



ANNUAL REPORT 2022

STRENGTH THROUGH COOPERATION



CONTENTS

Profile of VDL Nedcar	4
Key figures	5
Profile of VDL Groep	7
Report of the Management Board	8
Financial statements 2022	
Balance sheet	14
Profit and loss account	15
Cashflow statement	16
Principles for valuation and determination of result	19
Accounting principles for the balance sheet	22
Principles for determination of the result	27
Financial instruments and risk management	30
Notes	
Notes to the balance sheet	32
Notes to the profit and loss account	37
Profit appropriation	39
Other	
Report of the independent auditor	40
Provisions under the articles of association concerning profit appropriation	43

A man with glasses and a beard, wearing a blue and white VDL work uniform, is focused on his work. He is holding a clear plastic component of a machine. The background is a blurred industrial setting. The VDL logo is visible on his uniform.

“
CREATING
TOMORROW
TODAY”

PROFILE OF VDL NEDCAR

VDL Nedcar B.V. (VDL Nedcar) is a limited liability company. Since 14 December 2012, the issued and paid-up share capital of the company of € 250,010,091 has been held in full by the Dutch company VDL Groep B.V. (VDL Groep) located in Eindhoven. Since 15 October 2013 the shares are held via VDL Car Beheer B.V., a full subsidiary of VDL Groep.

As from its founding in 1967 the principal activity of the company - formerly known as Daf Personenautofabriek B.V., Volvo Car B.V. and Netherlands Car B.V. - was the volume production of passenger cars for its respective shareholders. It produced various passenger car models under the brands DAF, Volvo, Mitsubishi and smart. Since the end of 2012 the company - under its new name VDL Nedcar B.V. - has developed into an independent vehicle contract manufacturer, with the BMW Group as its first client. It now manufactures different models for the MINI and BMW brands. The company also produces sheet metal parts for various customers.

We enable our employees to tap into their own drive and passion to produce high quality cars, on time, and with a sense of enjoyment, while constantly striving for maximum customer satisfaction both for our own clients and for the end users, the car drivers. Strength through cooperation helps us secure the future of car manufacturing in the Netherlands.

VDL Nedcar's registered office is in Sittard-Geleen (Born), the Netherlands. The Articles of Association of VDL Nedcar were confirmed by a notarial instrument dated 30 November 1991 and most recently amended by an instrument dated 15 April 2019. The company is entered in the Trade Register of the Chamber of Commerce and Industry for Zuid-Limburg in Roermond, under number 14027374.

Statutory directors

J. van Soerland (Chief Executive Officer)
as of 1 February 2021
VDL Car Beheer B.V. (General director)
as of 15 October 2013

Company Secretary

H. Ambergen
as of 1 April 1999

VDL Nedcar has gained certification for:
IATF 16949:2016, ISO-9001:2015, ISO-14001:2015 and
ISO-27001:2013, ISO-45001:2018 and TISAX.



KEY FIGURES

All financial amounts x € 1,000

	2022	2021	2020	2019	2018
Net sales	2,098,813	2,039,073	2,322,009	3,081,059	3,663,987
Operating result	90,596	160,673	49,585	44,711	53,716
Result before taxation	93,044	161,996	50,793	45,341	53,923
Result before taxation / sales	4.4%	7.9%	2.2%	1.5%	1.5%
Net profit	68,731	121,754	35,318	34,353	40,776
Net profit / sales	3.3%	6.0%	1.5%	1.1%	1.1%
Depreciation on tangible fixed assets	28,611	34,189	46,165	48,271	45,802
Cashflow	97,342	155,943	81,483	82,624	86,578
(Dis)investments tangible fixed assets	44,847	20,930	31,059	23,508	27,364
Shareholders' equity	311,797	543,066	421,312	385,994	351,641
Balance sheet total	549,280	980,059	749,927	673,781	752,517
Solvency	56.8%	55.4%	56.2%	57.3%	46.7%
Net profit / shareholders' equity	22.0%	22.4%	8.4%	8.9%	11.6%
Production volume (units)	99,126	105,214	125,666	174,097	211,660
Number of employees as at 31 December	3,983	4,255	4,646	4,951	5,894
Average number of payroll employees	3,169	3,501	3,881	4,227	3,847

* As a consequence of a change in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') a change in accounting policies has been implemented. To enhance comparability prior year figures have been restated retrospectively.



PROFILE OF VDL GROEP

At VDL Groep, we believe that the strength of achieving real success lies in the pride of the personnel who make our products. Our curiosity motivates and inspires us to always strive for the best. We ensure that we continue to spark the imagination and develop high-tech innovations that improve everyone's wellbeing and prosperity. With a drive to excel, for now and for future generations.

VDL Groep develops and produces a wide variety of industrial products, from parts to advanced finished products. Our activities can be summarised in the 'five worlds of VDL': Science Technology & Health, Mobility, Energy & Sustainability, Infratech and Foodtech. Each of these 'worlds' has its own characteristics and challenges, with one common denominator: a unique combination of thinking and doing. This sets us apart.

As a family business founded in 1953, we cherish the values of workmanship, deliberateness and cooperation. Our employees are our organisation's greatest asset – they enable us to make the difference. By working together closely and combining workmanship with innovation, we inspire to make change happen. We are aware that the decisions we make today will affect the world of tomorrow. Together with our personnel and partners, we can make a difference today for a better world tomorrow.

VDL Groep has over 16,000 employees and is active in 19 countries. The group encompasses 100 closely cooperating operating companies, each with its own specialism. In 2022, VDL Groep achieved a combined annual turnover of €5,752 billion.

We stand for strength through cooperation.

REPORT OF THE MANAGEMENT BOARD

Looking back

The drop in production volumes that began in 2019 continued through 2020 and 2021, owing primarily to lower sales and various uncertainties in the automotive sector. Disruptions to supply chains also persisted in 2022, which prevented production volumes from returning to normal. An array of component shortages resulted in a reduced number of production days for another year running. Despite this, in June 2022, VDL Nedcar produced its 1,000,000th car since its partnership with BMW was launched in 2014. All targets relating to quality, delivery reliability and flexibility were also exceeded by far. In 2022, the renowned J.D. Powers research institute bestowed another three awards upon VDL Nedcar: the MINI Cooper produced by VDL Nedcar was rated best on initial quality as well as on appeal, and the VDL Nedcar plant came second in a ranking of automotive plants in the EU and Africa. BMW also reiterated its thanks for VDL Nedcar's excellent performance.

Investments were relatively limited in 2022, given the insufficient clarity on future vehicle projects. Nevertheless, looking ahead to the future, we invested in our ERP system, in making our operations more sustainable, in expanding certain production halls and in preconditions for future scaling up the plant.

Products and production volumes

In 2022, VDL Nedcar produced a total of 99,126 (2021: 105,214) vehicles for the BMW Group. These were the MINI Cabrio, MINI Countryman, MINI Countryman-PHEV and BMW X1. Production of the latter vehicle model was discontinued in June 2022 as planned. Our net revenue of €2.099 billion (2021: €2.039 billion) was primarily generated from the production of these vehicles.

Staff

One key aspect of the added value that a vehicle contract manufacturer such as VDL Nedcar offers its clients is flexibility in terms of dynamic production volumes and vehicle models produced. The ability to adapt to client demand is vital for securing our future. Our total number of employees fell from 4,255 (end of 2021) to 3,983 (end of 2022); the number of

employees on VDL Nedcar employment contracts decreased from 3,334 (end 2021) to 3,142 at year end 2022.

