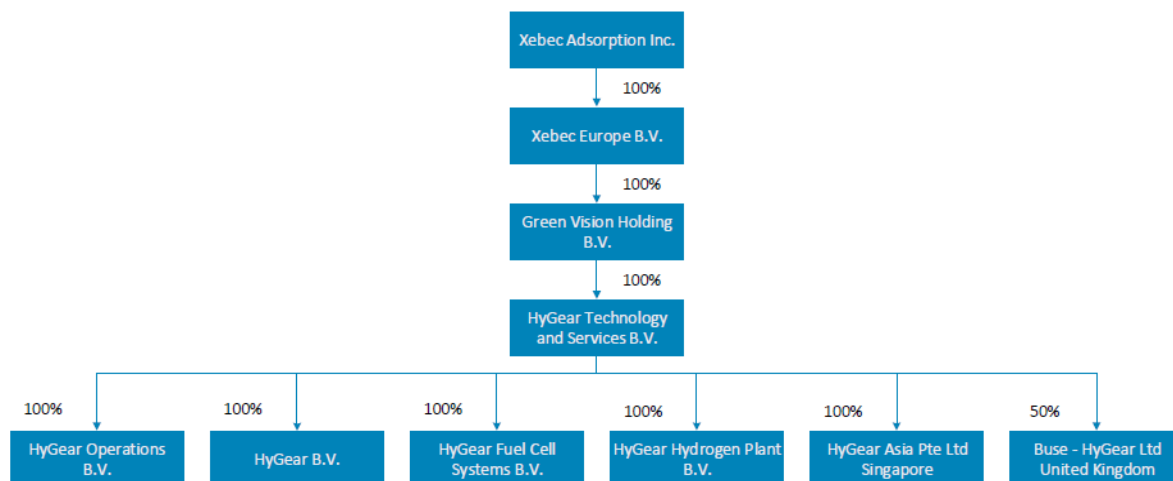
The core activity of our company is to develop, to assemble, to an international market and to service hydrogen production, purification and recycling systems as well as associated products for different industrial gases. The uniqueness of these products is the smaller scale and high efficiency, that 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.

1.03 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 2022 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 expectation of the former Board was that the joint venture will be operational within the fourth quarter of 2022. Due to new issues with permits, the Hy.GEN®50 became not operational in 2022. In 2023 the new management of HyGear agreed to sell the non-operational installation to Buse UK and the shares in the joint venture Buse-HyGear. In August 2024, it is foreseen the unit to become operation as part of the Buse UK operation.

Board of Directors

During 2022 Mr. E. de Wit was General Manager of HyGear.

Since the acquisition of Green Vision Holding 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

1.04 Financial developments

During 2022 there was an decrease in revenue (2022: EUR 7,9 million and 2021: EUR 9,6 million).

During 2022 there was an operating loss of EUR 6,1 million (2021: EUR 14.1 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 2021. Due the fact that less new contracts were signed in 2021 the recognised revenue in 2022 was lower.
- Additional transport expenses in relation to the GaaS contracts and the filling site.
- Rent of an additional warehouse.

The total loss over 2022 is EUR 6,9 million (2021: EUR 15,6 million). The difference between the operating loss and the nett loss is especially caused by the financial expenses of EUR 1 million and financial income due to GAAS contracts of 200k.

1.05 Risks and risk management

Our company develops, build, installs and operates capital intensive equipment, often used in long term contracts. This inherently imposes risks that they 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 they 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. They 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 their future expectations.

In order to reduce these risks, we invested a lot in product development, compared to the size of our company. Their focus is to make their technology more efficient, more cost effective and more reliable, while at the same time they focus on development of new products and technologies that allow them to offer a broader package to their customers and be able to serve a broader customer base. At the same time, they 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 they have insufficient financial means to pay their suppliers or service providers. To mitigate this risk, they focus on the growth of the revenue and the payment schedules which are included within the contract.

Due to the war in Ukraine, the risk exists that the purchase prices will increase but also the timely availability of the parts could be a risk. To mitigate this risk, they updated the purchase prices on a quarterly basis. During 2021 they started the production on inventory for 10 installations. In 2023 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 to the fact that the amount of natural gas is limited within the production process. To mitigate the risk, they 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. See also note 33 of the financial statements.

Risks of supplier limitations

Their 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 dual- 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 their projects for on-site generation and recovery of industrial gases, the number of customers that they serve annually is limited and the revenue for each project relatively large. They intended to reduce this risk by focusing on multiple industries and within each industry, multiple customers. At the same time, they changed their strategy since recent years to also adopt a model of what they call Gas as a Service. In Gas as a Service, they invest in their 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 cease operations, this could have an impact on their revenue from that customer. They intended to mitigate this risk by standardising their 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 they 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 their relatively low profitability is that they considered themselves to be a high-tech growth company with a strong focus on product development. Most of their developments are supported by national and international subsidy programs like the EU Horizon 2020 program. If these subsidies would reduce at one point, they will lose leverage on their R&D expenses and have to either reduce their efforts or accept lower profitability or losses. Therefore, they intended to have an active policy to acquire new research funding and maintain their income from this source. Besides this, they intended to work on the development of their products.

Liquidity risk

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 principal. 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 risk

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 on page 3-5.

Reputation risk

The hydrogen production systems of their company have been supplied on a commercial basis since 2009. The design life of the most critical components is 15 years. Therefore, they had not been able to prove yet that these systems will actually last as long as they 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 risk

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 their 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

Based on article 12b of the corporate tax law 1969, they applied for the innovation box. This results in reduced taxation of their company profits to an effective rate of 5%. The laws related to innovation box could change, as well as the portion of our revenue subject to this law, which could have an influence on their company results.

Fraud risks

Green Vision Holding B.V. intended to be an honest organization and reliable partner for their stakeholders. The starting point for this is the good faith of its employees, customers, vendors and all other parties they cooperate with. As Company, they expected their 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.

Administrative risk

After the acquisition and the subsequent reorganisation of the company, we were confronted with the departure of several employees in the financial administration department, which led to an insufficiently functioned administrative organisation and internal control, backlog in the administration, and the hiring of different interim controllers. Due to these changes of employees and several interim controllers involved, there is a risk that the financial records were not entirely accurate and complete for 2022. We are not aware of any inaccurate or incomplete records for 2022, but there is always a residual risk that such errors remain unidentified. A lot of work has already been done to improve this situation and we are still working to improve the administrative organization and internal control of the company and to resolve all backlogs.

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, they intended to refrain from signing contracts in regions or countries with increased political risks.

Continuity paragraph

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

In the 2022 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 their 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:
 - o The first is that they 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, their customer faces the same issues of delay as our equipment is part of a larger plant and they did not expect too much long-term effects. They assumed that the situation would improve within Q4-2021. This situation is still ongoing although they saw travel restrictions being lifted for many countries and we managed to establish procedures including regular testing to mitigate these restrictions.
 - o 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.
 - o Thirdly, their 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. They have seen the sales funnel grow, but the actual number of booked orders stays behind target. On that moment they see that the clients have managed to live with Covid and also start up their investments.
 - o 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 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 2022;
- 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, they noticed customers postpone their 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. They expected the effect of this will normalize within the future. On the other hand, they 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 be developed to promote the application of the recovery systems for hydrogen and nitrogen to their 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;
- The gross of the use of natural gas is used at the filling site. To mitigate the risk, they 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 they 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. In note 34 the revenue which was generated within Russia can be found.

