ECORYS

Answering tomorrow's challenges today

# ANNUAL REPORT

For the year ended 31 December 2022

ECORYS B.V.

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# REPORT OF THE SUPERVISORY BOARD

Dear reader,

We are pleased to present Ecorys' 2022 Annual Report which includes the Company's consolidated financial accounts that have been drawn up by the Board of Management.

The Supervisory Board has discussed these documents with the Board of Management and with Grant Thornton Accountants en Adviseurs B.V., the Company's statutory auditor. Grant Thornton has issued an unqualified opinion on these accounts.

In 2022, the Company realised a profit of € 1.6 million (2021: € 1.7 million) after taxes. Current operations resulted in a consolidated result of € 2.2 million (2021: € 2.1 million) before taxes.

The appropriation of the profit will be proposed to the shareholders at the general meeting on the 15th of May 2023.

## Supervisory Board

The Supervisory Board oversees strategic and commercial policymaking by the Board of Management and directs Ecorys operations. All members of the Supervisory Board comply with clause 2:142a of the Dutch Civil Code, which limits the number of positions on the supervisory or management board that a director may hold.

The table below shows the composition of the Supervisory Board:

| Name | Gender *) | Year of Birth | Nationality | Start of Term | End of Current Term | Audit Committee | Remuneration and Nomination Committee |
|---|---|---|---|---|---|---|---|
| H. Schreuder (chair Supervisory Board until 18 May 2022 | M | 1951 | Dutch | 19 July 2013<br>24 May 2017<br>19 May 2021 | 2022 | | |
| C.H. Balch (vice-chair Supervisory Board) | M | 1952 | British | 28 May 2014<br>24 May 2018<br>18 May 2022 | 2023 | | X |
| T. Menssen | F | 1967 | Dutch | 22 May 2019 | 2023 | C | |
| M.C.W. van Rooijen (chair Supervisory Board as from 18 May 2022) | M | 1959 | Dutch | 1 January 2021 | 2024 | | C |
| M.C.L. Descheemaecker | M | 1955 | Belgian | 18 May 2022 | 2023 | X | |
| | *) M = Male and F = Female<br>**) C = Chair and X = Member | | | | | | |

In 2022, the Supervisory Board convened eight (8) times. Meetings were held at Ecorys' offices in Rotterdam, Brussels and London.

Apart from the regular meetings, there were frequent contacts in person, by e-mail and by phone between the members of the Supervisory Board and the members of the Board of Management.

The Supervisory Board, the Board of Management and the Core Leadership Team (CLT) met on the 14th of September 2022 - in Rotterdam - for the 2022 Strategy Implementation Day, in follow-up of the 2020 Strategy Day, when the Company's strategy for 2021-2025 was decided.

During the year, the Supervisory Board discussed, the implementation of the Company's strategy with particular attention for top-line growth and recruiting and retaining staff. Furthermore, the Supervisory Board reviewed a number of the company's governance policies and the company's response to the extraordinary inflation in 2022. Finally, the Supervisory Board discussed the Board of Management's plans regarding financing and future shareholder structure.

As key enablers to this, the Supervisory Board discussed the talent recruitment and development approach across the company, the investment in new tools, the usage of the group-wide Ecorys Information System (EIS), and safety and well-being issues, a year after we deployed our hybrid working policy.

In 2022, the Supervisory Board discussed and approved the Company's 2021 financial accounts, as well as the budget for the year 2023.

The company's focus remains to grow the business at a sustainable pace whilst continuing to strengthen its financial foundations, as well as meeting shareholder expectations.

The two goals, grow and strengthen its financial foundation, are underpinned by six pillars: Delight our clients; Build our reputation; Attract and develop our talent; Create one culture and one vision; Build effective systems and processes;  and Build an agile organization, fit for purpose.

A detailed OGSM (Objectives, Goals, Strategies and Measures) for 2022 has been developed and deployed.

## Audit & Compliance Committee

In 2022, the Audit & Compliance Committee of the Supervisory Board convened five (5) times. Apart from these meetings, there were direct contacts between the members of the Committee and the members of the Board of Management.

Subjects that were discussed during the year included the Company's 2021 financial accounts, the audit scope for 2022, the audits by the Company's auditor, the Company's internal controls including site visits outcomes, the forex policy, compliance, fraud, IT risks and the credit arrangements with the Company's banks. The previous Company's auditor (Deloitte) attended part of the meetings at various occasions.

The current members of the Audit & Compliance Committee are Mrs. Thessa Menssen (chair) and Mr. Marc Descheemaecker.

## Remuneration and Nominations Committee

The Remuneration and Nominations Committee met three (3) times and outside these meetings there were regular contacts with the chair of the Board of Management.

In 2022, apart from the regular appraisal and rewards review, the Committee discussed and approved the Ecorys Global HR strategy, the next steps in the development of the Company's variable pay scheme, the hybrid working policy post COVID-19, management succession planning and leadership development, and the 2022 Employee Engagement Survey.

The current members of the Remuneration and Nominations Committee are Mr. Marc van Rooijen (chair) and Mr. Christopher Balch.

## Composition of the Supervisory Board

The current members of the Supervisory Board are Mr. Marc van Rooijen (chair), Mrs. Thessa Menssen, Mr. Christopher Balch (vice chair) and Mr. Marc Descheemaecker.

On 18 May 2022, Mr. Hein Schreuder stepped down as chair and member of the Supervisory Board.

Ecorys is very grateful for Mr. Schreuder's firm and steady stewardship, his deep commitment and his continued support to Ecorys, the Supervisory Board and the Board of Management since 2013.

Mr. Schreuder was succeeded by Mr. Van Rooijen as chair of the Supervisory Board, effective May 18, 2022.

Also, Mr. Descheemaecker joined the Supervisory Board on 18 May 2022.

## Composition of the Board of Management

The current members of the Board of Management are Mrs. Manon Janssen (CEO, chair) and Mrs. Celestine Fransen (CFO, member). Mrs. Janssen was re-appointed for a third term at the company's Annual General Meeting on 18 May 2022. Mrs. Fransen started from 1 February 2023. The previous CFO Mr. Ewout West left Ecorys by the end of January 2023.

The Supervisory Board wishes to acknowledge their contribution on the continuation of the delivery of the strategy.

## Concluding remarks

Over 2022, we continued to further strengthen the fundamental pillars of the organisation, delivering growth in order intake, net revenue and profit coupled with improved solvency and thanks to a resilient and engaged organisation.

We are deeply grateful to the Ecorys employees for their contribution and we are proud to have served our clients to the best of our ability.

**Rotterdam, The Netherlands, 26 April 2023**

Marc van Rooijen, chair

Thessa Menssen

Christopher Balch, vice chair

Marc Descheemaecker

# REPORT OF THE BOARD OF MANAGEMENT

## General

Ecorys is a leading international research and consultancy company addressing society's key challenges. We advise and support our regional, national and international clients that are mainly in the public sector. Specifically, we provide analysis and advice to our clients to help them make informed decisions, and we work with our clients and beneficiaries to help them manage and implement change.

The Board of Management reviews the business with the directors of the operating companies on a monthly basis. The Board of Management also meets monthly with the Core Leadership Team composed of the managing directors of the largest operating companies and markets (Ecorys Netherlands, Ecorys UK, International Development market, European market) to review, fine-tune and deploy our strategy and supporting plans in order to deliver our strategic dashboard ambitions.

## Code of conduct

The Ecorys code of conduct is a cornerstone for our company. The Code of conduct is a vital component in Ecorys Governance model, which encompasses common steering documents and processes, such as our policies and procedures. It also supports a common culture and ways of working.

It is the responsibility of the Board of Management of Ecorys to ensure that the principles embodied in the Code of conduct are communicated to, understood and observed by all employees. The Board of Management and the Supervisory Board account for compliance with the Code in the general meeting and provide a substantive and transparent explanation for any departures from its principles.

## Financial

*Results*

Despite extraordinary circumstances triggered by the war in the Ukraine, the ensuing energy crisis and the extraordinary inflation across the globe, we closed 2022 with historically high order intake and a very strong orderbook for the year ahead. Our organisation has found new resilience in the post-Covid working world and our clients remained focused on their strategic agenda's. This allowed further growth as we continue to earn larger and more complex contracts by our clients.

Net turnover increased by 10.0% to € 105.6 million and profit before tax increased by 6.9% to € 2.2 million, overall results are above previous year. These results are fuelled by a consistent and strong performance of all operating entities, each delivering on its targets. Profit after tax was € 1.6 versus € 1.7 million in 2021, due to higher taxes as a result of corrections from prior years.

**A breakdown of the net turnover per country is shown below | in millions of euros**

| | 2022 | 2021 | Growth, % |
|---|---|---|---|
| **Netherlands** | 46.0 | 39.2 | 17.4 |
| **UK** | 41.4 | 41.8 | (0.8) |
| **Belgium** | 43.2 | 34.0 | 26.8 |

| | | | |
|---|---|---|---|
| **Other countries** | 9.4 | 6.4 | 47.2 |
| **Eliminations** | -34.4 | -25.5 | 35.6 |
| | **105.6** | **96.0** | **10.0** |

As entities bid for EU work through Ecorys Europe EEIG – based in Belgium – the above table reflects the growing importance of the EU as a client.