Results and dividend payment

The result after tax amounted to €68.7 million (2021: €121.8 million). This figure is significantly influenced by the settlement reached with BMW after the termination of a production contract. The result has been added to our equity. An interim dividend of €300.0 million was paid out, which has been included in the annual accounts.

Capital used up

In 2022, the balance sheet total decreased from €980.1 million to €549.3 million. Investments came to €45.7 million, while funds released from depreciation amounted to €28.6 million. Together with divestments of €0.8 million, this resulted in an increased carrying amount of tangible fixed assets of €16.2 million. Current assets decreased from €770.0 million to €323.0 million over the reporting year, mainly because of a decrease in trade receivables (BMW) and the intercompany receivable from the VDL Groep, as a result of the dividend pay-out. The result added to equity, combined with the decreased balance sheet total, resulted in a change of solvency from 55.4% (end of 2021) to 56.8% (end of 2022).

Financing

The company did not use any external financing in 2022. Operating cashflow was very positive for that financial year. As we are budgeting for a positive operating cashflow in 2023, we do not expect to call on any external financing in 2023 either. An explanation of the financial instruments can be found in the principles of valuation and determination of results, as included in the annual accounts.

For more quantitative data for the 2022 financial year, please see the key figures on page 5.

Company continuity

In 2020, BMW informed VDL Nedcar that a production contract concluded in 2019 until the end of the 2020s would be terminated. The consequences of this termination

were settled in an agreement concluded in 2021. This stipulates, amongst other things, that BMW will pay VDL Nedcar compensation. Part of the compensation covers the production volumes requested by BMW until October 2023. Car production for the BMW Group at VDL Nedcar will end in February 2024 when the current agreements expire.

The board of VDL Nedcar has performed a going concern analysis for at least one year from the date of preparation of the financial statements. The going concern analysis is based on the information illustrated in the strategy paragraph, the current cash and solvency position and the outlook for the upcoming twelve months. Based on the going concern analysis, involving multiple scenario's, the board did not identify events or circumstances which constitute reasonable doubt concerning the ability of the entity to continue as a going concern. On the other hand, there is uncertainty concerning the continuation of car production (in the current volume) because the current client ended the contractual obligation as per the end of February 2024. Negotiations with new customers are at an advanced stage of commitment but not definitely agreed upon. This risk, which is inherent to the position of an independent car manufacturer, can have consequences for employment. It can be expected that the current workforce has to be scaled down in the second half of 2023. The uncertainty concerning the going concern of the activities related to car production in its current form and to its current extend do not impact the going concern of the total entity.

The accounting principles for valuation and determination of result of the annual report are therefore based on the assumption of the entities ability to continue as a going concern.

Strategy

The situation outlined above has underlined the need to reduce our reliance on a single client.

All technical conditions regarding planning and licensing that enable production for multiple clients have now been almost fulfilled. Our facilities now offer the required flexibility to accommodate new clients.

Unfortunately, we have been less successful in acquiring new clients than initially anticipated, as the automotive industry was hit by a series of events, including:

- falling production volumes due to disruptions in supply chains, mainly in the semiconductor industry;
- protectionist measures, such as the Inflation Reduction Act (IRA) in the USA, which disrupted the choice of production locations by OEMs; and
- the Russian invasion of Ukraine.

Intensive exploratory talks with American start-up Rivian have been put on hold for the time being due to the Inflation Reduction Act. Conversely, VDL is in talks with several other potential clients for contract-manufacturing cars and other automotive-related operations. We are very close to entering into a commitment with some of these, and firm orders are on the horizon. We also have other promising leads in our portfolio.

To complement this, our Mobility Innovation Centre (MIC) is working to bring our business operations into line with the automotive industry's transition to sustainable e-mobility. In doing so, we aim to generate added value for our potential clients. In this regard, the MIC is following the VDL Groep's overarching mobility strategy, which covers design, electrification, connectivity, autonomous driving and systems.

The MIC has launched initiatives on manufacturing autonomous people carriers, fuel-cell modules and battery packs for cars. We are currently developing a demo assembly line for heavy and complex battery packs. In parallel discussions are ongoing with some existing, wellknown OEMs for the production/assembly of key components. These parties are very interested in leveraging VDL Nedcar's expertise.

VDL Nedcar will also offer its people the opportunity to connect to the work of 'today and tomorrow' through training. Working with employer organisations and knowledge institutions, the MIC is creating sustainable and hybrid training spaces. Moreover, leadership development has become a focal point as well.



As part of our innovation, VDL Nedcar is focusing on the use of mobile apps, image recognition as an aid for welding inspection and binpicking, and robotic process automation (RPA). Thanks to RPA, software robots can carry out repetitive tasks such as data processing, calculations and producing reports. VDL Nedcar is also carrying out research into how we could use artificial intelligence.

We know all too well that the world of mobility is developing at a relentless pace, with all of the challenges and uncertainties that this brings. But it is also important to remember that we at VDL Nedcar have an excellent track record when it comes to quality and reliable delivery. And as an organisation, we are highly regarded within our industry. All of this gives us confidence of how successful we will be in achieving our mission.

Vision

We are ‘Proud to be First Choice’ – that’s the motto we apply to everything we do. We want all of our stakeholders to be proud to say that we are their first choice, and that will make us proud too. With that in mind, we are working towards achieving the following vision:

We want our employees to produce high quality cars to schedule by harnessing their drive, their passion and their pleasure. Our flexibility is what makes the difference. We strive to achieve a high level of client satisfaction, both for our clients and also for the people who ultimately drive their vehicles. By utilising the strength we derive from cooperation, we will ensure the continuation of car manufacturing in the Netherlands.

We also continued working on drafting and implementing our longterm strategy to secure our position as an independent car manufacturer in the Netherlands, based on three strategic pillars: operational excellence, flexibility and innovation.

We will nevertheless continue to work to improve our performance as an employer through our culture and leadership programme. After all, our employees enable us to deliver high quality cars on time, which is why we consciously invest in working conditions and training. ‘Employees first’ continues to be the guiding principle in our strategy.

Risks and points for attention

The automotive industry is experiencing a range of social, technological and macroeconomic developments. Covid-19 and the shortage of specific components have had a palpable effect on car sales and the production chain, and this is still very much the case. The war in Ukraine has only exacerbated the situation.

How this will affect the production volume is extremely difficult to say. These dynamics are putting a strain on the creativity and flexibility of all our stakeholders, and profitability in the sector is clearly under pressure. As an independent carmaker, VDL Nedcar will have to be more creative, flexible and innovative than ever, if we are to continue delivering added value.

As our partnership with the BMW Group will end in February 2024, it is essential for us to find new clients as quickly as possible, so we have stepped up our business development efforts. The situation outlined above has underlined the need to reduce our reliance on a single client. Our business development efforts are therefore focused on contracting several new clients.

These constitute the main risks facing VDL Nedcar. With regard to potential fraud risks, the Management Board has carried out a risk assessment and has determined that there are no fraud risks that require attention in this report by the Management Board.

Corporate social responsibility

VDL Nedcar focuses explicitly on corporate social responsibility in our business operations. This is something we see as indispensable in order to ensure our long-term continuity. Our clients, employees, shareholders, neighbours and society in general all place a legitimate expectation on us to do business in a socially responsible way. That is why we consider more than just commercial aspects when making decisions. Saving energy, environmental awareness, equal treatment and social engagement are other criteria that we explicitly take into account. We have a duty to report the gender balance on the Management Board; for further information on this topic we refer to the VDL Groep annual report.