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. 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 their 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 expected to be finished at 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 they 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.

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, hydrogen and 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.

As 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 2022 were finalized in September 2024. As

per 13 September 2024 HoSt Holding B.V. has provided a letter of comfort stating that they will provide financial support to Green Vision Holding until 1 October 2025.

On February 6, 2023, Hygear Solutions B.V. acquired Green Vision Holding B.V. and its group companies. 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 € 1000 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%

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 2023 and 2024 but the board has the reasonable expectation that the new created situation for the company is very positive. Combined with the provided comfort 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.

1.06 Culture and behavior – soft controls

General culture of the company is characterized by entrepreneurship, innovation focused and hands-on. Regarding innovation and try-out of new ideas there is significant freedom for personnel to come-up and execute ideas.

There is an open culture and the organization is always open to improvement. The employee satisfaction survey is an example of this. In addition, all employees are periodically informed about strategic, financial or operational topics. Each month business lunches are held in which employees enjoy lunch in an informal setting and are being updated by management about current developments within the company. Quarterly, employees are being updated by mean of a more formal presentation about financial, commercial and operational results of the company of last quarter.

Integrity is seen as a central starting point for the company and soft controls play an important role in this. Directors and management of the company tries to be very clear about desirable and undesirable behavior of employees. In this respect exemplary behavior of Directors and management is of great importance to get employees on the same level. HyGear is a company of hands-on doing and acting as we are willing to act, but is not a company with formal manuals and written guidelines.

The company has an open culture with short lines of communication between the Board and people in the field which enables short lines of for collecting and giving feedback from the organization.

Attention is also paid to the development and training of the employee, as well as the option of flexible working hours and working from home. The company is international oriented and has a great diversity of nationalities working in the company. We try to stimulate the fitness of employees by offering a bicycle plan arrangement in which people can lease a bicycle based on financially favorable conditions and we reward employees who travel to work by bicycle with the Project “Fietsend naar je Werk”.

Human resources:

At the end of 2022 we had 69 FTE (compared to 86 FTE in 2021) within the Netherlands. In addition to this there were 8 employees employed within Xebec Asia.

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.

1.07 Financial Instruments Risk Management Policy

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.

1.08 Code of Conduct Application and Compliance

Within the organization great value is attached to diversity and integration. We aim for a working environment in which the employees set a good example.

Employees are also expected to act as ambassadors for the company outside the organization. Our reputation and the integrity of our organization are of great importance for good business operations. In this regard, internal reporting of (suspected) unethical behaviour by or within our company is essential. We therefore encourage employees to report behaviour that violates the rules and guidelines.

New employees are periodically invited to the onboarding day. On this day they are informed about the background of the company and the norms and values we expect from people. There is no obligation for the

company to have a code of conduct and the company does not have a formal code of conduct. Based on the open and transparent culture in the company we use exemplary behaviour as the most important method to achieve the desired behaviour of employees. This seems to work quite well and important is that the exemplary behaviour is shown by all different levels in the company.

Creating a safe workplace is also essential for us. Our core values are responsibility, accountability, clear expectations and ethics. Training in safety and learning from mistakes contribute to continuous improvement of safety.

1.09 Future expectations

Former 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 they did not expect to reach an equally high conversion rate from quotation to signed order as they did in the past, they 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 they expected increasing prices and longer lead-times due the war in Ukraine (see also note 33). The increases in the purchase prices will be included within the sales prices for the installations. Due the fact that they started the production on inventory within 2021, they assumed to have sufficient inventory available.

Their strategy going forward will be to retain the two business models side by side (GaaS and DPH), but put more emphasis than they previously did in signing GAAS contracts in specific geographies where they have competitive advantage over traditional supply method. It was their 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 they intended to build together with Buse Gases in the UK. These activities are capital intensive. Due the fact that HyGear was now part of the Xebec group they assumed to have options to grow within this business models.

Another means of improving their financial overall performance and to strengthen their base for growth, is to keep working on product development and product improvement. For their existing systems they 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. During 2021 and 2022 they worked with Xebec Adsorption Inc. to review if they can integrate the purchases.

Finally, they wanted to broaden their product scope. In 2019 they 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 their specific demands and situation instead of only on what was available at HyGear. Aside to this, They 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 their site. They believed this so-called Hy.PURE technology offers significant benefits in both cost and environmental impact.

Also see 1.04 for the expectations of the future management due to the acquisition in 2023.

Arnhem, 30 September 2024

On behalf of Green Vision Holding B.V.,

J. Klein Teeselink / CEO HoSt Group

H.J. Kleef / CEO HyGear

3. Consolidated financial statements

3.1 Consolidated balance sheet as at 31 December 2022

(After proposal appropriation of result)

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Assets		
Fixed assets		
Intangible assets	<u>174.754</u>	<u>208.227</u>
Property, plant and equipment	<u>5.778.777</u>	<u>5.501.396</u>
Financial assets		
Other receivable	<u>7.946.165</u>	<u>6.606.395</u>
Current assets		
Inventories and work in progress		
Inventories	<u>1.992.423</u>	<u>3.039.697</u>
Construction contracts (assets)	<u>915.596</u>	<u>498.906</u>
Receivables		
Trade receivables	679.595	931.937
Receivables from shareholders	9.964	9.964
Other accounts receivable	<u>4.034.659</u>	<u>3.254.914</u>
	<u>4.724.218</u>	<u>4.196.815</u>
Cash and cash equivalents	<u>1.057.982</u>	<u>1.042.034</u>
	<u><u>22.589.915</u></u>	<u><u>21.093.470</u></u>

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Equity and liabilities		
Group equity	<u>-20.196.094</u>	<u>-13.231.432</u>
Provisions		
Other provision	<u>318.805</u>	<u>318.805</u>
Long-term liabilities		
Payables to banks	12.790.803	13.012.135
NOW repayment debt	<u>753.297</u>	<u>-</u>
	<u>13.544.100</u>	<u>13.012.135</u>
Current liabilities		
Current subordinated liabilities	-	500.105
Current portion of long term debts	451.577	411.584
Trade payables	1.535.738	1.420.094
Current payables to group companies	21.159.047	14.522.032
Payables relating to taxes and social security contributions	293.443	-
Construction contracts (liabilities)	1.072.667	948.415
Current other payables, liabilities and accrued expenses	<u>4.410.632</u>	<u>3.191.732</u>
	<u>28.923.104</u>	<u>20.993.962</u>
	<u>22.589.915</u>	<u>21.093.470</u>