Gross Profit increased by 7.1% to € 51.2 million, all countries showed organic growth. The reduction in the UK is due to a transfer of part of the business to Belgium.

**A breakdown of the Gross Profit per country *) is shown below | in millions of euros**

| | 2022 | 2021 | Growth, % |
|---|---|---|---|
| **Netherlands** | 17.6 | 16.4 | 7.6 |
| **UK** | 22.6 | 23.8 | (5.1) |
| **Belgium** | 7.0 | 4.2 | 67.1 |
| **Other countries** | 3.9 | 3.3 | 16.6 |
| | **51.2** | **47.8** | **7.1** |

*) Gross Profit is calculated as Net turnover minus Costs of subcontracted work and other external charges

**A breakdown of the EBITDA per country *) is shown below | in millions of euros**

| | 2022 | 2021 | Growth, % |
|---|---|---|---|
| **Netherlands (Ecorys Nederland B.V.)** | 2.1 | 2.2 | (5) |
| **UK** | 1.9 | 2.3 | (17.3) |
| **Belgium** | 0.4 | 0.4 | (2.7) |
| **Other countries** | 0.4 | 0.5 | (10.93) |
| **Holding (Ecorys B.V.)** | -1.6 | -2.3 | 30.5 |
| | **3.2** | **3.1** | **4.9** |

*) EBITDA is calculated as the result before taxes adding back depreciation, amortisation and interest income and expenses.

EBITDA increased by 4.9% as a result of the increase in Gross Profit. EBITDA Margin (EBITDA/ Gross Profit) reached 6.3% compared to 6.5% in 2021.

*Balance sheet, Solvency and Liquidity*

The consolidated balance sheet on 31 December 2022 shows an increase in total equity of € 1.0 million (9.6%) to € 11.1 million, compared with € 10.1 million on 31 December 2021. The value of total equity is stated before the payment of any dividend over 2022, which will be decided upon by the General Meeting of Shareholders on 15 May 2023.

The movement in shareholders' funds arises from the profit for the year of € 1.6 million, together with translation differences of our subsidiaries valued in currencies other than the Euro and dividends to Shareholders and paid dividends over 2021.

*Solvency Ratio*

The Solvency Ratio in accordance with the definition[1] included in the covenants with the group's financing companies on 31 December 2022 amounts to 22.5% which is an increase of 2.4 percentage point compared with the previous year's figure of 20.1%. Our goal is to reach a solvency ratio of 25%.

*Cash Flow and Financing Requirements*

In 2022, the total net increase in cash amounts to € 0.6 million, which results in a cash position on 31 December 2022 of € 3.0 million versus € 2.4 million on 31 December 2021. Net cash increased by € 0.9 million, as € 0.3 million was repaid on the bank overdraft. The increase is explained as follows:

- Net cash flow from operating activities is € 2.1 million positive, which is the result of realised profit from operations of € 3.2 million mainly offset by investment in working capital of € 0.9 million and taxes paid of € 0.2 million.
- Cash flow from Investing activities amounted to € 0.3 million negative, caused mainly by the purchase of IT equipment and leasehold improvements of € 0.3 million.
- Financing activities in 2022 absorbed € 1.1 million consisting of movements of bank overdrafts of € 0.3 million, repayment of borrowings of € 0.1 million, paid dividends of € 0.3 million and paid interest of € 0.4 million.

## Risk Analysis and Risk Management

Exposure to risk is inherent to and unavoidable in pursuit of our growth strategy. Well controlled risks can present new opportunities resulting in value creation; however, uncontrolled risks can negatively impact our ability to achieve our long-term strategic objectives. Our operating companies are exposed to general risks associated with our businesses and we have a system to identify, analyse, monitor and mitigate these.

*Risk analysis*

We assess and analyse our risk according to four types:

- Strategic risk: includes geopolitical instabilities, inflation and recession, and attracting and retaining staff. We accept that in the pursuit of our strategy, exposure to risk is not only unavoidable but can create opportunities.
- Operational risk: includes risks linked to the delivery of projects, IT risks and cybercrime on both our own data as well as on our clients'. We accept zero risk with regards to the safety and security of our staff and our subcontractors. We are averse to other operational risks and we will go to reasonable lengths to avoid these or minimize their impact.
- Compliance risk: includes compliance with local laws and regulations and is the responsibility of local management. We are averse to risks that could jeopardize compliance with applicable external laws, internal rules and regulations.

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[1] The Solvency Ratio in accordance with the definition from the covenant with the group's banker is calculated as adjusted Equity divided by adjusted Total assets (both after deducting intangible fixed assets, deferred tax assets, minority interests and shares held by the company in its own capital)

- Financial risks: includes cashflow forecasting and management, access to financing, and tax risks. We are averse to risks that could jeopardize the integrity of finance and reporting.

*Risk management*
We manage risk at three levels in the organisation: at project level, at operating company level and at group level. The Board of Management sets guidelines for managing risk while the leaders of the operating companies are responsible for managing risk at operating company level, with the exception of group strategy risk and financial risks which are the responsibility of the Board of Management. The Board of Management bears the ultimate responsibility for all risks as well as for the risk management process, and reports on both to the Supervisory Board. The organisational structure and internal guidelines form the control environment.

*Key risks in 2022*
The key risks we foresaw in 2022 were a) insufficient liquidity, b) the ability to attract and retain talent, c) low profit and margin erosion, and d) cybersecurity. Mitigating actions were developed and deployed as part of the annual budget process.

In June 2022, we refreshed our risk analysis in the context of the war in the Ukraine, the energy crisis and the extraordinary inflation. This led to a slight shift in our ranking of risks, with insufficient liquidity and low profit still in the top two, followed by staff engagement and turnover as close third. Ranking fourth is the risk of a major recession, and political instability especially in the International Development market and the UK is in fifth place. Lack of information risk and cybersecurity risk rank six and seven.

As part of the Budget 2023 exercise, the CLT developed a workplan to address the above risks. Each workplan has an action plan, owner, KPIs and deadline. These actions are also embedded in the 2023 OGSM (Objectives Goals Measures and Strategies) and link to the strategic dashboard underpinning our strategy 2025. The key pillars focus on attracting and retaining talent, improving profitability, stepping up internal collaboration, and ensuring a sound license to operate, covering sufficient liquidity, adequate compliance and effective cybersecurity.

For all risks we have sufficient mitigating actions. At the end of 2022 the Company had 9.0 million of unused bank facilities which should cover the risk of insufficient liquidity. The impact of the war in Ukraine and the energy crisis has been limited on the performance of Ecorys. In 2023 Ecorys does expect on impact of the inflation, due to costs of living compensations for staff.

In conclusion, we have a clear overview of the key risks to our business, per market and operating company, and we have relevant actions plans to mitigate these risks.

## Our ESG (Environment, Social and Governance) strategy

Ecorys strives to achieve its business objectives in a sustainable and socially responsible manner through recognising the economic, social, ethical, legal and environmental implications of our activities, and by aiming at consistently improving both ourselves and the world we live in.

Our Environment, Social and Governance (ESG) strategy is intrinsically linked to our mission which is to address society's key challenges, captured in our recently updated offering of services in the areas of Social Policy, Health and Education; Security, Justice and Migration; Resilient Economies; Public Sector Reform; Climate, Energy and Environment; Regions and Cities; Transport, Infrastructure and Mobility; and Sustainable Agriculture and Food Systems.

Most of our operating companies have plans in place to effectively drive our ESG strategy forward. ESG is captured in our corporate values, Awareness and Caring. We are Aware of being responsible for our environment and that our activities impact this environment. We Care for our staff who want to contribute to society through the work they do, and we Care for the environment in which we live.

**Our general ESG efforts are based on three pillars:**

- ***Environmental issues***: we strive to operate in a sustainable manner. This implies that we embrace the concept of circularity, for instance by recycling waste materials, and create environmentally-friendly offices as much as possible. We also aim to achieve carbon neutrality (offsetting flights, etc.);
- ***Social: focusing on employee engagement***: we actively drive employee engagement forward by offering various forms of non-wage compensation and flex-time to employees, including benefits relating to employee health. We have deployed our new working policy in the post-COVID world to accommodate a new work-life balance. We embrace diversity and inclusion in a broad sense. We actively care for our staff's health, safety and well-being. And we maintain positive community relations;
- ***Governance***: We establish clear business ethics and pro-actively drive adherence to these. We comply with data privacy and security regulation. We pro-actively identify and manage our risks.

In ***2023***, we will further drive quantifiable and measurable targets to enable reporting of results, which will facilitate external assessment and comparison of businesses' sustainability and social responsibility activities.

## Mission and vision

We are well underway on the journey of our new 5-year strategic plan. Our **mission** remains unchanged: we are driven by our ambition to address the most important societal challenges. We have sharpened our focus on the economic and societal impact of the transition issues and have recently updated the focus of our sectors and services to reflect this.