Sustainability is an integral part of our business. We reduce the effects we have on the environment wherever possible and opt for sustainable solutions where these are technically and economically justified. We have already implemented various sustainability and environmental initiatives over the past few years and are continuing to do so. There are still plenty of challenges ahead on the road to achieving our ambitious climate goals. We will reduce our greenhouse gas emissions by 49% by 2030 compared with 1990 levels, which calls for sweeping adaptations to our energy system. Energy saving and efficiency are the logical first step towards improving sustainability and reducing CO₂ emissions. Studies carried out have revealed a variety of options. We have since started installing solar panels on the roofs of our company buildings. At the end of 2022, we had a peak capacity of 6.1 MW installed, increasing to 10.3 MW in 2023.

VDL Nedcar has implemented a series of measures to compensate for the expansion of our site, going beyond what we are legally required to do. The competent authority has been closely monitoring these measures and found that they are being implemented in accordance with the regulations. We recently started the groundwork to set up the VDL Nedcar Neighbourhood Green Fund Foundation, which seeks to improve the quality of life in and around the residential areas near our car plant in Born, receiving a grant of €1.8 million from VDL Nedcar for this purpose.

Outlook

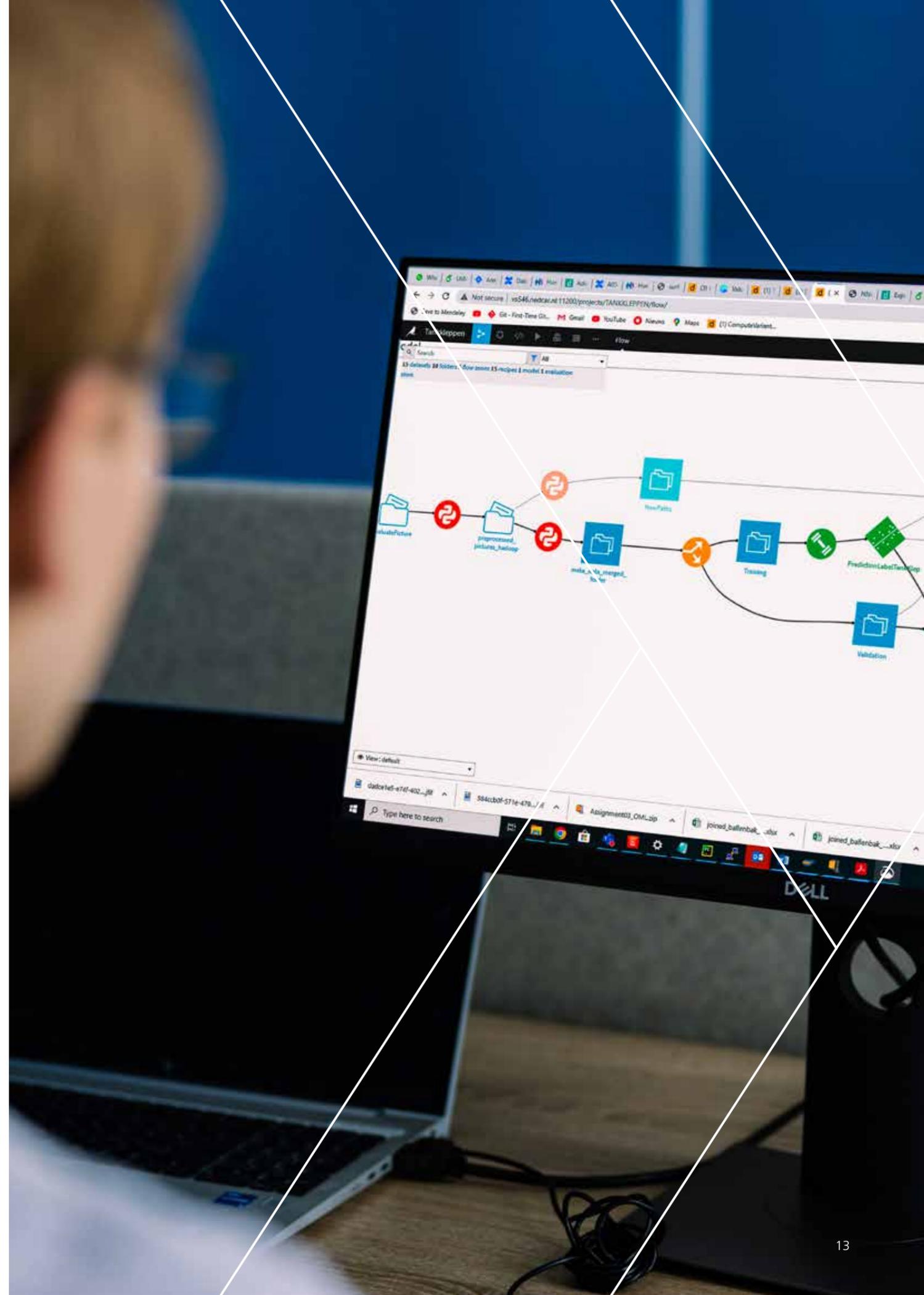
2023 will be a decisive year for the future of our company. The type and volume of orders that we will be able to land this year will determine how we can evolve after production for BMW ends at VDL Nedcar.

Operational challenges cannot be excluded either; these include uncertainties about the supply of parts, the war in Ukraine and the associated impact on car sales. A stable production schedule cannot be taken for granted. Some production days have already been lost due to supply problems in the first three months of 2023 alone. The number of cars we need to produce and net sales will come under pressure. It is to be expected that under these circumstances we will have to reduce our workforce in the second half of the year. We expect profit before tax will end up lower this year. There will be exceptional demands placed on our ability to adapt. We currently estimate investment to be at least €15 million in 2023, excluding investments on behalf of new clients.

Despite all these uncertainties, we are still optimistic about the longer term prospects for car production and employment in Born. VDL Nedcar has proven its ability to provide a flexible response to its clients' needs and the dynamics of the automotive sector as a whole. After all, we serve as a flexible capacity buffer for our clients, and our strength lies in our ability to react quickly to changing circumstances.

While 2022 was a hectic year, we are satisfied with our performance and would like to thank our employees and all our external partners for their efforts. In 2023, we will do everything possible to secure VDL Nedcar's future for the long term. We will continue to build the future of our company and are pleased we can rely on the dedication of everyone associated with VDL Nedcar.