3.2 Consolidated income statement for the year 2022

	<u>2022</u>	<u>2021</u>
	€	€
Net turnover	7.954.775	9.633.139
Cost of sales	<u>-6.568.347</u>	<u>-8.025.096</u>
Gross margin	<u>1.386.428</u>	<u>1.608.043</u>
Wages and salaries	3.392.043	2.334.879
Social security charges and pensions cost	1.203.566	1.082.744
Other expenses of employee benefits	243.060	140.437
Amortisation of intangible fixed assets	33.473	2.121.268
Depreciation of property, plant and equipment	654.108	10.687.186
Housing expenses	971.230	660.063
Operating and machine expenses	65.736	74.418
Selling expenses	458.460	450.070
Car expenses	87.358	86.300
Office expenses	107.091	136.870
General expenses	324.491	800.942
Capitalized expense	-	<u>-2.853.246</u>
	<u>7.540.616</u>	<u>15.721.931</u>
Total of operating result	<u>-6.154.188</u>	<u>-14.113.888</u>
Other interest and similar income	235.996	141.759
Interest and similar expenses	<u>-1.050.557</u>	<u>-1.592.011</u>
	<u>-814.561</u>	<u>-1.450.252</u>
Total of result of activities before tax	<u>-6.968.749</u>	<u>-15.564.140</u>
Income tax expense	7.242	-20.555
Total of result after tax	<u>-6.961.507</u>	<u>-15.584.695</u>

3.3 Consolidated cash flow statement for the year 2022

	<u>2022</u>	<u>2021</u>
	€	€
Total of cash flows from (used in) operating activities		
Operating result	<u>-6.154.188</u>	<u>-14.113.888</u>
Adjustments for		
Depreciation	714.899	1.165.553
Other reductions in value of intangible and tangible fixed assets	-701.244	11.677.972
Decrease in provisions	-	<u>-97.592</u>
	<u>13.655</u>	<u>12.745.933</u>
Changes in working capital		
Decrease (increase) in inventories	1.047.274	-1.700.297
Decrease (increase) in construction contracts	-416.690	181.714
Decrease (increase) in trade receivables	252.342	-200.245
Receivables from group companies	-	14.522.032
Decrease (increase) in other receivable	-779.745	-1.576.067
Increase (decrease) in other payables	7.929.142	-49.532
Decrease (increase) in financial lease receivables	-	<u>-323.449</u>
	<u>8.032.323</u>	<u>10.854.156</u>
Total of cash flows from (used in) operations	<u>1.891.790</u>	<u>9.486.201</u>
Interest received	235.996	141.759
Interest paid	-1.050.557	-1.592.012
Income tax received	7.242	-20.555
	<u>-807.319</u>	<u>-1.470.808</u>
Total of cash flows from (used in) operating activities	<u>1.084.471</u>	<u>8.015.393</u>
Total of cash flows from (used in) investment activities		
Purchase of property, plant and equipment	-2.492.628	-2.152.437
Purchase of financial assets	-1.339.770	-
Proceeds from sales of property, plant and equipment	1.643.941	-
Mutation of financial assets	-	<u>-551.923</u>
Total of cash flows from (used in) investment activities	<u>-2.188.457</u>	<u>-2.704.360</u>
Total of cash flows from (used in) financing activities		
Proceeds from borrowings	997.190	-
Repayments from borrowings	-916.802	-5.638.746
Current portion of long-term loans	451.577	-
Total of cash flows from (used in) financing activities	<u>531.965</u>	<u>-5.638.746</u>
Net cash flow	<u>-572.021</u>	<u>-327.713</u>
Exchange rate and translation differences on cash	587.969	-
Total of increase (decrease) in cash and cash equivalents	<u>15.948</u>	<u>-327.713</u>

Movement in cash and cash equivalents

Cash and cash equivalents at the beginning of the period	1.042.034	1.369.747
Increase (decrease) cash and cash equivalents	<u>15.948</u>	<u>-327.713</u>
Cash and cash equivalents at the end of the period	<u>1.057.982</u>	<u>1.042.034</u>

3.4 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 Thermen 10, 7521 PS in Enschede, Nederland. Green Vision Holding B.V. is registered at the Chamber of Commerce under number 08106903.

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.

The location of the actual activities

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 going concern

Continuity paragraph

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

In the 2022 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 their 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:
 - o The first is that they 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, their customer faces the same issues of delay as our equipment is part of a larger plant and they did not expect too much long-term effects. They assumed that the situation would improve within Q4-2021. This situation is still ongoing although they saw travel restrictions being lifted for many countries and we managed to establish procedures including regular testing to mitigate these restrictions.
 - o 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.
 - o Thirdly, their 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. They have seen the sales funnel grow, but the actual number of booked orders stays behind target. On that moment they see that the clients have managed to live with Covid and also start up their investments.
 - o 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 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 2022;
- 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, they noticed customers postpone their 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. They expected the effect of this will normalize within the future. On the other hand, they 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 their 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;
- The gross of the use of natural gas is used at the filling site. To mitigate the risk, they 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 they 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. In note 34 the revenue which was generated within Russia can be found.

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. 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 their 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 expected to be finished at 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 they 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.

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, hydrogen and 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.

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 2022 were finalized in September 2024. As

per 13 September 2024 HoSt Holding B.V. has provided a letter of comfort stating that they will provide financial support to Green Vision Holding until 1 October 2025.

On February 6, 2023, Hygear Solutions B.V. acquired Green Vision Holding B.V. and its group companies. 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 € 1000 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%

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 2023 and 2024 but the board has the reasonable expectation that the new created situation for the company is very positive. Combined with the provided comfort 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.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Green Vision 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 of the Dutch Civil Code and the firm pronouncements in 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.

Leases

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.

Finance leases

The corporation has lease contracts whereby it retains substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the fair value of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method. The liabilities under the lease, excluding the interest payments, are included under long-term debts.

The interest component is included in the consolidated income statement for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

Operating leases

The corporation has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the consolidated income statement for the duration of the contract.

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.

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.

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.

Development costs

Research costs are recognised in the profit and loss account. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful and the cost can be determined reliably. A legal reserve has been formed within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

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 assets. 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 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.

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 its 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.

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.

Deferred tax assets are valued at their nominal value.

Impairment of non-current assets

On each balance sheet date, Green Vision Holding B.V. 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 it is 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 contract costs will exceed total contract revenue, the expected loss is recognised as an 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 extent of contract costs incurred 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 a 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 separately presented in the balance sheet. Construction contracts with a debit 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 the nominal 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 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 consolidated income statement on the basis of the employment conditions.

Applied policy of pension costs

Green Vision Holding B.V. applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. Changes in the pension provision are also charged to the result. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

Amortisation of intangible assets

Intangible fixed assets, including goodwill are 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 capitalised goodwill.

Future 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.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated 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. Land is not depreciated.

Future depreciation 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.

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 Green Vision Holding B.V. has acquired the right to them.

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

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.

Income tax expense

Tax on the result is calculated based on the result before tax in the 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 Green Vision Holding B.V.

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.