Our **vision** is as follows

> By our 100th birthday we will be one of the world's leading independent research and consultancy companies.
>
> We will have a global presence and be internationally recognised by clients and partners for the quality of work that we do, the people who work for us and the innovate solutions that we develop.
>
> To achieve this, in our changing world, we believe that we must grow in scale if we are to win and deliver the size and complexity of contracts that our clients will tender.
>
> Growing will secure our independence, provide financial strength and stability and provide the challenging and stimulating work that will attract the specialist talent that we will need to be successful.

**Our mission and vision are founded in our values:**

| Caring | Entrepreneurial | Integrity | Together | Leadership |
|---|---|---|---|---|
| we value our people, our partners and our clients | we value creativity, innovation and excellence in everything we do | we value honesty, transparency and seeking to do the right thing | we value team work, collaboration and diversity in all its forms | we value our independence, our objectivity, independent thinking and creative problem solving |

**The value proposition to our clients reflects our mission, vision and values and reads as follows:**

> We combine our deep knowledge of the societal challenges and our extensive skills and expertise to make genuine sustainable change happen.
>
> We offer the full policy cycle to our clients who are decision-makers in the public and third sectors. We advise on the options and consequences of change options. We support clients to implement and communicate change and manage the consequences.
>
> We are the best at what we do, and we want to be the one that clients call first. We work together seamlessly to meet our clients' needs, whether strategic or operational.
>
> Our value to our clients is in our people and we nurture and cherish them.

To reach our mission and vision we must achieve two goals that work hand in hand: grow our business and strengthen its foundation:

Our growth is based on three pillars: clients, reputation, and talent. Specifically, we aim to:

- Delight our clients to grow our business - Our clients are core to our existence. We serve their needs across the world, on our own or in partnership. We offer three types of services – advice, support and deliver. We are excellent at all three, but our unique niche is combining them;
- Build our reputation through innovation - Our end destination is to have clients think of Ecorys when tough questions in complex issues arise. Our opinion not only counts, it sets the tone. We are thought leaders in selected areas and recognized experts in methodologies and communications. We access and work with the best experts;
- Attract and develop our talent - As an employer of choice, smart and talented people join Ecorys because of the work we do, the growth opportunities we offer, our culture and our values. We promote and value diversity, meritocracy and equal opportunity. We believe in team work together and collaboration. Above all, we are proud to work for Ecorys.

We aim to:

- Create one culture and one vision - We are One Company, we have One Vision. We are 94 years young and our brand is strong, built on our deep understanding of public policy and integrated services. We fully embrace our shared vision and mission. We live the same values and speak the same language;
- Build the systems and processes to achieve and sustain our growth **-** We use common and integrated systems across the whole of Ecorys. These provide us with the information and business intelligence that we need to run the business effectively and efficiently whilst also retaining control;
- Build an agile and effective organisation **-** We will be an agile organisation, fit for purpose and in control. We work seamlessly across internal and external borders. We have shared service centres supporting the whole organisation. We match our staff's skillsets to our clients' needs.

What does success look like? Ecorys aims to be a growing organization that is admired by clients, envied by competitors and attractive to talent. We are an employer of choice and a partner of choice. We are a thought leader, both in content and process. What we do is relevant to business and society. We are financially strong and in control. We will have transformed ourselves digitally and we have a great culture.

We wish to be perceived as relevant, impactful, dependable, an authority in our areas of expertise, and excellent implementors. We work here because we want to be part of a great company, because of the type of work that we do, and because of the impact we have - we actually make change happen and the world is our playing field.

## Looking ahead

As in recent years, our  pace of growth in 2023 will be determined by the extent to which our organisation can seize the available market opportunities, won and delivered by the right talent. The good performance of the past years, the strong orderbook at the start of 2023 and the creditworthiness of our clients gives Ecorys a solid starting position.

We remain agile and vigilant in the face of new risks, whether strategic, economic or geopolitical.

We expect that our number of staff slightly grows in 2023 and we plan to do replacement investments in IT equipment and housing.

The Board of Management concludes that, based on the available information and estimated scenarios as well as the measures already taken and further envisaged, no material uncertainty exists that may cast doubt on the ability of the company to operate as going concern.

## Appropriation of result

With the support of the Supervisory Board, the Board of Management will recommend the appropriation of the result to the shareholders at the general meeting on 15 May 2023.

## Composition of the Board of Management

In 2022 the Board of Management was composed of Manon Janssen, CEO and Chair, and Ewout West, CFO and member. As of February 1, 2023 the Board of Management is composed of Manon Janssen, CEO and Chair, and Celestine Fransen, CFO and member. The Board is supported by Pieter Taselaar as Company Secretary and General Counsel.

During 2022 the Board of Management consisted of 50% female and 50% male members.

Finally, the Board of Management would like to gratefully acknowledge the contributions made by all Ecorys staff, both internal and external, during this exceptional year.

## Composition of the Supervisory Board

At year-end 2022 the Supervisory Board consists of five members, of which one is woman, i.e. 20% of the seats held by women. The target is to archive a balanced number of male and female board members. The candidates are assessed irrespective of the gender and the most qualified of them are nominated for appointment.

**Rotterdam, The Netherlands, 26 April 2023**

| | |
|---|---|
| Manon Janssen | Celestine Fransen |
| CEO<br>Chair of the Board of Management | CFO<br>Member of the Board of Management |

# CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

| (before appropriation of result) | Note | 31 December 2022 | | 31 December 2021 | |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Fixed assets** | | | | | |
| Intangible fixed assets | 1 | 1,494,077 | | 1,651,950 | |
| Tangible fixed assets | 2 | 1,387,374 | | 1,576,422 | |
| Financial fixed assets | 3 | 2,597,267 | | 2,931,486 | |
| | | | 5,478,718 | | 6,159,858 |
| **Current assets** | | | | | |
| Work in progress | 4 | 14,871,213 | | 14,170,322 | |
| Receivables, prepayments and accrued income | 5 | 20,636,899 | | 20,781,520 | |
| Cash | 6/11 | 2,977,099 | | 2,362,658 | |
| | | | 38,485,210 | | 37,314,499 |
| **Total assets** | | | **43,963,928** | | **43,474,357** |
| **Group equity** | 7 | | 11,090,954 | | 10,120,386 |
| **Provisions** | 8 | | 174,741 | | 366,779 |
| **Non-current liabilities** | 9/11 | | - | | 55,430 |
| **Current liabilities, accruals and deferred income** | 10/11 | | 32,698,233 | | 32,931,762 |
| **Total equity and liabilities** | | | **43,963,928** | | **43,474,357** |

Certain prior year amounts have been reclassified and there is no effect on equity or result.

# CONSOLIDATED PROFIT AND LOSS ACCOUNT 2022

| | Note | 2022 | 2022 | 2021 | 2021 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Net turnover** | 12 | 105,619,969 | | 96,016,961 | |
| Costs of subcontracted work and other external charges | | (54,412,796) | | (48,226,487) | |
| Salary costs | 13 | (35,737,693) | | (33,488,535) | |
| Social security costs | 13 | (3,578,074) | | (3,311,946) | |
| Depreciation tangible and intangible assets | 1/2 | (683,051) | | (799,382) | |
| Other expenses | 14/15 | (8,640,669) | | (7,858,086) | |
| **Total of operating expenses** | | | (103,052,283) | | (93,684,436) |
| Financial income and expense | 16 | | (341,530) | | (249,646) |
| **Result before taxation** | | | **2,226,156** | | **2,082,879** |
| Taxation | 17 | | (658,953) | | (402,323) |
| **Result for the year** | | | **1,567,203** | | **1,680,556** |

# CONSOLIDATED CASH FLOW STATEMENT 2022

| | Note | 2022 | 2021 |
|---|---|---|---|
| (According to the indirect method) | | EUR | EUR |
| **Operating result** | | **2,567,686** | **2,332,525** |
| Adjustments for: | | | |
| Depreciation of IT equipment and leasehold improvements | 2 | 468,928 | 565,856 |
| Loss of disposal of IT equipment and leasehold improvements | 2 | 30,802 | 30,975 |
| Amortisation of intangible assets | 1 | 214,123 | 233,526 |
| Movements in provisions | 8 | (192,038) | 153,169 |
| Movements in other reserves | 1/2/26 | (216,429) | 171,837 |
| Movement deferred tax asset | 3 | 279,704 | 33,688 |
| Operating cash flows before changes in working capital | | 3,152,776 | 3,521,576 |
| (Increase)/decrease in receivables | 5 | 144,621 | (4,065,460) |
| Increase/(decrease) in payables | | (408,369) | (5,412,304) |
| (Increase)/decrease in work in progress | 4 | (700,891) | 7,516,114 |
| Cash generated by operations | | 2,188,137 | 1,559,926 |
| Corporate income taxes (paid)/refunded | | (160,937) | (277,729) |
| Interest received | 16 | 46,541 | 32,701 |
| **Net cash from operating activities** | | **2,073,741** | **1,314,898** |
| **Investing activities** | | | |
| Investments in property, plant and equipment | 2 | (343,719) | (339,483) |
| Investments in intangible fixed assets | 1 | (56,368) | (1,210) |
| Sale of intangible assets | 1 | - | 3,028 |
| Redemption of other receivables from related parties | 3 | 54,515 | 53,177 |
| **Net cash (used in) investment activities** | | **(345,572)** | **(284,488)** |