Sittard-Geleen (Born), 17 April 2023
The Management Board



BALANCE SHEET

All amounts x € 1,000

After profit appropriation

	31 December 2022	31 December 2021
ASSETS		
Fixed assets		
Tangible fixed assets	226,328	210,092
Financial fixed assets	0	0
Current assets		
Inventories and work in progress	69,044	78,929
Construction contracts	40	225
Receivables	133,608	689,937
Cash and cash equivalents	120,260	876
	549,280	980,059
LIABILITIES		
Shareholders' equity		
Share capital	250,010	250,010
Share premium	50,000	50,000
Revaluation reserves	41,019	41,913
Other reserves	-29,232	201,143
	311,797	543,066
Provisions	20,836	21,502
Current liabilities	216,647	415,491
	549,280	980,059

PROFIT AND LOSS ACCOUNT

All amounts x € 1,000

	2022	2021
Net sales	2,098,813	2,039,073
Change in work in progress	-5,517	4,878
Other operating income	34,912	91,922
Total operating income	2,128,208	2,135,873
Costs of raw materials and consumables	1,624,347	1,582,155
Costs of work contracted out	49,028	42,728
Wages and salaries	277,121	266,315
Depreciation on tangible fixed assets	28,611	34,189
Other operating costs	58,505	49,813
Total operating costs	2,037,612	1,975,200
Operating result	90,596	160,673
Financial income and expenses	2,448	1,323
Result before taxation	93,044	161,996
Taxation	-24,313	-40,242
RESULT AFTER TAXATION	68,731	121,754

CASHFLOW STATEMENT

All amounts x € 1,000

	2022	2021
Cashflow operational activities		
Operating result	90,596	160,673
Adjustments for:		
Depreciation on tangible fixed assets	28,611	34,189
Change in provisions	-239	-21,287
	28,372	12,902
Change in working capital:		
Inventories	9,886	-2,420
Construction contracts	-13,719	11,432
Trade receivables	172,454	-151,695
Other receivables	83,874	-89,196
Debts to trade creditors	-55,937	47,579
Other current liabilities	-129,003	70,044
	67,555	-114,256
Cashflow business operations	186,523	59,319
Interest paid / received	2,448	1,323
Paid income taxes	-24,740	-39,857
	-22,292	-38,534
Cashflow operational activities	164,231	20,785
Cashflow investment activities		
Investments in tangible fixed assets	-45,687	-21,363
Disinvestments tangible fixed assets	840	433
Cashflow investment activities	-44,847	-20,930
Change to cashflow	119,384	-145
Cash and cash equivalents developed as follows:		
Position as at 1 January	876	1,021
Change in financial year	119,384	-145
Position as at 31 December	120,260	876



PRINCIPLES FOR VALUATION AND DETERMINATION OF RESULT

GENERAL

Activities

The principal activities of VDL Nedcar B.V. comprise the following transactions:

- the production of passenger cars and related products. The production of passenger cars and related products includes two performance obligations: the manufacturing of passenger cars and the provision of production capacity and infrastructure (fixed cost charge).
- engineering projects related to car production and associated services. These services include a performance obligation.

Going concern

In 2020 BMW Informed VDL Nedcar of its withdrawal from a production contract concluded in 2019 and initially defined until the end of the twenties. A contract concluded in 2021 settles the implication of this withdrawal. This contract includes amongst others a reimbursement from BMW to VDL Nedcar settled over the time period until the end of production. A part of this reimbursement is based on the production of volumes requested by BMW up and until October 2023. At the end of February 2024, the car production for BMW Group at VDL Nedcar will cease, with the expiration of the current contracts.

The current situation stipulates the necessity for VDL Nedcar to limit the dependence on one single client. All requirements concerning zoning plans, licenses and permits to enable production for multiple clients have been virtually fulfilled. VDL Nedcar for instance possesses the required territorial flexibility to accommodate new clients.

VDL Nedcar is engaging with several potential clients for contract manufacturing of cars and other automotive related activities. VDL Nedcar and several potential clients are in a late stage of commitment and concrete contract assignments are within reach. Further, other promising leads are in the portfolio.

Additionally VDL Nedcar is working on further development of activities related to the transition of automotive industry to sustainable e-mobility. This is elaborated in several forms in the Mobility Innovation Centre (MIC). VDL Nedcar sees this as an opportunity to provide additional added value to potential clients. In doing this, the MIC fits in with the general mobility strategy of VDL Groep: design, electrification, connectivity, autonomous driving and systems.

The MIC includes amongst others initiatives for the production of battery packs for cars, autonomous people movers and fuel cell modules. Against this background dialogue is currently ongoing with several existing, prominent OEM's, for production and assembly of important components. These parties are very interested to utilize the competences of VDL Nedcar. The MIC is currently developing a demo line to assemble heavy and complex battery packs. The innovative activities of VDL Nedcar are focused amongst others on the application of mobile apps, image recognition supporting welding controls and binpicking and Robotic Process Automation (RPA). By the means of RPA software robots can exercise repetitive tasks, like data processing, calculations and report generation. VDL Nedcar is also researching the application possibilities of AI.

VDL Nedcar constantly bears in mind that the world of mobility is constantly changing, bringing all challenges and uncertainties involved. Simultaneously VDL Nedcar has an excellent track record in terms of quality and production reliability. As organization VDL Nedcar is still highly regarded in the sector. All of this combined instils confidence in the success of the formulated mission.

Besides this VDL Nedcar is working on its strategy to further secure its position as an independent car manufacturer in the Netherlands and continues its implementation of this strategy. Based on three strategic pillars VDL Nedcar is working to secure this position for the long term: operational excellence, flexibility and process innovation.

The board of VDL Nedcar has performed a going concern analysis for at least one year from the date of preparation of the financial statements. The going concern analysis is based on the information illustrated above, the current cash and solvency position and the outlook for the upcoming twelve months. Based on the going concern analysis, involving multiple scenario's, the board did not identify events or circumstances which constitute reasonable doubt concerning the ability of the entity to continue as a going concern. On the other hand, there is uncertainty concerning the continuation of car production (in the current volume) because the current client ended the contractual obligation as per the end of February 2024. Negotiations with new customers are at an advanced stage of commitment but not definitely agreed upon. This risk, which is inherent to the position of an independent car manufacturer, can have consequences for employment. It can be expected that the current workforce has to be scaled down in the second half of 2023. The uncertainty concerning the going concern of the activities related to car production in its current form and to its current extend do not impact the going concern of the total entity.

The accounting principles for valuation and determination of result of the annual report are therefore based on the assumption of the entities ability to continue as a going concern.

Establishment address

VDL Nedcar B.V. is effectively established at Dr. Hub van Doorneweg 1 in Born, the Netherlands.

Group structure

VDL Nedcar B.V. is part of the VDL group (Groep). At the head of this group is VDL Groep B.V. with its registered office in Eindhoven, the Netherlands.

The financial statements of VDL Nedcar B.V. are included in the consolidated financial statements of VDL Groep B.V. The consolidated financial statements of VDL Groep B.V. are available at the office of VDL Nedcar B.V.

Change in accounting policies

As of fiscal year 2022 the amendments to the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') - RJ 221 - construction contracts is applied in the annual accounts. The

new standard defines debit and credit positions of individual projects in the position construction contracts cannot be offset, the assets and liabilities resulting from construction contracts have to be accounted for separately in the balance sheet.

Further, the changes in construction contracts are reported as a part of net sales. The change in onerous contracts is allocated to the applicable cost accounts. This change in accounting policies does not affect equity and results.

In the interest of comparability, prior year figures have been altered. The effect on balance sheet total as at 31 December 2021 amounts to 225. This results in an increase of balance sheet total from 979,834 to 980,059.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of VDL Nedcar B.V. make various 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, of the Dutch civil code, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Consolidation

In 2022 VDL Nedcar B.V. acquired 100% of the shares in VDL Nedcar Solar Beheer B.V., established in the Netherlands, Born for an acquisition price of one Euro. VDL Nedcar B.V. has not drafted consolidated annual accounts because the interest in VDL Nedcar Solar Beheer B.V. is of negligible interest.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of VDL Nedcar B.V. or the ultimate parent company and close relatives are regarded as related parties. Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Acquisitions and disposal of group entities

Results and identifiable assets and liabilities of acquired entities are included in the consolidated annual accounts as of acquisition date. Acquisition date is defined as the moment a controlling interest can be applied in the corresponding entity. The acquisition price includes the cash amount or the equivalent agreed upon for the acquisition of the acquired entity increased by the applicable directly attributable costs.