3.5 Notes to the consolidated balance sheet

Fixed assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Intangible assets		
Development costs	162.683	183.018
Other intangible assets	<u>12.071</u>	<u>25.209</u>
	<u>174.754</u>	<u>208.227</u>

Intangible assets

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

	Develop- ment costs	Other intangible assets	Total
	€	€	€
Balance as at 1 January 2022			
Cost or manufacturing price	412.078	116.313	528.391
Accumulated amortization	<u>-229.060</u>	<u>-91.104</u>	<u>-320.164</u>
Book value as at 1 January 2022	<u>183.018</u>	<u>25.209</u>	<u>208.227</u>
Movements			
Amortisations	<u>-20.335</u>	<u>-13.138</u>	<u>-33.473</u>
Balance movements	<u>-20.335</u>	<u>-13.138</u>	<u>-33.473</u>
Balance as at 31 December 2022			
Cost or manufacturing price	412.078	116.313	528.391
Accumulated revaluations	-249.395	-	-249.395
Accumulated amortization	<u>-</u>	<u>-104.242</u>	<u>-104.242</u>
Book value as at 31 December 2022	<u>162.683</u>	<u>12.071</u>	<u>174.754</u>

In 2021 an impairment has been processed amounting EUR 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 EUR 14,614
- If the WACC decreases with 2%, the positive effect will be EUR 31,057

Intangible assets: Economic life

	<u>Develop- ment costs</u>	<u>Other intan- gible assets</u>
Start of the range of the amortisation rate of intangible assets	-	20,00
	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€

Property, plant and equipment

Machinery	65.090	66.691
Other tangible assets	4.124.944	4.491.827
Property, plant and equipment in progress and prepayments of property, plant and equipment	<u>1.588.743</u>	<u>942.878</u>
	<u>5.778.777</u>	<u>5.501.396</u>

Property, plant and equipment

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

	Machinery	Other tangible assets	Property, plant and equipment in progress and prepayments of property, plant and equipment	Total
	€	€	€	€
Balance as at 1 January 2022				
Cost or manufacturing price	1.220.010	15.398.877	942.878	17.561.765
Accumulated depreciation	-1.153.319	-2.813.147	-	-3.966.466
Accumulated impairment	-	-8.093.903	-	-8.093.903
Book value as at 1 January 2022	<u>66.691</u>	<u>4.491.827</u>	<u>942.878</u>	<u>5.501.396</u>
Movements				
Additions	21.797	882.088	1.588.743	2.492.628
Revaluations	-	181	-	181
Depreciation	-14.894	-666.532	-	-681.426
Disposals	-	-	-1.643.941	-1.643.941
Reversal of impairment	-	-	701.063	701.063
Exchange differences	-8.504	-582.620	-	-591.124
Balance movements	<u>-1.601</u>	<u>-366.883</u>	<u>645.865</u>	<u>277.381</u>
Balance as at 31 December 2022				
Cost or manufacturing price	1.241.807	16.280.965	1.588.743	19.111.515
Accumulated revaluations	-	181	-	181
Accumulated depreciation	-1.168.213	-3.456.333	-	-4.624.546
Accumulated impairment	-	-8.117.249	-	-8.117.249
Accumulated exchange differences	-8.504	-582.620	-	-591.124
Book value as at 31 December 2022	<u>65.090</u>	<u>4.124.944</u>	<u>1.588.743</u>	<u>5.778.777</u>

In 2021 an impairment has been processed amounting EUR 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 EUR 244,573
- If the WACC decreases with 2%, the positive effect will be EUR 279,270

Property, plant and equipment: Economic life

	Machinery	Other tangi- ble assets
Start of the range of the depreciation rate	20,00	6,67
End of the range of the depreciation rate of property, plant and equipment	-	20,00

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:

	Other recei- vable
	€
Balance as at 1 January 2022	
Principal value	<u>6.606.395</u>
Balance as at 1 January 2022	<u>6.606.395</u>
Movements	
To grant	440.696
Current portion	<u>899.074</u>
Balance movements	<u>1.339.770</u>
Balance as at 31 December 2022	
Principal value	<u>7.946.165</u>
Balance as at 31 December 2022	<u>7.946.165</u>

Current assets

Inventories and work in progress

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Inventories		
Raw materials / assemble parts	2.103.111	2.273.578
Prepaid inventory	-	857.945
	<u>2.103.111</u>	<u>3.131.523</u>
Provision	-110.688	-91.826
	<u>1.992.423</u>	<u>3.039.697</u>

Construction contracts (assets)

Accumulated project revenues of construction contracts	7.205.465	5.602.611
Advances received for construction contracts	-6.289.869	-5.103.705
	<u>915.596</u>	<u>498.906</u>

Receivables

Trade receivables

Trade receivables	679.595	981.224
Provision for doubtful debts	-	-49.287
	<u>679.595</u>	<u>931.937</u>

Receivables from shareholders

Current account employee	5.000	5.000
Current account STAK HyGear	4.964	4.964
	<u>9.964</u>	<u>9.964</u>

Other accounts receivable

Taxes and social security charges	14.132	383.250
Other amounts receivable	4.020.527	2.871.664
	<u>4.034.659</u>	<u>3.254.914</u>

Taxes and social security charges

Wage tax	14.132	40.235
Value added tax	-	343.015
	<u>14.132</u>	<u>383.250</u>

Other amounts receivable

Government grants	2.432.292	1.371.711
Invoice received in advance	1.219.544	682.221
NOW to be received	352.371	-
Prepaid insurances	16.320	193.300
Other receivables	-	624.432
	<u>4.020.527</u>	<u>2.871.664</u>

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Cash and cash equivalents		
Cash in banks and cash on hands	1.045.266	1.011.950
Short-term deposits	<u>12.716</u>	<u>30.084</u>
	<u>1.057.982</u>	<u>1.042.034</u>

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.

The remaining EUR 5,125 is not at the free disposal of the company.

Group equity

The shareholders' equity is explained in the notes to the non-consolidated balance sheet.

Provisions

	<u>2022</u>	<u>2021</u>
	€	€
Provisions		
Balance as at 1 January	318.805	416.397
Increase/decrease	-	-97.592
Balance as at 31 December	<u>318.805</u>	<u>318.805</u>

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

Long-term liabilities

Long-term liabilities

	Balance as at 31 December 2022	Repayment due	Remaining pay-back time > 1 year	Remaining pay-back time > 5 year	Interest percentage
	€	€	€	€	%
Payables to banks	13.242.380	451.577	12.790.803	-	-
NOW repayment debt	<u>753.297</u>	-	<u>753.297</u>	-	-
Total	<u>13.995.677</u>	<u>451.577</u>	<u>13.544.100</u>	-	

	<u>2022</u>	<u>2021</u>
	€	€
<i>Subordinated loan DRL 2017-05</i>		
Balance as at 1 January		
Principal amount	<u>285.765</u>	285.765
Balance as at 1 January	<u>285.765</u>	<u>285.765</u>
Movements		
Repayment	<u>-285.765</u>	-
Balance as at 31 December		
Principal amount	285.765	285.765
Cumulative repayments	-285.765	-
Current portion	-	-285.765
Balance as at 31 December	<u>-</u>	<u>-</u>

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

	<u>2022</u>	<u>2021</u>
	€	€
<i>Subordinated loan DRL 2018-06</i>		
Balance as at 1 January		
Principal amount	<u>214.340</u>	<u>214.340</u>
Balance as at 1 January	<u>214.340</u>	<u>214.340</u>
Movements		
Repayment	<u>-214.340</u>	<u>-</u>
Balance as at 31 December		
Principal amount	214.340	214.340
Cumulative repayments	-214.340	-
Current portion	<u>-</u>	<u>-214.340</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

On July 1, 2018 an subordinated dividend loan was issued by DRL Resource Management B.V. for an amount of EUR 214,340. The DRL loan bears 7.5% interest on an annual basis. Interest is paid quarterly. The loan is subordinated on the NPEX bonds 2018-2024.