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | EUR | EUR |
| **Net cash (used in) investment activities (continued)** | | **(345,572)** | **(284,488)** |
| **Financing activities** | | | |
| Interest paid | 16 | (388,071) | (282,347) |
| Movement in other reserve | 27 | 9,050 | - |
| Repayments of borrowings | | (74,042) | (12,950) |
| New borrowings | 9 | - | - |
| Movement bank overdrafts | | (304,565) | (323,899) |
| Dividends paid | 27 | (356,100) | (356,234) |
| **Net cash used in financing activities** | | **(1,113,728)** | **(975,430)** |
| **Net increase in cash and cash equivalents** | | **614,441** | **54,980** |
| Cash and cash equivalents at beginning of year | | **2,362,658** | **2,307,678** |
| Net increase in cash and cash equivalents | | 614,441 | 54,980 |
| **Cash at end of year** | 6 | **2,977,099** | **2,362,658** |

# STATEMENT OF COMPREHENSIVE INCOME OF THE LEGAL ENTITY OVER 2022

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Consolidated net result after taxation accruing to the legal entity | **1,567,203** | **1,680,556** |
| Exchange rate differences foreign associated companies | (249,584) | 226,861 |
| Total amount of the direct equity movements of the legal entity as part of the group equity | (249,584) | 226,861 |
| **Total comprehensive income** | **1,317,619** | **1,907,417** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## General information

Ecorys B.V. (the Company) is a company incorporated in The Netherlands.

The address of the registered office and its actual place of business is:

ECORYS B.V.
Watermanweg 44
3067 GG Rotterdam
The Netherlands
Chamber of Commerce: 24289883

## Consolidation principles

Ecorys B.V. is the parent of a group of legal entities (the Group or Ecorys). Those entities which are controlled by Ecorys B.V. or where central management is conducted ('Group companies') have been consolidated in the financial statements of Ecorys B.V. Third-party shares in equity and results of Group companies are disclosed separately in the consolidated financial statements. The consolidated financial statements have been prepared in accordance with the accounting principles of Ecorys B.V.

The financial information relating to Ecorys B.V. is presented in the consolidated financial statements. Consequently, in accordance with article 2:402 of the Dutch Civil Code, the company-only financial statements only contain an abridged profit and loss account.

The results of newly acquired or established Group companies are consolidated as from the acquisition or establishment date. The results of Group companies sold during the year are recognized until the moment of disposal.

## Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced, including Group companies, 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 the Company or the ultimate parent company, members of the Supervisory Board and close relatives are regarded as related parties.

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.

## Subsequent events

There were no material non-adjusted events which took place after the balance sheet date relevant to the financial position at balance sheet date.

## Group structure

A summary of the information required under articles 2:379 and 2:414 of the Dutch Civil Code is given below:

| Name of subsidiary | Place of incorporation and operation | Proportion of ownership/voting power held |
|---|---|---|
| ECORYS Nederland BV | The Netherlands | 100% |
| ECORYS UK Limited | United Kingdom | 100% |
| ECORYS Brussels NV | Belgium | 100% |
| ECORYS Africa Research and Consulting Limited | South Africa | 100% |
| ECORYS Polska Sp.z.o.o. | Poland | 99.7% |
| ECORYS South East Europe Limited | Bulgaria | 100% |
| ECORYS  Research and Consulting Company | Turkey | 100% |
| ECORYS España SL | Spain | 100% |
| ECORYS India Private Limited | India | 100% |
| ECORYS Hrvatska d.o.o. | Croatia | 100% |
| Ecorys Europe EEIG - GEIE | Belgium | 100% |
| ECOTEC Investment Services Limited | United Kingdom | 100% |
| ECORYS ESOP Trustee Limited | United Kingdom | 100% |
| ECORYS Survey Limited | United Kingdom | 100% |
| Harewelle International Limited | United Kingdom | 100% |
| ULG International Limited | United Kingdom | 100% |
| PMTC International Limited | United Kingdom | 100% |
| PMTC Zambia Limited | Zambia | 100% |
| ECORYS Pakistan (SMC-Private) Limited | Pakistan | 100% |
| ECORYS Zimbabwe (Private) Limited | Zimbabwe | 100% |

All of the above entities are Group companies and included in the consolidation.

# ACCOUNTING PRINCIPLES AND POLICIES

# PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The 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').

## Comparative figures

The figures of the preceding year are changed for comparison purposes.

## Estimates

In applying the principles and policies for drawing up the financial statements, the Board of Management of the Company makes 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, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

## Assets and liabilities

These 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. In the balance sheet, profit and loss account and the cash flow statement, references are made to the notes.

## Financial Instruments

The Group´s activities expose it to a variety of financial risks: including but not limited to currency risk, credit risk and liquidity risk. The Group´s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group´s financial performance. Ecorys uses financial instruments to hedge certain risk exposures.

*Capital risk*

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to achieve an optimal capital structure to reduce the cost of capital. The Company's policy is to distribute a stable dividend, if possible rising over a longer term, under the restriction that the solvency ratio prescribed in its primary banking arrangements are met. The realised solvency at 31 December 2022 in accordance with the definition of the bank amounts to 22.5% which is an increase of 2.4 percentage point compared to the previous year's figure of 20.1[1]%. In addition to the required solvency ratio the Group needs to make sure the consolidated CAPEX on Group level is capped. All of these requirements were achieved in 2022.

The Company is aiming to maintain a broadly based shareholding amongst its employees to reinforce its position as a genuinely employee owned company.

*Credit risk*
The Group's principal financial assets are bank balances and cash, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables and work in progress. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. This provision amounted to € 233,182 per 31 December 2022 (31 December 2021: € 389,905). Out of the total of trade receivables per year end amounting to € 10,403,120, approximately 80% is made up of the top 72 debtors within the group indicating there is enough spread on the debtors limiting the risk exposure.

The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit ratings.

*Liquidity risk*
Cash flow forecasting is performed in the operating entities of the Group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 11) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

*Interest rate risk*
The Group's interest rate risk arises from long-term borrowings and working capital financing. All long-term borrowings of the group have fixed rates. Working capital financing contracted at variable interest rates expose the Group to cash flow interest rate risk, which is partially offset by cash, held at variable interest rates.

*Foreign currency risk*
The Group incurs foreign currency risk on recognised assets and liabilities when they are denominated in a currency other than the euro (being the Group's normal reporting currency). Such risks may be naturally covered when a receivable in a given currency is matched with a payable in the same currency (naturally hedged).

Derivative financial instruments (forward exchange contracts and option contracts) are used to manage the currency risk arising from recognised predictable receivables and payables which are not naturally hedged and where the level of exposure is seen as significant. These instruments are subject to the risk of markets changing subsequent to acquisition.

The Group does not use derivative financial instruments for speculative purposes.
Upon first recognition, financial derivatives are recognised at fair value and then revalued at fair value as at balance sheet date. The profit or loss from the revaluation to fair value as at balance sheet date is recognised directly in the profit and loss account.

At 31 December 2022 forward exchange contracts were outstanding for a total amount of sales of € 0.9 million and purchases of £ 0.8 million. The total fair value of these contracts as at 31 December 2022 is € 35,038.

The balances on foreign currency receivables and payables and any cash balances (held in other than local currencies) are valued at the rate of exchange (spot rates) declared by the ECB and prevailing at the end of the accounting period. Derivative financial instruments are used to reduce the financial exposure of any significant balances and, if extant at the reporting date, would be included in the balance sheet at fair value. Any changes in foreign currency balances and in the fair value of derivative financial instruments are recognised in the profit and loss account.

## Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

## Translation of foreign currency

*Functional currency*
Items included in the financial statements of Group companies are measured using the currency of the primary economic environment in which the respective Group company operates (the functional currency). The consolidated financial statements are presented in Euros, which is the functional and presentation currency of the Ecorys B.V.

*Transactions, receivables and liabilities*
Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Translation differences on foreign currency loans contracted to finance a net investment in a foreign operation are recognised in the legal reserve for currency translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

*Group companies*
Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these subsidiaries and are translated at the closing rate. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

## Leasing

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form. At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

## Share-based payments

For the recognition of personnel option plans reference is made to the item employee cost under the principles for the determination of the result.

## Going concern

The Company has prepared financial projections for the upcoming 12 months with the solid end position of 2022 as a starting point. In doing so the Company has evaluated events and transactions for potential recognition or disclosure through 15 May 2023, the date on which the financial statements were available to be issued. In particular it regards the impact of COVID-19 on its business as no longer of material influence. As well the Company has assessed the impact of the geopolitical circumstances in the Ukraine and believes this to be of limited (potential) negative impact. The Board of Management continues to monitor the ancillary impact of the Ukraine war on its business – inflationary pressures included.

The Board of Management concludes that, based on the available information and estimated scenarios as well as the measures already taken and further envisaged, no material uncertainty exists that may cast doubt on the ability of the company to operate as going concern.

# PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITES

## Intangible fixed assets

*General*
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 (or of the cash-generating unit to which the asset belongs) is higher than its realisable value. With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

*Software, concessions, licenses and intellectual property*
Costs of intangible assets other than those internally generated, including patents and licences, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful lives.

*Goodwill*
Goodwill resulting from acquisitions and calculated in accordance with section "Financial fixed assets".

On that date the assets and liabilities acquired are measured at the fair values. If the acquisition price exceeds the fair values of the acquired assets and liabilities goodwill is recognized, which is capitalized and amortized over the economic life.

If the acquisition price is lower than the fair value of the acquired assets and liabilities this is negative goodwill. Insofar as negative goodwill relates to expected future losses and expenses that have been taken into account in the acquisition plan and that can be reliably determined but which as yet do not form an identifiable liability on the acquisition date, this part of the negative goodwill will be taken to the profit and loss account as these losses and expenses occur. Negative goodwill that is not related to expected future losses and expenses is taken to the profit and loss account as follows:

the part of the negative goodwill that does not exceed the fair value of identifiable non- monetary assets is consistently taken to the profit and loss account in proportion to the weighted average of the remaining useful life of the acquired amortizable assets; and

the part of the negative goodwill that exceeds the fair value of identified non-monetary assets is immediately taken to the profit and loss account.

## Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets. No depreciation is recognised on land, tangible fixed assets under construction and prepayments on tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset and/or future performance units regarding the asset. A provision is recognised for expected costs of periodic major maintenance to buildings and equipment. The related accounting principle is described in the section on Provisions.

## Financial fixed assets

*Deferred tax assets*

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 income taxes are recognised at nominal value.

*Other receivables from related parties*

Other receivables from related parties presented under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the profit and loss account.

## Impairment of non-current 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 when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less costs to sell 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.

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.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the profit and loss account.

## Work in progress

Work in progress relating to the un-invoiced value of time, materials and the costs of sub-contractors is valued in accordance with the revenue principles set out in the relevant note. The work in progress is valued at the realised contract costs increased by the attributed profit and net of recognised losses and invoiced instalments.

Payments on accounts received from clients to the extent that they are not offset by work done (but not invoiced), are included as current liabilities.

## Receivables, prepayments and accrued income

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

## Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than three months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value. If cash is not freely disposable, then this has been taken into account upon valuation.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

## Client Funds

Where funds are held on behalf of clients including grant monies payable to approved projects, although under the control of the entity, these funds are not seen as assets of the group and are therefore excluded from these Financial Statements together with the matching liabilities to the clients.

## Third-party share in group equity

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders' equity of consolidated companies. In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

If the losses attributable to the minority interest of third parties exceed the minority interest of third parties in the shareholders' equity of the consolidated companies, the difference - as well as any further losses - will be fully charged to Ecorys B.V., unless and insofar as the minority shareholder is committed to assume responsibility for those losses and is able to do so. If the consolidated companies once again generate profit, these profits will fully be debited to Ecorys B.V., until the losses for which Ecorys B.V. has assumed responsibility have been recovered.

## Provisions

*General*
In general provisions are recognized when: (a) the entity has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount can be estimated reliably.

*Provision for deferred tax liabilities*
For amounts of taxation payable in the future, due to differences between the valuation principles in the annual report and the valuation for taxation purposes of the appropriate balance sheet items, a provision has been formed for the aggregate of these differences, multiplied by the current rate of taxation. The provision for deferred tax liabilities is valued at nominal value.

*Jubilee provision*
This provision relates to other employment obligations from a jubilee arrangement. The provision is measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

*Other provisions*
Unless stated otherwise, the other provisions are valued at the face value of the expenditures that are expected to be necessary for settling the related obligations.

A provision is recognized for an onerous contract and the provision for onerous contracts represents the negative difference between the expected benefits from services to be received by the Company after the balance sheet date under a contract and the unavoidable costs to meet the contractual obligations. The unavoidable costs are the minimal costs that must be incurred in order to meet the terms of the contract, being the lower of the costs to meet the obligations and the compensation or penalties associated with failure to meet the obligations.

The cost of meeting the obligations of a contract includes the costs directly related to the contract. These costs consist of both:

- the incremental costs of meeting the obligations of a contract, for example, direct labour and material costs; and
- an allocation of other costs that are directly related to fulfilling the obligations of a contract, for example, an allocation of depreciation costs of an item of property, plant and equipment used, among other things, in the performance of the contract.

The provision for onerous contracts is recognised for the negative difference between the value of the performance to be received from third parties after reporting date and the value of the performance to be delivered by the Company after the reporting date. The provision is determined based on the expected and unavoidable costs that will have to be incurred at a minimum to settle the related agreement, namely the lesser of the cost of meeting its performance obligations and the fees or fines in case of non-fulfilment of the performance obligations.

## 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.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account 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, less transaction costs. This usually is the nominal value.

# PRINCIPLES FOR THE DETERMINATION OF THE RESULT

## General

The result is the difference between the realisable value of the 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

Revenues from services are recognised in proportion to the services rendered, based on the cost and/or man hours incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs and/or man hours of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Revenue on individual contracts is recognised by reference to the percentage of completion of the contract at the balance sheet date when the outcome of a transaction can be estimated reliably. The percentage of completion of an individual contract is assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent that the contract costs incurred are more likely than not to be recoverable.

## Costs of subcontracted work and other external charges

Costs of subcontracted work and other external charges represents the (external) direct expenses attributable to revenue and purchase expenses related to the services rendered.

## Salary costs and Social Security costs

Employee costs (wages, salaries, social security contributions, etc.) are presented as two separate items in the profit and loss account.

*Short-term employee cost*
Salaries, wages and social security contributions are charged to the profit and loss account based on the terms of employment, where they are due to employees and the tax authorities respectively.

*Pensions*

The Company has defined contribution pension plans. These are pension plans under which the group pays fixed contributions into a separate fund. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

*Variable pay*

An expected payment resulting from variable pay payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.*Share-based payments – share option plan*

The company operates a share option plan for its managing directors and employees. The value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market performance vesting conditions. Non-market performance vesting conditions are taken into account in determining the number of shares that is expected to vest unconditionally. During the vesting period, the total amount to be expensed is recorded on a straight-line basis in the profit and loss account.

The amount related to settled granted (options on) shares in shares is recognised in the profit and loss account and in equity. Receipts from the settlement of vested (options on) shares are added to equity.

Fair value of the options is determined based on the Black-Scholes option pricing model.

The share plan was ended as per 1 January 2019 with the Company committing to fulfil the obligations related to options granted before this date.

*Share-based payments – variable pay in shares*

The company operates a variable pay plan with financial and personal targets. For the three highest staff levels 50% of awarded variable pay (after wage taxes) is awarded in shares. The value of the awarded shares is based on the actual trading value of the year in which the shares are awarded. Costs for variable pay are included in staff costs. Costs are expensed for in the year the variable pay is based on. For those awarded shares, there is a lock-up period of 3 years. In cases where shares were awarded based on incorrect (financial) information, the Supervisory Board has the right to reclaim these shares for a period of 3 years.

## Amortisation of intangible fixed assets and depreciation of tangible fixed assets

Amortisation and depreciation costs are presented as a separate item in the profit and loss account.

Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use. Gain and losses from the sale of equipment is included in the depreciation.

## Share in result of non-consolidated associated companies

Where significant influence is exercised over associated companies, the group's share in the associated companies' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Ecorys B.V.

## Financial income and expense

*Interest income and interest 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.

*Currency translation differences*

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the profit and loss account in the period that they are realised. Hedge accounting is not applied.

*Dividends*

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

## Taxation

Tax on the result is calculated based on the result before tax in the profit and loss account, 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. Changes which occur in the applicable tax rates and the impact thereof on the deferred tax assets, and deferred tax liabilities are also taken into account.

For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## Result from participations

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

# PRINCIPLES FOR PREPARATION OF THE 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. Corporate income taxes, interest received and dividends received are included in cash from operating activities. Investments in and disposals of property, plant and equipment and intangible fixed assets are recognised as cash used in investing activities. Interest paid, repayments of borrowing, new borrowings and dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement.

# NOTES TO SPECIFIC ITEMS

# NOTES TO THE CONSOLIDATED BALANCE SHEET OR CASH FLOW STATEMENT

## 1. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

| | Software | Intellectual Property | Total |
|---|---|---|---|
| | EUR | EUR | EUR |
| **At 1 January** | | | |
| Acquisition cost | 2,193,818 | 218,596 | 2,412,414 |
| Cumulative amortisations and impairments | (541,868) | (218,596) | (760,464) |
| **Carrying amount** | **1,651,950** | **-** | **1,651,950** |
| **Movements** | | | |
| Investments | 56,368 | - | 56,368 |
| Disposed/ derecognised during year (cost) | (253,592) | - | (253,592) |
| Disposed/ derecognised during year (accumulated amortization) | 253,592 | - | 253,592 |
| Amortisations | (214,123) | - | (214,123) |
| Exchange rate differences | (118) | - | (118) |
| **Total Movements** | **(157,873)** | **-** | **(157,873)** |
| **At 31 December** | | | |
| Acquisition cost | 1,996,594 | 218,596 | 2,215,190 |
| Cumulative amortisations and impairments | (502,517) | (218,596) | (721,113) |
| **Carrying amount** | **1,494,077** | **0** | **1,494,077** |
| Amortisation rate | 10% | 10% | |

Software relates to both internally developed software and externally purchased software. Both Software and intellectual Property have a useful life of 10 years.