If the acquisition amount exceeds the net amount of the fair value of identifiable assets and liabilities, the transcending amount will be recognized as goodwill, classified as intangible fixed assets (purchase price accounting). If the acquisition price is below the fair value of identifiable assets and liabilities, the difference (negative goodwill) is recognized as an accrued liability, provided there is no case of a 'lucky-buy'. If a 'lucky-buy' is applicable, the negative goodwill extending the fair value of identified non-monetary assets is recognized in the income statement. Consolidated entities remain consolidated until the moment they are sold. Deconsolidation is defined as the moment a controlling interest is transferred or when an investment does not comply to the criteria of a group company.

Accounting policies for the cashflow statement

The cashflow statement has been prepared using the indirect method. The cash items disclosed in the cashflow statement comprise cash at banks and in hand except for deposits with a maturity longer than twelve months. Cashflows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cashflow 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 provided a payment in cash has occurred.

GENERAL PRINCIPLES

General

The financial statements are prepared in accordance with the statutory 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.

Comparison with previous year

The principles of valuation and determination of result remain unaltered as compared with the previous year, with the exception of classification changes and the change in accounting principles as described in the relevant paragraph.

Foreign currencies

The financial statements are prepared in euros. This is both the functional and presentation currency of VDL Nedcar B.V. Transactions in foreign currencies during the reporting period are stated in the financial statements at the exchange rate on transaction date.

Operational leasing

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. 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 profit and loss account for the duration of the contract.

Financial instruments

All financial instruments reported in the balance sheet are valued at (amortised) cost price. Due to the short term nature of the recognized financial instruments the actual value equals the value at amortised costs. VDL Nedcar had no derivative financial instruments.



ACCOUNTING PRINCIPLES FOR THE BALANCE SHEET

FIXED ASSETS

Tangible fixed assets

Buildings and land used for business purposes are valued at historical cost. In this connection, use is made of the transition ruling as contained in RJ 212.8 as a result of which the fair value as at 1 January 2016 was taken as the underlying principle and start value of the historical cost price. Straightline depreciation is applied, taking account of the estimated useful life of the assets in question and impairments. There is no depreciation on land. A deferred taxation of 15% was taken into account on the revaluation of buildings based on the transition ruling. For land a deferred taxation of 0% is taken into account.

Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straightline depreciation based on the expected future life and impairments. For obligations

to restore the asset after use (dismantling cost), a provision is recognised. This position is built up during the lifetime of the asset in question.

Major maintenance expenses are capitalized and amortized over the expected useful life. Costs for regular maintenance and repair are charged directly to the result. Grants on investments are deducted from the historical cost price or production cost of the assets to which the grants relate.

The estimated useful life per category is:

- Buildings : 33 1/3 years
- Renovations and facilities : 5 - 20 years
- Machines and installations : 5 - 10 years
- Other fixed assets : 5 - 7 years

Depreciation on investments during the year will start on the date of investment.

Impairment of fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined. An impairment occurs if the book value of an asset is higher than the realisable value. The realisable value is higher of the market value and the operating value.

An impairment loss is directly recognised in the profit and loss account. 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.

CURRENT ASSETS

Inventories and work in progress

Raw materials and consumables are valued at historical price based on the FIFO method ('first in, first out') or realisable value if lower.

Work in progress is valued at production costs or realisable value if lower. The production costs consist of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production costs include 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 on behalf of third parties consist of the balance of realised project costs, allocated profit and if applicable accounted losses and already invoiced instalments. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, it will be presented under current liabilities.

Receivables

Receivables, including tax and prepayments and accrued income, are recognised initially at fair value and subsequently at amortised cost. The fair value and amortised cost are practically equal to the nominal value. Any provisions considered necessary for bad debt risk shall be deducted. These provisions are determined on the basis of an individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand. Current account debts to banks are listed under debts to credit institutions under current liabilities. Cash and cash equivalents are carried at nominal value.

SHAREHOLDERS EQUITY

Revaluation reserve

The existing revaluation reserve, less any relevant (deferred) tax obligations is, the consequence of the revaluation of land and buildings in the period before 1 January 2016. As a consequence of the transition ruling as laid down in RJ 212.8, this revaluation reserve is released upon realisation, in other words through depreciation or sale in future periods. The realised revaluations are immediately included in the shareholders' equity.

The corresponding release of (deferred) tax obligations is credited to the result under the item tax on result from ordinary business operations.

PROVISIONS

General

Provisions are recognised for legally enforceable or actual obligations existing on the balance sheet date, whereby an outflow of resources is probably necessary, the scale of which can be reliably estimated.

The provisions are valued at the best estimate for the amounts necessary for settling the obligations as at the balance sheet date. The provisions are valued at nominal value of the expenditure expected to be necessary for settling the obligations unless the time value of money is material. In that case the present value of the expected future expenditure will be used. The provisions are mainly longterm, unless otherwise stated.

If a third party is expected to reimburse these obligations, and if it is likely that this payment will be received upon settlement of the obligation, this reimbursement will be recognized as an asset in the balance sheet.

Provision for deferred taxation

The provision for deferred taxation relates to future tax obligations arising from the differences between the valuation of the buildings according to these financial statements and the fiscal valuation of the relevant items. The computation of the deferred tax liability is based on the current applicable tax rate discounted to a net present value of 15% for buildings and 0% for land.

Guarantee provision

This provision relates to possible costs to be reimbursed for products sold, if for the legal entity an obligation arises due to non-compliance with agreed quality requirements. This provision is largely of a short term nature.

Dismantling provision

The provision relates to future dismantling costs for the production lines. The dismantling provision is built up during the lifetime of these production lines.

Provision for post-retirement medical health benefits

This provision consists of obligations arising from the contribution towards medical health benefits of retired former employees. The provision is built up at nominal value of the future obligations.

Provision for jubilee benefits

The provision for jubilee benefits is measured at the present value of expected benefits payable during employment. The calculation of the provision takes the expected future salary increases and the likely stay into account.

Other Provisions

Other provisions comprise a provision for an addition to the salary of employees who are partially incapacitated for work but still employed by VDL Nedcar B.V.

OTHER ASSETS AND LIABILITIES

Liabilities are initially recognised at fair value. Transaction costs directly attributable to the acquisition of liabilities are included in the valuation and initial measurement. Following initial measurement, liabilities are valued at amortised cost, being the amount received, taking into account premiums or discounts, less transaction costs. The fair value and amortised costs are practically equal to the nominal value.



PRINCIPLES FOR DETERMINATION OF THE RESULT

GENERAL

The result is determined as the difference between the realisable value of goods and 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 sales

Net sales comprises the income from sale of goods related to car production (including additional compensation related to the determination of the BMW contract), provided services and realized project income from construction contracts less discounts, redirect sales, etc. and any tax levied on sales.

Sale of goods

Revenues arising from the sale of goods are recognized when all significant rights and risks related to the ownership of the goods have been transferred to the buyer. The sale of goods includes two performance obligations. The production of passenger vehicles and the provision of production capacity and infrastructure (fixed cost compensation).

Revenues relating to the performance obligation production of passenger cars are allocated based on the actual provision of cars. Revenues related to the performance obligation provision of production capacity and infrastructure are allocated to the period of provision.