<i>Bridgeloan DRL 2017-05</i>		
Balance as at 1 January		
Principal amount	<u>182.837</u>	<u>182.837</u>
Balance as at 1 January	<u>182.837</u>	<u>182.837</u>
Movements		
Repayment	<u>-182.837</u>	<u>-</u>
Balance as at 31 December		
Principal amount	182.837	182.837
Cumulative repayments	-182.837	-
Current portion	<u>-</u>	<u>-182.837</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

On June 19, 2017 an subordinated dividend loan was issued by DRL Resource Management B.V. for an amount of EUR 182,837. These loan 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.

	<u>2022</u>	<u>2021</u>
	€	€
<i>NPEX Bond 2019-2025 8%</i>		
Balance as at 1 January		
Principal amount	5.172.476	4.999.000
Cumulative repayments	<u>-275.393</u>	<u>-275.393</u>
Balance as at 1 January	<u>4.897.083</u>	<u>4.723.607</u>
Movements		
Increase	<u>28.733</u>	<u>173.476</u>
Balance as at 31 December		
Principal amount	5.201.209	5.172.476
Cumulative repayments	<u>-275.393</u>	<u>-275.393</u>
Balance as at 31 December	<u>4.925.816</u>	<u>4.897.083</u>

On June 24, 2019 HyGear Technology & Services BV concluded a nominal EUR 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 EUR 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.

Following the acquisition of GreenVision Holding by Hydrogen Solutions BV, a restructuring of the NPEX bonds has taken place. This resulted in the following changes:

- All NPEX Bonds nominal value has been changed from EUR 1,000 per bond to EUR 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%.

	<u>2022</u>	<u>2021</u>
	€	€
<i>NPEX Bond 2018-2024 7,5%</i>		
Balance as at 1 January		
Principal amount	5.023.295	4.999.000
Cumulative repayments	<u>-85.032</u>	<u>-85.032</u>
Balance as at 1 January	<u>4.938.263</u>	<u>4.913.968</u>
Movements		
Increase	<u>24.295</u>	<u>24.295</u>
Balance as at 31 December		
Principal amount	5.047.590	5.023.295
Cumulative repayments	<u>-85.032</u>	<u>-85.032</u>
Balance as at 31 December	<u>4.962.558</u>	<u>4.938.263</u>

On July 1, 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 EUR 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.

Following the acquisition of GreenVision Holding by Hydrogen Solutions BV, a restructuring of the NPEX bonds has taken place. This resulted in the following changes:

- All NPEX Bonds nominal value has been changed from EUR 1,000 per bond to EUR 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%.

	<u>2022</u>	<u>2021</u>
	€	€
<i>NPEX Bond 2017-2023 7%</i>		
Balance as at 1 January		
Principal amount	2.513.162	2.499.000
Cumulative repayments	<u>-34.224</u>	<u>-34.224</u>
Balance as at 1 January	<u>2.478.938</u>	<u>2.464.776</u>
Movements		
Increase	<u>14.161</u>	<u>14.162</u>
Balance as at 31 December		
Principal amount	2.527.323	2.513.162
Cumulative repayments	<u>-34.224</u>	<u>-34.224</u>
Balance as at 31 December	<u>2.493.099</u>	<u>2.478.938</u>

On March 1, 2017 HyGear Technology & Services BV concluded a nominal EUR 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 EUR 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%.

Following the acquisition of GreenVision Holding by Hydrogen Solutions BV, a restructuring of the NPEX bonds has taken place. This resulted in the following changes:

- All NPEX Bonds nominal value has been changed from EUR 1,000 per bond to EUR 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%.

	<u>2022</u>	<u>2021</u>
	€	€
<i>Rabo lening A 2017-2023</i>		
Balance as at 1 January		
Principal amount	238.096	238.096
Cumulative repayments	<u>-169.423</u>	<u>-114.475</u>
Balance as at 1 January	<u>68.673</u>	<u>123.621</u>
Movements		
Repayment	<u>-41.211</u>	<u>-54.948</u>
Balance as at 31 December		
Principal amount	238.096	238.096
Cumulative repayments	-210.634	-169.423
Current portion	<u>-27.462</u>	<u>-41.211</u>
Balance as at 31 December	<u>-</u>	<u>27.462</u>

Loan A was issued by the Rabobank on November 16, 2017 for an amount of EUR 238,096. The loan carries a fixed 4.5% interest rate and is redeemable via monthly instalments of EUR 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.

For the purpose of the Rabobank financing, the following securities were provided:

- a pledge on inventories, transport equipment, receivables from third parties and inventory;
- a corporate guarantee credit.

<i>Rabo lening B 2017-2023</i>		
Balance as at 1 January		
Principal amount	666.666	666.666
Cumulative repayments	<u>-350.490</u>	<u>-245.840</u>
Balance as at 1 January	<u>316.176</u>	<u>420.826</u>
Movements		
Repayment	<u>-83.331</u>	<u>-104.650</u>
Balance as at 31 December		
Principal amount	666.666	666.666
Cumulative repayments	-433.821	-350.490
Current portion	<u>-240.752</u>	<u>-83.331</u>
Balance as at 31 December	<u>-7.907</u>	<u>232.845</u>

Loan B was issued by the Rabobank on November 16, 2017 for a nominal amount of EUR 666,666. The loan carries a fixed 2.4% interest rate and is redeemable via monthly instalments of EUR 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.

For the purpose of the Rabobank financing, the following securities were provided:

- a pledge on inventories, transport equipment, receivables from third parties and inventory;
- a corporate guarantee credit.

	<u>2022</u>	<u>2021</u>
	€	€
<i>Rabo lening C 2017-2023</i>		
Balance as at 1 January		
Principal amount	95.238	95.238
Balance as at 1 January	<u>95.238</u>	<u>95.238</u>
Balance movements	-	-
Balance as at 31 December		
Principal amount	95.238	95.238
Current portion	<u>-95.238</u>	<u>-14.850</u>
Balance as at 31 December	<u>-</u>	<u>80.388</u>

Loan C was issued by the Rabobank on November 16, 2017 for an amount of EUR 95,238. The loan carries a fixed 4.65% interest rate and is redeemable via a 100% instalment of EUR 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.

For the purpose of the Rabobank financing, the following securities were provided:

- a pledge on inventories, transport equipment, receivables from third parties and inventory;
- a corporate guarantee credit.

Lease VW Arteon

Balance as at 1 January		
Principal amount	48.131	-
Cumulative repayments	<u>-1.549</u>	<u>-</u>
Balance as at 1 January	<u>46.582</u>	<u>-</u>
Movements		
Increase	-	48.131
Repayment	<u>-9.257</u>	<u>-1.549</u>
Balance movements	<u>-9.257</u>	<u>46.582</u>
Balance as at 31 December		
Principal amount	48.131	48.131
Cumulative repayments	-10.806	-1.549
Current portion	<u>-9.418</u>	<u>-10.811</u>
Balance as at 31 December	<u>27.907</u>	<u>35.771</u>

The loan issued by Rabobank November 2021 for an amount of EUR 48,131 for a car is repayable over 5 years via monthly instalments. Loan has been repaid in 2023.