Software related to Ecorys Information System (EIS) amounts to € 2,058,452 and amortisation started as per 1 March 2020.

## 2. Tangible fixed assets

A summary of the movements of tangible fixed assets is given below:

| | Property, plant and equipment |
|---|---|
| | EUR |
| **At 1 January** | |
| Acquisition cost | 4,748,854 |
| Cumulative depreciation and other impairment in value | (3,172,432) |
| **Carrying value** | **1,576,422** |
| **Movements** | |
| Investments | 343,719 |
| Disposed/ derecognised during year (cost) | (168,723) |
| Disposed/ derecognised during year (accumulated amortization) | 137,921 |
| Depreciation | (468,928) |
| Exchange rate differences | (33,037) |
| **Total Movements** | **(189,048)** |
| **At 31 December** | |
| Acquisition cost | 4,923,850 |
| Cumulative depreciation and other impairment in value | (3,536,476) |
| **Carrying value** | **1,387,374** |
| Depreciation rate | 20% - 33% |

Tangible fixed assets relate to office furniture, equipment and vehicles. There are no assets held under finance lease as at 31 December 2022 (2021: none).

Tangible fixed assets with a book value amounted to € 1,018,230 are collateral for the credit facilities, as provided by ABN AMRO Bank. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

The group has not committed itself to additional investments in equipment as per year end 2022.

## 3. Financial fixed assets

A summary of the movements in the financial fixed assets is given below:

| | Deferred tax Assets | Receivables from related parties | Total |
|---|---|---|---|
| | EUR | EUR | EUR |
| **Carrying value as at 1 January** | **386,737** | **2,544,749** | **2,931,486** |
| **Movements** | | | |
| Redemptions | - | (54,515) | (54,515) |
| (Charged to income) | (17,177) | - | (17,177) |
| Gain to income | (51,509) | - | (51,509) |
| Exchange rate differences | (4,414) | - | (4,414) |
| Reclassification to Deferred tax assets | (206,604) | - | (206,604) |
| **Carrying value as at 31 December** | **107,033** | **2,490,234** | **2,597,267** |
| Current | 107,033 | 55,887 | 162,920 |
| Non-current | - | 2,434,347 | 2,434,347 |
| **Carrying value as at 31 December** | **107,033** | **2,490,234** | **2,597,267** |

Deferred tax asset per country:

| | **2022** | **2021** |
|---|---|---|
| | EUR | EUR |
| Netherlands | - | 146,111 |
| United Kingdom | - | 78,718 |
| Spain | 28,254 | 54,042 |
| Poland | 6,485 | 107,867 |
| India | 72,294 | - |
| | **107,033** | **386,737** |

As at balance sheet date the deferred taxes amounted € 107,033 (2021: € 386,737). From this amount € 107,033 is expected to be realized within one year (2021: € 249,876).

There are no unrecognized deferred tax assets as per 31 December 2022 (2021: € 163,404).

Other receivables from related parties concerns a loan to a shareholder Ecorys Trust (Stichting Ecorys). The loan agreement has an effective date of 1 November 2018 and includes redemption. The loan is a 40-year annuity loan with interest of 1.25% per year and is collateral for the credit facilities, as provided by ABN AMRO Bank. In 2022 the 2021/2022 annuity has been received.

## 4. Work in progress

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Gross work in progress | 158,100,934 | 135,681,214 |
| Total of invoiced instalments | (153,203,654) | (132,796,025) |
| Provisions on Gross work in progress | (754,718) | (721,204) |
| Presented under the current liabilities | 10,728,651 | 12,006,337 |
| Work in progress | **14,871,213** | **14,170,322** |

Gross work in progress represents the total net turnover of projects in progress and total invoiced instalments represents the total of invoiced instalments of projects in progress, both from the start date of the projects until the end date of the financial year.

The total of the advance payments received on projects amounts to € 10,728,651 (2021: € 12,006,337) and is included in payments on account made by clients under current liabilities. See note 10 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

The work in progress is collateral for the credit facilities, as provided by ABN AMRO Bank. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

## 5. Receivables, prepayments and accrued income

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Trade receivables | 10,588,390 | 14,904,949 |
| Corporate tax receivable | 235,393 | 84,508 |
| Taxation and social security receivables | 551,593 | 97,446 |
| Prepayments and accrued income | 9,261,523 | 5,694,617 |
| | **20,636,899** | **20,781,520** |

In trade receivables, an amount of € 232,404 (31 December 2021: € 258,146 ) is included with a maturity longer than 1 year. All other receivables have an estimated maturity shorter than one year.

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Not overdue | 7,528,648 | 9,736,711 |
| Not more than 3 months | 2,486,578 | 4,590,850 |
| More than 3 months but not more than 6 months | 427,394 | 596,643 |
| More than 6 months but not more than 1 year | 146,548 | 112,504 |
| More than 1 year | 232,404 | 258,146 |
| | **10,821,572** | **15,294,854** |

The provision for doubtful receivables amounted to € 233,182 at 31 December 2022 (31 December 2021: € 389,905).

The trade receivables of ECORYS B.V., ECORYS Nederland B.V., ECORYS UK Ltd. and Ecorys Europe EEIG – GEIE are collateral for the credit facilities, as provided by ABN AMRO Bank. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

The prepayments and accrued income comprise costs paid in advance related to the financial year 2023.

## 6. Cash and cash equivalents

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Cash at bank | 2,977,099 | 2,362,658 |
| | **2,977,099** | **2,362,658** |

The availability of cash balances amounting to € 7,826 (2021: € 51,684) is restricted due to Bangladesh FX controls.

## 7. Group equity

*Share of the legal entity in the group equity*

For a detailed explanation to the share of the legal entity in the group equity reference is made to the notes to the shareholders' equity in the Company financial statements.

*Third-party share in group equity*

Third-party share in equity concerns a 0.3% share in ECORYS Polska Sp.z.o.o. This share of € 2,001 (2021: € 855) is considered very limited and is therefore not presented separately nor further disclosed.

## 8. Provisions

Movements in the provisions can be broken down as follows:

| | Deferred tax | Jubilee | Other | Total |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| **Balance at 1 January** | **232,005** | **120,836** | **13,938** | **366,779** |
| Additions | 33,669 | 12,229 | - | 45,898 |
| Utilisation | - | (20,440) | (8,776) | (29,216) |
| Transfer | (206,604) | - | - | (206,604) |
| Exchange rate difference | (2,116) | - | - | (2,116) |
| **Balance at 31 December** | **56,954** | **112,625** | **5,162** | **174,741** |

All the provisions have a predominantly long-term character. Provisions Other comprise of provisions for retirement and similar benefits.

## 9. Non-current liabilities

| | MEAG loan | Bank loan | Total |
|---|---|---|---|
| | EUR | EUR | EUR |
| **Balance at 1 January** | **34,695** | **20,735** | **55,430** |
| Transfer to current liabilities | (34,695) | (20,735) | (55,430) |
| **Balance at 31 December** | **-** | **-** | **-** |

| | Balance as at 31-12-2022 | Repayment obligation 2023 | Remaining maturity > 1 year | Remaining maturity > 5 years |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| MEAG loan | 34,695 | 34,695 | - | - |
| Bank loan (India) | 4,094 | 4,094 | - | - |
| | **38,789** | **38,789** | **-** | **-** |

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are included in current liabilities. MEAG Munich Ergo Kapitalanlagegesellschaft GmbH. issued a loan of € 800,000 with a remaining maturity of 1 year to ECORYS Nederland B.V. The interest rate on this loan is fixed and amounts to 3.85% per annum. In 2022 € 57,401 was repaid on the loan. The loan is secured by means of a parent guarantee. We refer further to note 11.

## 10. Current liabilities, accruals and deferred expenditure

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Bank overdrafts and loans (Note 11) | 461,611 | 762,083 |
| Work in progress (Note 4) | 10,728,651 | 11,795,283 |
| Trade payables | 3,755,024 | 4,410,073 |
| Short term MEAG loan obligation (Note 9) | 34,695 | 57,401 |
| Taxes and social security | 1,617,694 | 2,063,055 |
| Corporate tax payable | 176,589 | 87,354 |
| Accrued expenditure | 10,800,740 | 9,061,685 |
| Salaries Payable | 3,784,381 | 3,659,131 |
| Holiday Allowance | 1,338,848 | 1,035,697 |
| | **32,698,233** | **32,931,762** |

All current liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character.

Accruals mainly comprise of amounts due to suppliers and personnel.