Provision of services

Accounting for revenues arising from the provision of services is applied in proportion to the performed services, based on the performed services until balance sheet date related to the total service to be provided. The provision of services includes one performance obligation.

Project income and project costs

For construction contracts, the result of which can be measured reliably, the project income and project costs are accounted for as net turnover and costs in the profit and loss account proportionally to the performance provided as at the balance sheet date (the 'Percentage of Completion' method or PoC method).

The progress of the performance provided is determined on the basis of the project costs incurred up to the balance sheet date in relation to the estimated total project costs. If the result cannot (yet) be reliably estimated, the income is accounted for as net turnover in the profit and loss account, up to the amount of incurred project costs that can probably be recovered; the project costs are then accounted for in the profit and loss account in the period in which they are incurred. As soon as the result can be reliably determined, revenue recognition is carried out according to the PoC method, proportionally to the performance provided as at balance sheet date.

The result is determined as the difference between the project income and project costs. Project income relates to the contractually agreed income and income from additional and less work, claims and payments if and in as much as it is probable that these will be realised, and can be reliably predicted. Project costs are the costs relating directly to the project, that can generally be allocated to project activities and allocated to the project and other costs contractually attributable to the client.

If it is probable that the total project costs exceed total project income, expected losses are immediately accounted for in the profit and loss account. This loss is allocated to the applicable cost account. The provision for the loss is part of the construction contracts.

Other operating income

Results that do not directly correspond with the delivery of goods and services within the context of the normal, non-incidental business operations are accounted for under other operating income. This income is recorded in the year in which it was realised.

Government grants

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received and that all the subsidy provisions have been met. Government grants are presented as other operating income.

Grants related to investments in tangible fixed assets are deducted from the asset to which they relate and recorded in the profit and loss account as part of the depreciation costs.

Costs of work contracted out

Costs of work contracted out comprise all costs related to work contracted out and other external costs incurred to generate net turnover and other operating income.

EMPLOYEE BENEFITS

Short-term employee cost

Wages, salaries and social security contributions are recognised in the profit and loss account, on the basis of the employment conditions, in as much as payable to employees.

Pensions

VDL Nedcar B.V. applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result.

MISCELLANEOUS

Other expenses

Expenses are determined on a historical cost basis and attributed to the financial year in which the costs are incurred.

Depreciation on tangible fixed assets

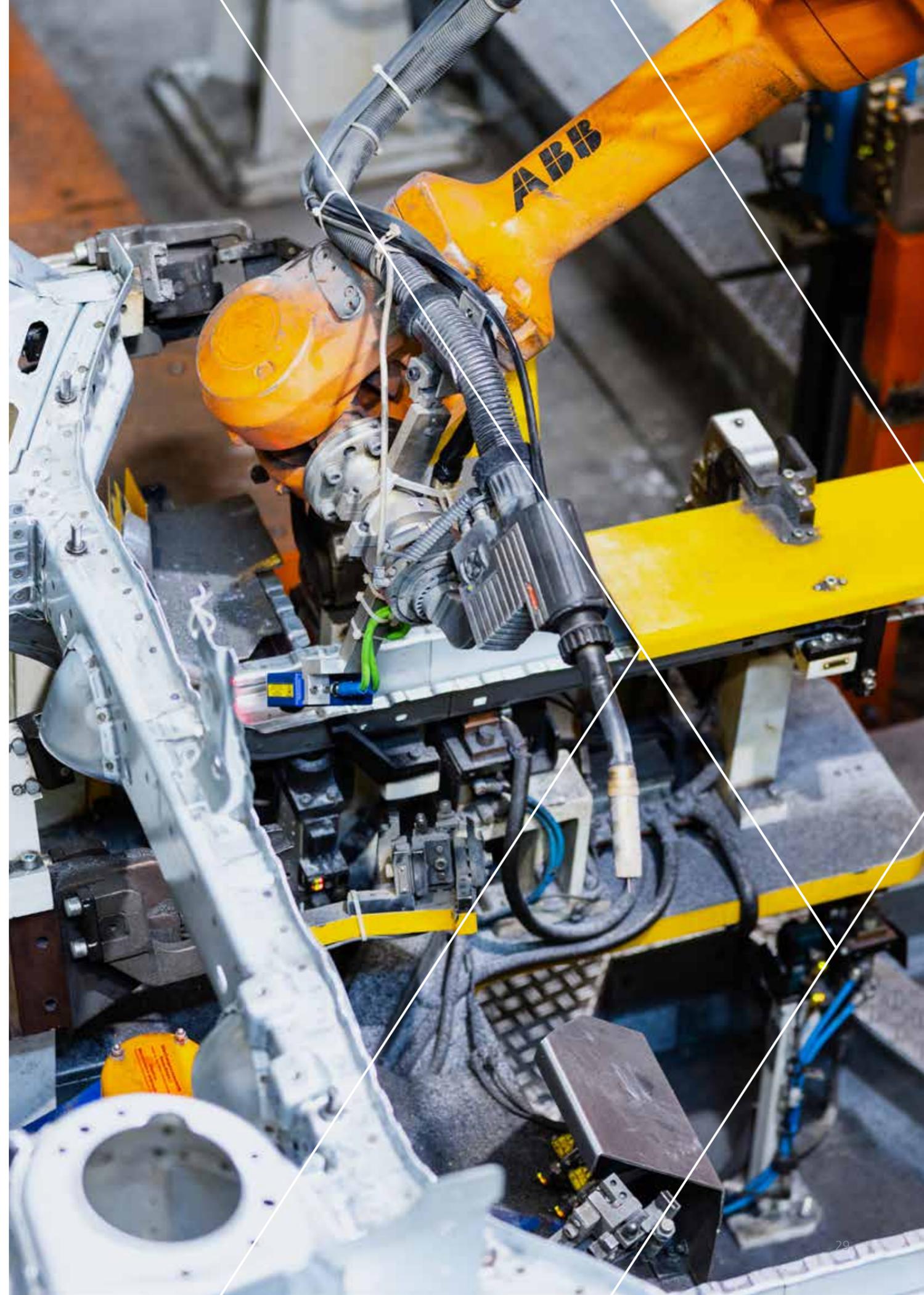
Tangible fixed assets are depreciated during the expected future useful life of the asset from the moment of commissioning. There is no depreciation on land. If a change is made to the estimated future useful life, future depreciation will be adjusted. Profits and losses from the incidental sale of tangible fixed assets are included under other operating income.

Interest income and interest expenses

Interest income and interest 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.

Tax on the result from ordinary business operations

Tax on the result is calculated based on the result before tax in the profit and loss account. Account is also taken of changes occurring in the deferred tax assets and deferred tax liabilities. Tax payable on the result is offset with the head of the fiscal unity via the current account.



FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

GENERAL

In the normal course of business, VDL Nedcar B.V. utilizes various financial instruments which expose the company to market, foreign exchange, interest, cashflow, credit, and liquidity risks. To manage these risks the company established a policy including a framework of limits and procedures to mitigate the impact of potential negative developments on financial markets and consequently the financial performance of the company. VDL Nedcar B.V. does not utilize derivative financial instruments to mitigate potential risks.

MARKET RISK

Currency risk

VDL Nedcar B.V. operates primarily in the European Union. Practically all positions and transactions are in euros, meaning that there is no currency risk.

Price risk

VDL Nedcar B.V. incurs no noteworthy price risks.

Interest and cashflow risk

VDL Nedcar B.V. incurs interest risk on the interest-bearing receivables (in particular under current assets and Cash and cash equivalents) and interest-bearing current liabilities.