	<u>2022</u>	<u>2021</u>
	€	€
<i>Lease DBS VW Golf</i>		
Balance as at 1 January		
Principal amount	33.878	33.878
Cumulative repayments	<u>-13.572</u>	<u>-8.148</u>
Balance as at 1 January	<u>20.306</u>	<u>25.730</u>
Movements		
Increase	114.084	-
Repayment	<u>-44.908</u>	<u>-5.424</u>
Balance movements	<u>69.176</u>	<u>-5.424</u>
Balance as at 31 December		
Principal amount	147.962	33.878
Cumulative repayments	-58.480	-13.572
Current portion	<u>-21.604</u>	<u>-20.306</u>
Balance as at 31 December	<u>67.878</u>	<u>-</u>

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.

<i>Lease trailers</i>		
Balance as at 1 January		
Principal amount	450.750	450.750
Cumulative repayments	<u>-98.744</u>	<u>-60.605</u>
Balance as at 1 January	<u>352.006</u>	<u>390.145</u>
Movements		
Repayment	<u>-39.566</u>	<u>-38.139</u>
Balance as at 31 December		
Principal amount	450.750	450.750
Cumulative repayments	-138.310	-98.744
Current portion	<u>-40.988</u>	<u>-51.809</u>
Balance as at 31 December	<u>271.452</u>	<u>300.197</u>

The loan issued by Rabobank on May 2, 2019 for an amount of EUR 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.

	<u>2022</u>	<u>2021</u>
	€	€
<i>Lease heftruck</i>		
Balance as at 1 January		
Principal amount	39.130	39.130
Cumulative repayments	<u>-11.513</u>	<u>-6.387</u>
Balance as at 1 January	<u>27.617</u>	<u>32.743</u>
Movements		
Repayment	<u>-5.347</u>	<u>-5.126</u>
Balance as at 31 December		
Principal amount	39.130	39.130
Cumulative repayments	-16.860	-11.513
Current portion	<u>-5.595</u>	<u>-6.429</u>
Balance as at 31 December	<u>16.675</u>	<u>21.188</u>

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

Lease Rabobank 70048076

Balance as at 1 January	<u>-</u>	<u>-</u>
Movements		
Increase	54.085	-
Repayment	<u>-10.240</u>	<u>-</u>
Balance movements	<u>43.845</u>	<u>-</u>
Balance as at 31 December		
Principal amount	54.085	-
Cumulative repayments	-10.240	-
Current portion	<u>-10.520</u>	<u>-</u>
Balance as at 31 December	<u>33.325</u>	<u>-</u>

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
NOW repayment debt		
NOW repayment debt	<u>753.297</u>	<u>-</u>

Of the total amount, EUR 135.000 relates to short-term debts.

Current liabilities

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Trade payables		
Accounts payable	<u>1.535.738</u>	<u>1.420.094</u>
Current payables to group companies		
Current account Xebec Adsorption Inc.	<u>21.159.047</u>	<u>14.522.032</u>
	<u>2022</u>	<u>2021</u>
	€	€
<i>Current account Xebec Adsorption Inc.</i>		
Balance as at 1 January	14.522.032	-
Increase/decrease	<u>6.637.015</u>	<u>14.522.032</u>
Balance as at 31 December	<u>21.159.047</u>	<u>14.522.032</u>
The current account Xebec Adsorption Inc. is discharged in 2023.		
	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Payables relating to taxes and social security contributions		
Value added tax	<u>293.443</u>	<u>-</u>
Construction contracts (liabilities)		
Accumulated project revenues of construction contracts	-3.047.617	-5.465.117
Advances received for construction contracts	4.120.284	6.413.532
Capitalised expenses for not yet provided services of construction contracts	-	-
	<u>1.072.667</u>	<u>948.415</u>
Current other payables, liabilities and accrued expenses		
Government grants	3.054.505	1.589.117
Payables shareholders	662.320	17.560
Reservation holiday allowance / days	308.888	547.325
Reservation accountants costs	217.895	281.828
Other liabilities	120.257	-
Accruals	46.767	755.689
Wages payable	-	213
	<u>4.410.632</u>	<u>3.191.732</u>

3.6 Notes to the consolidated income statement

The net turnover decreased with 18% in 2022 to € 7.854.579.

	<u>2022</u>	<u>2021</u>
	€	€
Net turnover		
Turnover	<u>7.954.775</u>	<u>9.633.139</u>
Cost of sales		
Cost of sales	<u>6.568.347</u>	<u>8.025.096</u>
Wages and salaries		
Wages and salaries	3.935.956	2.334.879
Applied wages	<u>-543.913</u>	<u>-</u>
	<u>3.392.043</u>	<u>2.334.879</u>
Social security charges and pensions cost		
Social security charges	873.041	609.866
Other pension charges	<u>330.525</u>	<u>472.878</u>
	<u>1.203.566</u>	<u>1.082.744</u>
Other expenses of employee benefits		
Allowance for travelling and hotel expenses	107.688	42.401
Study and training expenses	73.143	58.663
Expenses wage administratiion	25.474	12.305
Canteen expenses	19.093	12.692
Recruitment expenses	1.344	843
Other expenses of employee benefits	<u>16.318</u>	<u>13.533</u>
	<u>243.060</u>	<u>140.437</u>
Amortisation of intangible fixed assets		
Amortisation revaluation costs of development	-	1.878.523
Amortization costs of development	20.335	229.060
Amortization software	<u>13.138</u>	<u>13.685</u>
	<u>33.473</u>	<u>2.121.268</u>
Depreciation of property, plant and equipment		
Other fixed assets	666.532	10.657.092
Depreciation costs of machinery	<u>14.894</u>	<u>48.251</u>
	681.426	10.705.343
Book profit other fixed assets	<u>-27.318</u>	<u>-18.157</u>
	<u>654.108</u>	<u>10.687.186</u>

	<u>2022</u>	<u>2021</u>
	€	€
Housing expenses		
Rent expenses	715.623	544.356
Gas, water and electricity	291.946	92.380
Maintenance buildings	15.439	947
Cleaning expenses	4.713	2.924
Waist expenses	-4.083	19.456
Other housing expenses	<u>-52.408</u>	<u>-</u>
	<u>971.230</u>	<u>660.063</u>
Operating and machine expenses		
Small investments inventory	69.905	48.673
Repair and maintenance of inventory	<u>25.928</u>	<u>25.745</u>
	95.833	74.418
Applied operating and machine expenses	<u>-30.097</u>	<u>-</u>
	<u>65.736</u>	<u>74.418</u>
Selling expenses		
Travelling and hotel expenses	333.433	311.358
Advertising expenses	<u>125.028</u>	<u>138.712</u>
	458.461	450.070
Applied selling expenses	<u>-1</u>	<u>-</u>
	<u>458.460</u>	<u>450.070</u>
Car expenses		
Fuel expenses	31.797	11.343
Repair and maintenance cars	7.171	10.304
Insurance premium cars	243	-
Motor car tax	5.338	4.010
VAT on private use cars	-1.883	-4.365
Rental expenses cars	24.995	30.579
Other car expenses	<u>24.715</u>	<u>34.429</u>
	92.376	86.300
Applied car expenses	<u>-5.018</u>	<u>-</u>
	<u>87.358</u>	<u>86.300</u>
Office expenses		
Office supplies	7.107	23.461
Postage expenses	2.199	2.210
Telephone and fax expenses	21.633	18.986
Printed matters	5.835	2.921
Repair and maintenance office furniture	<u>70.317</u>	<u>89.292</u>
	<u>107.091</u>	<u>136.870</u>