## 11. Non-recognised assets and liabilities and contingent assets and liabilities

*Financing facilities*
ECORYS B.V., ECORYS Nederland B.V., ECORYS UK Ltd. and Ecorys Europe EEIG – GEIE

Facilities provided by the Group's financing companies are as follows:
- *An overdraft facility with a limit of € 9,000,000.*
- A contingent liability (bank guarantee) facility with an authorised limit of € 18,000,000.
- A financial derivatives facility for the issuance of financial derivative transactions in order to cover the foreign exchange risks and/or interest risks arising from the group's trade transactions. This is subject to a transaction limit and security negotiated at the time of entering into the derivative.
- A second contingent liability (bank guarantee) facility with an authorised limit of € 5,000,000.

Securities provided to the Ecorys' bankers are as follows:
- Receivable and company assets of ECORYS B.V., ECORYS Nederland B.V. and Ecorys Europe EEIG – GEIE are pledged as security together with a debenture over the assets of ECORYS UK Ltd.
- The facilities are for ECORYS B.V., ECORYS Nederland B.V., ECORYS UK Ltd. and Ecorys Europe EEIG – GEIE. All parties are joint and several liable.

*ECORYS Brussels N.V.*
- A facility of € 600,000 to satisfy working capital requirements.
- The underlying assets of ECORYS Brussels in Belgium are pledged as security for the amount of € 400,000.

*ECORYS Turkey Ltd*
- A bank overdraft facility with a limit of TRY 50,000 (€ 2,502).
- Accounts receivable of ECORYS Turkey in Turkey are pledged as security.

*ECORYS Polska Sp.z.o.o.*
- A multi-product facility with a credit limit of PLN 1,600,000 (€ 342,466) which may be used for working capital loans and bank guarantees.
- Accounts receivable of ECORYS Poland in Poland are pledged as security.
- The facility is secured by a guarantee from ABN AMRO N.V.

*ECORYS Hrvatska d.o.o.*
- A bank overdraft facility with a limit of HRK 100,000 (€ 13,316).

*ECORYS India Private Ltd*
- An overdraft facility with a limit of INR 10,000,000 (€ 113,066).
- Ecorys B.V. has issued a Standby Letter of Credit from ABN AMRO N.V. for the amount of INR 10,000,000 (€ 113,066) with validity till 30 April 2023.

*ECORYS Netherlands B.V.*
- MEAG Munich Ergo Kapitalanlagegesellschaft mbH. issued a loan of € 800,000 with a maturity of 7 years (of which one year remains). We refer further to note 9.

*Leases*

Below an analysis of the operating lease arrangements.

The Group as Lessee:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Minimum lease payments under operating leases expensed in the year | 1,917,850 | 1,608,761 |

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Within one year | 1,694,135 | 1,657,722 |
| In the second to fifth years inclusive | 4,675,138 | 4,771,848 |
| After five years | 1,017,566 | 920,759 |
| | **7,386,839** | **7,350,329** |

The lease payments are based on existing lease agreements per balance sheet date and concern mainly the lease of offices and vehicles.

*Guarantees*

At the balance sheet date, the Company had outstanding commitments for guarantees as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Project related | 11,574,359 | 14,396,691 |
| Rent | 264,121 | 244,610 |
| Financing facility related | 455,220 | 467,395 |
| | **12,293,700** | **15,108,696** |

*Client Funds*

Where funds are held on behalf of clients including grant monies payable to approved projects, although under the control of the entity, these funds are not seen as assets of the group and are therefore excluded from these Financial Statements together with the matching liabilities to the clients. At 31 December 2022 client funds were held to the amount of € 2,251,780 (2021: 4,360,035).

*Consortium projects*

As a member of some consortiums, the Company is jointly and/or severally liable for the underlying agreements.

# NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

## 12. Net turnover

Net turnover relates to the provision of advice, support and delivery services in the fields of economic, social and spatial development.

A breakdown of the net turnover per country in which the legal entities are based is as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Netherlands | 44,093,625 | 37,798,604 |
| United Kingdom | 23,838,126 | 24,633,044 |
| Belgium | 31,238,214 | 28,499,711 |
| Other countries | 6,450,004 | 5,085,602 |
| | **105,619,969** | **96,016,961** |

## 13. Salary costs and social security costs

During 2022, an average of 615 full-time equivalent employees were employed on a full-time basis (2021: 606). Of these employees, 464 were employed outside the Netherlands (2021: 441).

The number of full-time equivalent employees at 31 December were:

| | 2022 | 2021 |
|---|---|---|
| Members of Board of Management | 2 | 2 |
| Direct employees | 517 | 501 |
| Indirect employees | 87 | 101 |
| | **606** | **604** |

*Retirement benefit schemes*

The Group operates defined contribution retirement benefit schemes for qualifying employees. The assets of the scheme are held separately from those of the group in funds under the control of trustees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Ecorys B.V. has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The total cost charged to income of € 1,501,451 (2021: € 1,372,585) represents contributions payable to these schemes by the group at rates specified in the rules of the plans.

## 14. Other Expenses

Within the administrative expenses the following costs are included based on continuing operations:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Premises | 2,858,095 | 2,831,892 |
| Office costs | 1,685,828 | 1,290,133 |
| Other staff costs & staff training | 1,321,506 | 995,002 |
| Other professional fees | 1,184,369 | 1,130,771 |
| Insurance costs | 503,409 | 423,571 |
| Travel costs | 374,192 | 175,326 |
| Auditors' remuneration for audit of financial statements | 179,842 | 258,300 |
| Net foreign exchange losses/(gains) | 86,254 | (224,981) |
| Other costs | 447,174 | 978,072 |
| | **8,640,669** | **7,858,086** |

## 15. Auditors remuneration

A more detailed analysis of the remuneration of auditors on a group wide basis is provided below:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Audit of the financial statements | 188,485 | 262,310 |
| Other audit engagements: Project certification services | 29,125 | 76,135 |
| Other non-audit services | 16,482 | 48,280 |
| Fiscal advisory services | 30,912 | 16,599 |
| | **265,004** | **403,324** |

Amounts payable to Grant Thornton Accountants en Adviseurs B.V. and their associates by the group in respect of audit services were € 183,592 (2021 to Deloitte Accountants BV: € 259,500) and non-audit services were € 0 (2021: € 19,900). Amounts payable relate to the audit of the 2022 Financial Statements, regardless of whether the work was performed during the financial year.

## 16. Financial income and expense

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Interest and similar income | 46,541 | 32,700 |
| Interest and similar expense | (388,071) | (282,346) |
| | **(341,530)** | **(249,646)** |

## 17. Taxation

The company and its wholly owned subsidiaries in the Netherlands constitute a fiscal entity.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No amendments to tax legislation or tax rates have been proposed that would affect the recovery of the deferred tax assets.

The effective tax burden is 29.6% and can be broken down as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | % | EUR x 1,000 | % | EUR x 1,000 |
| Profit before taxes | | 2,226 | | 2,083 |
| Tax burden based on Dutch nominal rate (25.8%) | 25.8 | 574 | 25.0 | 521 |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | | (82) | | (61) |
| Non-tax deductible costs | | 7 | | 100 |
| Exempted income | | 20 | | (1) |
| Effect of compensated tax losses and temporary losses | | (66) | | (125) |
| Prior financial years tax (income)/charge | | 201 | | (66) |
| Other | | 5 | | 34 |
| **Tax expense for the year** | **29.6** | **659** | **19.3** | **402** |

The increase in the effective tax rate from 19.3% in 2021 to 29.6% in 2022 is mainly due to 1) prior year tax adjustment in ECORYS Brussels N.V., and ECORYS India Pvt. Ltd., 2) increase in taxation of non-local activities in ECORYS UK Ltd., being offset by the decrease in non-tax deductible costs in ECORYS Turkey (Consulting and Engineering Limited Company), and ECORYS Brussels N.V.

There are no unrecognized deferred tax assets as per 31 December 2022 (2021: € 163,404).

## 18. Share-based payments

*Equity-settled share option plan*
Up to and including 2018 the Group had a share option plan in place allowing group employees to acquire shares of Ecorys B.V. This options plan was ended as per 1 January 2019 with the Company committing to fulfil the obligations related to options granted before this date.

The option exercise price equals the price[2] of the underlying shares at the date of the grant. The vesting period is 3 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

| | **2022 Options** | **2022 Weighted Average exercise price** | **2021 Options** | **2021 Weighted Average exercise price** |
|---|---|---|---|---|
| Outstanding at beginning of period | 45,926 | € 1,87 | 75,512 | € 2,32 |
| Granted during the period | - | € 1,38 | - | € 1,38 |
| Forfeited during the period | (780) | € 4,31 | (16,945) | € 4,04 |
| Exercised during the period | (10,837) | € 2,26 | (12,641) | € 2,48 |
| Outstanding at the end of the period | 34,309 | € 1,83 | 45,926 | € 1,87 |
| Exercisable at the end of the period | 34,309 | € 1,83 | 45,926 | € 1,87 |
| Vesting options | - | - | - | - |

The options outstanding at 31 December 2022 had a weighted average exercise price of € 1,83 and a weighted average remaining contractual life of 3.4 years. The exercise price for outstanding options ranges from € 1.34 to € 4.40. Throughout the year 10,837 options have been exercised.