Where floating interest loans and receivables are concerned, VDL Nedcar B.V. incurs risk regarding future cashflows; as concerns fixed interest loans and receivables, VDL Nedcar B.V. incurs risk on the fair value due to changes in the market rate of interest.

As concerns receivables, no financial derivatives are contracted in respect of interest risk.

CREDIT RISK

Despite the concentration of accounts receivable at a limited number of customers VDL Nedcar B.V. has no significant credit risk. Any outstanding Cash and cash equivalents are with banks with at least an A-rating.

VDL Nedcar B.V. has its receivables to group companies, where no credit risk incurs.

Liquidity risk

VDL Nedcar B.V. has no liquidity risk since the company has sufficient Cash and cash equivalents.



NOTES TO THE BALANCE SHEET

All amounts x € 1,000

Fixed assets

Tangible fixed assets

The statement of changes in tangible fixed assets reads as follows:

	Buildings and land	Machines and installations	Other fixed assets	Assets under construction	Total
Book value as at 1 January 2022	146,634	31,358	17,477	14,623	210,092
Investments	1,640	1,449	1,243	41,355	45,687
Reclassification	4,280	418	1,669	-6,367	0
Disinvestments	-672	0	-154	-14	-840
Depreciation	-8,323	-13,420	-6,868	0	-28,611
Book value as at 31 December 2022	143,559	19,805	13,367	49,597	226,328

The specification of the book value as at 31 December 2022 is as follows:

Historical cost (including revaluations)	359,539	529,238	77,218	49,597	1,015,592
Cumulative depreciation	215,980	509,433	63,851	0	789,264
	143,559	19,805	13,367	49,597	226,328

Revaluations included in the purchase price for buildings and land based on transitional arrangements at year end 2022 amounted to 44.091 (2021: 45.107).

Due to the cancelation of the production contract signed in 2019 with BMW, resulting in the end of car production for BMW at VDL Nedcar at the end of February 2024, the board of VDL Nedcar B.V. has performed an impairment test at the end of the financial year to determine the necessity of an impairment. For this impairment test the value in use of the cash-generating unit VDL Nedcar as a whole was determined in different scenarios. This analysis showed sufficient headroom in all scenarios. Consequently, impairment of assets is non-applicable.

	31 December 2022	31 December 2021
Financial fixed assets		
Participations in group companies	0	0

Movement in participations in group companies is as follows:

Book value as at 1 January 2022	0
Investments	0
Net result	0
Other movements	0
Book value as at 31 December 2022	0

<i>Interest</i>	<i>Registered at</i>	<i>Interest</i>
VDL Nedcar Solar Beheer B.V.	Born	100%
	31 December 2022	31 December 2021

Current assets

Inventories and work in progress

Raw materials and consumables	56,317	60,685
Work in progress	12,727	18,244
	69,044	78,929

The book value of the inventories valued at lower market value is zero.

Construction contracts

Generated contract revenue	40	225
Minus: prepayments on construction contracts	0	0
	40	225

Receivables

Trade receivables	9,487	181,941
Group companies	61,585	463,355
Other receivables and accrued income and prepayments	62,536	44,641
	133,608	689,937

On the average balance of receivables from group companies 0.5% interest is charged per year (2021: 0.5%). No agreements have been concluded on repayment and securities for such receivables. Receivables have a term of less than one year. Under the trade receivables an amount of 183 (2021: 689) is attributable to group companies.

	31 December 2022	31 December 2021
Cash and cash equivalents		
Cash	0	0
Credit institutions	120,260	876
	<u>120,260</u>	<u>876</u>

Cash and cash equivalents are readily available.

Shareholders' equity

	Share capital	Share premium	Revaluation reserve	Other reserves	Total
Balance as at 1 January 2022	250,010	50,000	41,913	201,143	543,066
Result for the year	0	0	0	68,731	68,731
Dividend	0	0	0	-300,000	-300,000
Change revaluation reserve	0	0	-893	893	0
Balance as at 31 December 2022	<u>250,010</u>	<u>50,000</u>	<u>41,020</u>	<u>-29,233</u>	<u>311,797</u>

Share capital

The registered capital of VDL Nedcar B.V. amounts to 340,335 consisting of 340,335,000 shares each with a nominal value of € 1 of which 250,010,091 shares were issued and fully paid up.

	31 December 2022	31 December 2021
Provisions		
For deferred taxation	1,706	2,133
Other provisions	19,130	19,369
	<u>20,836</u>	<u>21,502</u>

The nominal value of the provision for deferred taxation amounts to 9,026. The average term of the deferred tax liability comprises 15 years.

Other provisions

Guarentee provision	1,582	2,900
Dismantling provision	7,632	6,682
Provision post-retirement medical health benefit	735	1,040
Provision for jubilee benefits	8,615	8,181
Other provisions	566	566
	<u>19,130</u>	<u>19,369</u>

Provisions developed as follows:

	Deferred taxation	Guarantee provision	Dismantling provision
Balance as at 1 January 2022	2,133	2,900	6,682
Additional charge to the result	0	0	950
Reduction in favour of the result	-427	-991	0
Payment charged to the provision	0	-327	0
Balance as at 31 December 2022	<u>1,706</u>	<u>1,582</u>	<u>7,632</u>

	Post-retirement medical health benefit	Provision for jubilee benefits	Other provisions	Total
Balance as at 1 January 2022	1,040	8,181	566	21,502
Additional charge to the result	0	877	0	1,827
Reduction in favour of the result	-120	0	0	-1,538
Payment charged to the provision	-185	-443	0	-955
Balance as at 31 December 2022	<u>735</u>	<u>8,615</u>	<u>566</u>	<u>20,836</u>

	31 December 2022	31 December 2021
Current liabilities		
Construction contracts	1,511	15,415
Trade payables	111,859	167,796
Taxation and social security premiums	34,004	41,405
Other liabilities and accrued expenses	69,273	190,875
	<u>216,647</u>	<u>415,491</u>

Current liabilities have a term of less than one year. Under the trade payables an amount of 1.009 (2021: 1.191) is attributable to group companies.

	31 December 2022	31 December 2021
<i>Construction contracts</i>		
Prepayments on construction contracts	1,511	15,669
Minus: Generated contract revenue	0	254
	<u>1,511</u>	<u>15,415</u>

Off-balance sheet commitments and contingent assets

Guarantees

Bank guarantees set by VDL Nedcar as at 31 December 2022 amount to 370.

Purchasing commitment

The company entered contractual purchasing commitments for a total amount of 4.958 related to the acquisition of fixed assets and construction contracts.

Further, purchasing commitments were entered related to regular car production which are covered by the client.

Fiscal Unity

VDL Nedcar B.V., together with VDL Groep B.V. form a fiscal unity for corporate income tax as well as value added tax. Based on the Collection of State Taxes Act, the parent company and the subsidiaries joined with her, are all jointly and severally liable for the tax liability of the combination.

Rental commitment

The rental commitment for the upcoming financial year amounts to 630. This commitment has a term shorter than 1 year.

Compensation BMW

In June 2020, BMW informed VDL Nedcar of its intent to cancel the production contract signed in 2019.

In May 2021, BMW and VDL Nedcar signed an agreement that sets out the conditions for this cancellation. Part of this agreement stipulates that BMW will pay VDL Nedcar an amount in compensation over a period until the end of production. Due to the interpretation of certain conditions any related amounts to be received in 2023 could not be reliably determined at this time and due to the therefore have not been recognized and disclosed in these financial statements.