	<u>2022</u>	<u>2021</u>
	€	€
General expenses		
Advisory costs	215.036	202.692
Audit costs, other non-audit services	96.248	330.864
Patent costs	45.877	45.277
Insurance premium	16.891	168.847
Charged general expenses	6.959	-
Booking differences	-165	-
Subscriptions	-70.204	1.503
Other general expenses	<u>14.297</u>	<u>51.759</u>
	324.939	800.942
Applied general expenses	<u>-448</u>	<u>-</u>
	<u>324.491</u>	<u>800.942</u>
Capitalized expense		
Capitalized expense	<u>-</u>	<u>-2.853.246</u>
Other interest and similar income		
Interest loans receivable	235.996	-
Interest financial lease receivable	<u>-</u>	<u>141.759</u>
	<u>235.996</u>	<u>141.759</u>
Interest and similar expenses		
Paid bank interest	27.870	39.875
Other interest expenses	<u>1.022.687</u>	<u>1.552.136</u>
	<u>1.050.557</u>	<u>1.592.011</u>
Paid bank interest		
Interest on bank loans	14.545	24.778
Interest in lease instalments	<u>13.325</u>	<u>15.097</u>
	<u>27.870</u>	<u>39.875</u>
Other interest expenses		
Interest on other long-term debt	897.760	1.515.118
Financing interest	1.313	-
Other interest expenses	<u>123.614</u>	<u>37.018</u>
	<u>1.022.687</u>	<u>1.552.136</u>
Income tax expense		
Income tax expense from current financial year	<u>7.242</u>	<u>-20.555</u>
Total of income tax expense	<u>7.242</u>	<u>-20.555</u>

Disclosure of income tax expense

The corporate income tax in 2022 relates to HyGear Asia. The effective tax rate is 17% (2021: 14%). In 2022, no corporate income tax is due for the fiscal unity because of the negative result.

The tax losses from the past and for 2022 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 2021, corporate income tax was also exclusively Asia and the situation regarding tax losses was the same.

3.7 Other notes

Average number of employees

	<u>2022</u>	<u>2021</u>
Average number of employees over the period working in the Netherlands	71,00	78,00
Average number of employees over the period working outside the Netherlands	<u>8,00</u>	<u>8,00</u>
Total of average number of employees over the period	<u><u>79,00</u></u>	<u><u>86,00</u></u>

Remuneration of managing and supervisory directors

Remuneration of a managing director	-	<u>158.937</u>
Total of remuneration of managing directors and former managing directors	-	158.937
Total of remuneration of managing and supervisory directors	-	<u><u>158.937</u></u>

Disclosure of remuneration of managing and supervisory directors

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

Subsequent events

Disclosure of subsequent events

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 unconditionally and irrevocably released and discharged each group company from all present and future claims, undertakings, liabilities and obligations that any and all members of the Xebec group (may) have against any Group Company;
- All NPEX Bonds nominal value has been changed from EUR 1,000 per bond to EUR 400 per bond;
- NPEX bonds are redeemable at 1 February 2028;
- For the 1 March 2023 up and until 31 January 2024, no interest will be calculated and paid for the NPEX bonds;
- As of 1 March 2024, interest on all NPEX bonds amounting 5%.
- All bondholders together will receive a 5% stake in HyGear in the form of share certificates.

For more detailed information on events after balance sheet date we refer to paragraph 'continuity'

4. Company-only financial statements

4.1 Company-only balance sheet as at 31 December 2022

(After proposal appropriation of result)

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Assets		
Fixed assets		
Financial assets		
Participations	<u>1</u>	<u>1</u>
Current assets		
Receivables		
Receivables from group companies	22.412.929	16.499.140
Other accounts receivable	<u>16.320</u>	<u>481.409</u>
	<u>22.429.249</u>	<u>16.980.549</u>
Cash and cash equivalents	<u>29.820</u>	<u>59.516</u>
	<u><u>22.459.070</u></u>	<u><u>17.040.066</u></u>

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Equity and liabilities		
Equity		
Share capital paid called up	75.973	75.973
Share premium	2.977.446	3.154.650
Other legal reserves	183.018	183.018
General reserve	<u>-23.432.531</u>	<u>-16.645.074</u>
	<u>-20.196.094</u>	<u>-13.231.433</u>
Provisions		
Other provisions	<u>21.941.768</u>	<u>15.244.243</u>
Current liabilities		
Current subordinated liabilities	-	500.105
Current portion of long term debts	-	182.837
Trade payables	18.100	160.216
Current payables to group companies	20.484.047	13.882.965
Current other payables, liabilities and accrued expenses	<u>211.249</u>	<u>301.133</u>
	<u>20.713.396</u>	<u>15.027.256</u>
	<u>22.459.070</u>	<u>17.040.066</u>

4.2 Company-only abridged profit and loss account for the year 2022

	<u>2022</u>	<u>2021</u>
	€	€
Result of participations	-6.650.371	-14.628.931
Company result after taxes	<u>-311.136</u>	<u>-955.765</u>
Net result after taxation	<u><u>-6.961.507</u></u>	<u><u>-15.584.696</u></u>

4.3 Notes to the company-only financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of is , in . is registered at the Chamber of Commerce under number .

General notes

General accounting principles

The accounting standards used to prepare the financial statements

The company-only financial statements are drawn up in accordance with the provisions of Title 9, Book 2 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.

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 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 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.

4.4 Notes to the company-only balance sheet

Fixed assets

Financial assets

Participations

Participation in group company Hygear Technology & Services B.V.

<u>31-12-2022</u>	<u>31-12-2021</u>
€	€
<u>1</u>	<u>1</u>

Participation in group company Hygear Technology & Services B.V.

Book value as at 1 January

Profit/(Loss)

Addition to provision

Other movements

Book value as at 31 December

<u>2022</u>	<u>2021</u>
€	€
1	1
-6.871.575	-14.598.064
6.697.525	14.549.403
<u>174.050</u>	<u>48.661</u>
<u>1</u>	<u>1</u>

Receivables

Receivables from group companies

Receivable from Hygear B.V.

Receivable from Hygear Hydrogen Plant B.V.

Receivable from Hygear Fuel Cell Systems B.V.

Receivable from Hygear Technology & Services B.V.

Receivable from Hygear Operations B.V.

Receivable from Xebec Adsorption Asia PTE. Ltd.

<u>31-12-2022</u>	<u>31-12-2021</u>
€	€
508.594	-
912.073	562.073
812.735	436.095
11.690.485	-
8.489.042	5.308.074
-	<u>10.192.898</u>
<u>22.412.929</u>	<u>16.499.140</u>

Other accounts receivable

Taxes and social security charges

Other amounts receivable

-	288.109
<u>16.320</u>	<u>193.300</u>
<u>16.320</u>	<u>481.409</u>

Taxes and social security charges

Value added tax

-	<u>288.109</u>
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Other amounts receivable

Prepaid insurances

<u>16.320</u>	<u>193.300</u>
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Cash and cash equivalents

Cash in banks and cash on hands

Short-term deposits

23.749	53.450
<u>6.071</u>	<u>6.066</u>
<u>29.820</u>	<u>59.516</u>

Equity

	<u>2022</u>	<u>2021</u>
	€	€
<i>Issued ordinary share</i>		
Share capital paid called up		
Balance as at 1 January	21.843	21.843
Balance as at 31 December	<u>21.843</u>	<u>21.843</u>
<i>Issued cumulative preferred share</i>		
Share capital paid called up		
Balance as at 1 January	10	10
Balance as at 31 December	<u>10</u>	<u>10</u>
<i>Other reserve cumulative preferred shares</i>		
Share capital paid called up		
Balance as at 1 January	54.120	36.080
Issue of shares	-	18.040
Balance as at 31 December	<u>54.120</u>	<u>54.120</u>
Share premium		
Balance as at 1 January	3.154.650	3.141.131
Currency translation differences	-177.204	13.519
Balance as at 31 December	<u>2.977.446</u>	<u>3.154.650</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Other legal reserves		
Other legal reserves	<u>183.018</u>	<u>183.018</u>
	<u>2022</u>	<u>2021</u>
	€	€
<i>Other legal reserves</i>		
Balance as at 1 January	183.018	2.290.600
Mutation in financial year	-	-2.107.582
Balance as at 31 December	<u>183.018</u>	<u>183.018</u>
General reserve		
Balance as at 1 January	-16.645.074	-3.149.919
Appropriation of result	-6.961.507	-15.584.696
Transfers	174.050	2.089.541
Balance as at 31 December	<u>-23.432.531</u>	<u>-16.645.074</u>

Provisions

	<u>2022</u>	<u>2021</u>
	€	€
Provision Hygear Technology & Services B.V.		
Balance as at 1 January	15.244.243	694.840
Addition to Provision Hygear Technology & Services B.V.	<u>6.697.525</u>	<u>14.549.403</u>
Balance as at 31 December	<u><u>21.941.768</u></u>	<u><u>15.244.243</u></u>

Long-term liabilities

Subordinated loan DRL 2017-05

Balance as at 1 January		
Principal amount	<u>285.765</u>	<u>285.765</u>
Balance as at 1 January	<u><u>285.765</u></u>	<u><u>285.765</u></u>
Movements		
Repayment	<u>-285.765</u>	<u>-</u>
Balance as at 31 December		
Principal amount	285.765	285.765
Cumulative repayments	-285.765	-
Current portion	<u>-</u>	<u>-285.765</u>
Balance as at 31 December	<u><u>-</u></u>	<u><u>-</u></u>

Subordinated loan DRL 2018-06

Balance as at 1 January		
Principal amount	<u>214.340</u>	<u>214.340</u>
Balance as at 1 January	<u><u>214.340</u></u>	<u><u>214.340</u></u>
Movements		
Repayment	<u>-214.340</u>	<u>-</u>
Balance as at 31 December		
Principal amount	214.340	214.340
Cumulative repayments	-214.340	-
Current portion	<u>-</u>	<u>-214.340</u>
Balance as at 31 December	<u><u>-</u></u>	<u><u>-</u></u>

Bridgeloan DRL 2017-05

Balance as at 1 January		
Principal amount	<u>182.837</u>	<u>182.837</u>
Balance as at 1 January	<u><u>182.837</u></u>	<u><u>182.837</u></u>
Movements		
Repayment	<u>-182.837</u>	<u>-</u>
Balance as at 31 December		
Principal amount	182.837	182.837
Cumulative repayments	-182.837	-
Current portion	<u>-</u>	<u>-182.837</u>
Balance as at 31 December	<u><u>-</u></u>	<u><u>-</u></u>

Current liabilities

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Current subordinated liabilities		
Current part subordinated loan DRL 2017-05	-	285.765
Current part subordinated loan DRL 2018-06	-	214.340
	<u>-</u>	<u>500.105</u>
Repayment obligations		
Current part Bridgeloan DRL 2017-05	<u>-</u>	<u>182.837</u>
Trade payables		
Accounts payable	<u>18.100</u>	<u>160.216</u>
Current payables to group companies		
Current account Xebec Adsorption Inc.	20.484.047	13.847.031
Current account Hygear B.V.	-	35.934
	<u>20.484.047</u>	<u>13.882.965</u>
<p>The current account Xebec Adsorption Inc. is discharged in 2023.</p>		
Current other payables, liabilities and accrued expenses		
Reservation accountants costs	211.249	275.621
Payables shareholders	-	25.512
	<u>211.249</u>	<u>301.133</u>

Contingent assets and liabilities

Disclosure of off-balance sheet commitments

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.

4.5 Other notes

Average number of employees

Disclosure of average number of employees during the period

During the year 2022, the average number of employees, based on full-time equivalents, was null (2021: 0). No employees were employed outside of the Netherlands (2021: 0).

Enschede, 26 September 2024

H. Klein Teeselink
Managing Director

M.A.F. te braak
Managing Director

J. Klein Teeselink
Managing Director

5. Other information

5.1 Independent auditor's report

To: The shareholders of Green Vision Holding B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our disclaimer of opinion

We were engaged to audit the financial statements 2022 of Green Vision Holding B.V. based in Arnhem.

We do not express an opinion on the accompanying financial statements of the company. Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying financial statements as a whole.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2022;
2. the consolidated and company profit and loss account for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our disclaimer of opinion

We have been appointed as auditor of the entity after 31 December 2022. Therefore, we were not able to issue audit instructions to the auditor of Hygear Asia Pte. Ltd. ("HyGear Asia"). Hygear Asia is a material subsidiary of the company. Furthermore the auditor of Hygear Asia issued a disclaimer of opinion on the financial statements and we have not been able to perform additional procedures to remediate the reported deficiencies at group level.

Several employees, with knowledge of the transactions during the financial year 2022, have left. As a consequence, we have not been able to obtain relevant documentation and other information supporting transactions during 2022 and balances as at year end 2022. Furthermore this impacted the internal control environment of the Company significantly.

As a result of the aforementioned circumstances, we were unable to determine whether any corrections would be required with regard to the balances as reported in the 2022 financial statements.

Emphasis of matter related to continuity

We draw attention to the continuity paragraph on page 20 of the financial statements which indicates that the management of Host Holding B.V. has issued a letter of comfort to Green Vision Holding B.V. The letter of comfort ensures the continuity of the business activities of Green Vision Holding B.V. through September 2025. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to consider in accordance with Part 9 of Book 2 of the Dutch Civil Code as to whether or not the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matters described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We are independent of Green Vision Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

Enschede, September 30, 2024

De Jong & Laan Controle B.V.

Origineel getekend door drs. E.B.J. Haandrikman-Willemsen RA

Colofon

deJong&Laan

Pantheon 25
7521 PR Enschede

053-481 04 81
enschede@jonglaan.nl

jonglaan.nl

De Jong & Laan Controle B.V., with registered office in Vroomshoop, Chamber of Commerce number 06054458. Our general terms and conditions apply to all our services and activities. These general terms and conditions have been filed with the Chamber of Commerce under no. 08153431 and can be viewed at www.jonglaan.nl. Alternatively, we can forward you a copy free of charge upon request.