NOTES TO THE PROFIT AND LOSS ACCOUNT

All amounts x € 1,000

	2022	2021
Net sales		
Netherlands	419	1,140
Other countries Europe	2,082,439	2,036,653
America	15,955	1,022
Asia	0	258
	2,098,813	2,039,073
Revenue from sale of goods	2,081,020	2,021,583
Revenue related to provided services	17,240	8,316
Revenue related to construction contracts	553	9,174
	2,098,813	2,039,073
Other operating income		
Emergency Bridging Measure for Sustained Employment (NOW)	-3,103	34,669
Other operating income	38,015	57,253
	34,912	91,922

For notes on the different performance obligations please refer to the accounting principles for determination of the result.

The other operating income item in the profit and loss account of 2021 includes a grant in the amount of 34,669 arising from the Emergency Bridging Measure for Sustained Employment (NOW). The amount of this grant is determined on the basis of the percentage decrease in turnover in the 2021 measurement periods in comparison to the 2019 reference turnover. The total amount of 72,124 arising from the NOW accounted for in 2020 and 2021 includes 59,211 in received prepayments and a receivable position of 12,913 based on the realized decline in turnover. The receivable position of 12,913 is accounted for in the balance sheet as a part of other receivables. The final calculation and assignment considering NOW 1.0 and 2.0 have been finished. The final calculation and assignment of NOW 3.2, 3.3 and 4.0 are still subject to an audit and assignment by the UWV. Because the grant is not yet assigned definitely, the NOW 3.2, 3.3 and 4.0 are accounted for based on an estimate based on the current interpretation of regulations. Based on definitive calculation and assignment of NOW 1.0 and 2.0 by the UWV, a correction of 3,103 has been accounted for in 2022 on the receivable position. The receivable accounted for has therefore changed to 9,810.

In June 2020, BMW informed VDL Nedcar of its intent to cancel the production contract signed in 2019. In May 2021, BMW and VDL Nedcar signed an agreement that sets out the conditions for this cancellation. Part of this agreement stipulates that BMW will pay VDL Nedcar an amount in compensation over a period until the end of production. An amount of 30,259 was received in 2022 and recognized under other operating income. Any amounts to be received in 2023 could not be reliably determined at this time and therefore have not been recognized in these financial statements.

	2022	2021
Wages and salaries		
Salary expenses payroll employees	170,837	171,327
Hired-in employees	46,901	30,175
Social security expenses	27,814	26,991
Pension Expenses	15,273	16,047
Other personnel expenses	16,296	21,775
	277,121	266,315
Workforce		
Average number of employees (FTE)	3,169	3,501
Broken down according to position:		
Management Board	1	1
Office	539	641
Production	2,629	2,859
	3,169	3,501
Number of employees at financial year end	3,983	4,255

The number of employees at financial year end includes interns and hired-in employees. At the end of 2022, no employees were employed abroad (2021: 0).

	2022	2021
Financial income and expenses		
Interest income and similar revenues	0	16
Interest income from group companies	2,579	1,349
Interest expenses and similar expenses	-131	-42
	2,448	1,323

Tax on result from ordinary business operations		
Result from ordinary business operations before tax	93,044	161,996
Taxation on result from ordinary business operations	24,313	40,242
Effective tax rate (%)	26,13	24,84
Applicable tax rate (%)	25,80	25,00
The difference between the applicable corporate income tax rate of 25.8% and the effective tax rate on the result before tax is explained as follows:		

	2022	2021
Applicable tax rate	25,80	25,00
Effect of 15% deferred tax on revaluations of buildings and 0% on land	0,33	-0,16
Effective tax rate	26,13	24,84

Auditor's fee

On the basis of article 2:382a paragraph 3 of the Dutch Civil Code this statement has been left out.

PROFIT APPROPRIATION

Profit appropriation 2022

The Board proposed to add the result to the other reserves.



REPORT OF THE INDEPENDENT AUDITOR

To: the Shareholders and Management of VDL Nedcar B.V.

Our opinion

The summary financial statements 2022 (hereafter: 'the summary financial statements') of VDL Nedcar B.V., based in Born is derived from the audited financial statements 2022 of VDL Nedcar B.V..

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2022 of VDL Nedcar B.V., on the basis described in the related explanatory notes.

The summary financial statements comprise:

1. the summary balance sheet as at 31 December 2022;
2. the following statements for 2022:
the summary profit and loss account and the summary cashflow statement; and
3. the related explanatory information.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of VDL Nedcar B.V. and our auditor's report thereon.

The audited financial statements and our auditor's report thereon

We expressed an unqualified audit opinion on the audited financial statements 2022 of VDL Nedcar B.V. in our auditor's report of 17 April 2023.

Responsibilities of management for the summary financial statements

Management is responsible for the preparation of the summary financial statements on the bases as described in the related explanatory notes.

Our responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Dutch law, including the Dutch Standard 810 "Engagements to report on summary financial statements".

Eindhoven, 17 April 2023
Govers Accountants / Adviseurs

R.M. van den Heuvel MSc RA



PROVISIONS UNDER THE ARTICLES OF ASSOCIATION CONCERNING PROFIT APPROPRIATION

Article 34

1. The General Meeting of Shareholders is authorised to appropriate the profit as determined following adoption of the Financial Statements, in so far as the shareholders' equity is greater than the reserve that must be maintained in accordance with the law or articles of association.
2. A decision to distribute shall have no consequences unless approved by the Board of Directors. The Board of Directors will only refuse approval if the Board knows or can reasonably foresee that following distribution, the company will not be able to make payment of its demandable liabilities.
3. If following distribution, the company is unable to make payment of its demandable liabilities, the Directors who at the moment of distribution knew of that situation or should have reasonably foreseen it shall be jointly and severally liable to the company for the shortfall arising as a consequence of the distribution, plus statutory interest from the date of distribution. Article 2:248 paragraph 5 of the Netherlands Civil Code shall apply mutatis mutandis. Any Director who can prove that distribution by the company cannot be attributed to him, and that he was not in default in taking measures to prevent the consequences thereof, shall not be liable. Anyone who received the distribution, while he knew or reasonably should have foreseen that following distribution the company would be unable to continue making payment of its demandable liabilities, shall be required to compensate for the shortfall arising as a consequence of the distribution, each up to not more than the amount or the value of the distribution received by him, plus statutory interest from the date of distribution.

- If the Directors have fulfilled the claim as outlined in the first sentence, the payment to the Directors as intended in the third sentence shall be made proportionally to the share paid by each of the Directors. In respect of a liability arising from the first or third sentence, the debtor is not entitled to set off. The provisions in this paragraph shall not apply to distribution in the form of shares in the capital of the company or deposits or not fully paid-up shares.
4. Anyone who determined or co-determined the policy of the company, as if he were a Director, shall be considered equal to a Director for application of paragraph three.
 5. In calculating each distribution, the shares of the company in its own capital shall not be considered.
 6. In calculating the amount to be distributed on each share, only the amount of the compulsory deposits on the nominal amount of the shares shall be considered.
 7. The claim to demand the adopted dividend shall expire five years following its adoption

VDL Nedcar B.V.

Dr. Hub van Doorneweg 1

6121 RD Born

The Netherlands

☎ +31 (0)46 489 44 44

✉ info@vdlnedcar.nl

🌐 www.vdlnedcar.nl