*Equity-settled Share Incentive Plan (SIP)*
Employees of ECORYS UK Limited are eligible to take part and benefit under an approved Share Incentive Plan. Subject to the rules of the plan, qualifying employees receive the right to receive matching shares. During 2022 1,892 matching SIP shares were granted (2021: 1,250). These shares are currently held in an independent trust.

*Equity-settled variable pay in shares*
The Group operates a variable pay plan with financial and personal targets. For the three highest staff levels 50% of awarded variable pay (after wage taxes) is awarded in shares. The value of the awarded shares is based on the actual trading value 2022. Related to 2022, 93,591 shares are being awarded.

*Equity-settled share-based payment*
The Group recognised total expenses (recognised under wages and salaries) of € 461,404 (2021: € 365,637) related to equity-settled share-based payment transactions from the above three plans.

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2 The price is that established under an agreed formula, for use in the internal market of Ecorys B.V. shares.

## 19. Related party transactions

*Trading transactions*

Transactions between the Group companies, which are related parties, have been eliminated on consolidation. Ecorys B.V. had in 2022 a total amount of € 34,476,883 trading transactions between Group companies (2021: € 25,432,712). There were no other material transactions than regular trading, between Group companies during the current and previous year. All transactions are transacted under normal market conditions.

*Remuneration of the Board of Management*

The total remuneration of the Board of Management amounted to € 607,864 (2021: € 579,335).

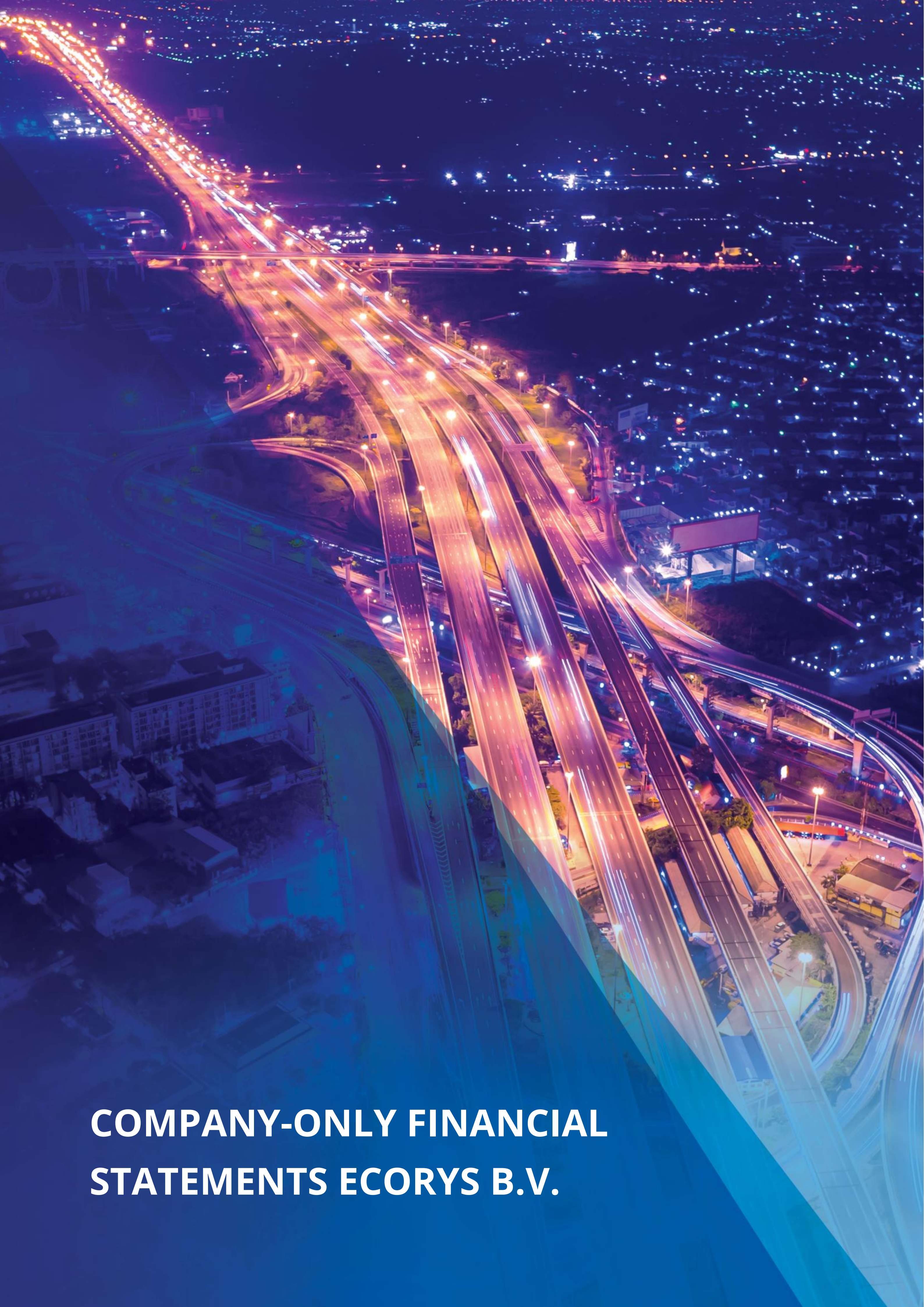
*Remuneration of the Supervisory Board*

The total remuneration (annual fixed fee and annual committee membership fee) of the members of the Supervisory Board in 2022 amounted to € 111,120 (2021: € 101,194).

*Transactions with shareholders*

Interest on the loan to the shareholder Ecorys Trust (Stichting Ecorys) for the year amounts to € 31,809 (2021: € 32,370). See also note 3 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

Recharge for secretariat and bookkeeping to the shareholder Foundation NEI (Stichting NEI) for the year amounts to € 8,000 (2021: € 8,000).



# COMPANY-ONLY FINANCIAL STATEMENTS ECORYS B.V.

# COMPANY-ONLY BALANCE SHEET AS AT 31 DECEMBER 2022

| (before appropriation of result) | Note | 31 December 2022 | | 31 December 2021 | |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Fixed assets** | | | | | |
| Intangible fixed assets | 20 | 1,492,283 | | 1,649,449 | |
| Tangible fixed assets | 21 | - | | - | |
| Financial fixed assets | 22 | 18,319,968 | | 17,666,504 | |
| | | | 19,812,251 | | 19,315,953 |
| **Current assets** | | | | | |
| Receivables, prepayments and accrued income | 23 | 5,977,496 | | 5,049,364 | |
| | | | 5,977,496 | | 5,049,364 |
| **Total assets** | | | **25,789,748** | | **24,365,317** |
| **Shareholders' equity** | | | | | |
| Issued share capital | 24 | 298,361 | | 298,361 | |
| Share premium | 25 | 5,515,349 | | 5,515,349 | |
| Legal reserves | 26 | (1,395,399) | | (1,145,815) | |
| Other reserves | 27 | 5,105,440 | | 3,771,934 | |
| Result for the year | | 1,567,203 | | 1,680,556 | |
| | | | 11,090,954 | | 10,120,386 |
| **Current liabilities, accruals and deferred income** | 28/29 | | 14,698,794 | | 14,244,931 |
| **Total Equity & liabilities** | | | **25,789,747** | | **24,365,317** |

# COMPANY-ONLY PROFIT AND LOSS ACCOUNT 2022

| | | 2022 | 2021 |
|---|---|---|---|
| | | EUR | EUR |
| Share in Group Companies | 22 | 1,623,326 | 1,626,377 |
| Other income and expense after taxation | | (56,123) | 54,180 |
| **Result for the year** | | **1,567,203** | **1,680,556** |

# NOTES TO THE COMPANY-ONLY FINANCIAL STATEMENTS

## General

The 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').

For the accounting policies for the company-only balance sheet and profit and loss account, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

## Financial fixed assets

Where significant influence is exercised, participations in Group companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by the consolidated financial statements of Ecorys B.V.

Participations in Group companies with a negative net equity value are valued at nil. This likewise takes into account other long-term interests that should effectively be considered as part of the net investment in the participation. If the company fully or partly guarantees the liabilities of the participation concerned, or has the effective obligation respectively, to enable the participation to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participation, are taken into account.

Where no significant influence is exercised participations are valued at cost and if applicable less impairments in value. Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

## Legal reserve for participations

The legal reserve for participations is formed insofar Ecorys B.V. cannot realise a distribution without limitations. The legal reserve for each participation is determined individually.

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The purchase of own shares is deducted from the Other reserves.

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par income).

# NOTES TO THE SPECIFIC ITEMS OF THE COMPANY-ONLY FINANCIAL STATEMENTS

## 20. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

| | Software |
|---|---|
| | EUR |
| **At 1 January** | |
| Acquisition cost | 2,174,359 |
| Cumulative amortisations and other impairment in value | (524,910) |
| **Carrying amount** | **1,649,449** |
| **Movements** | |
| Investments | 55,800 |
| Disposed during year (cost) | (154,606) |
| Disposed during year (accumulated amortization) | 154,606 |
| Amortisations | (212,966) |
| **Total Movements** | **(157,166)** |
| **At 31 December** | |
| Acquisition cost | 1,976,567 |
| Cumulative amortisations and other impairment in value | (484,284) |
| **Carrying amount** | **1,492,283** |
| Amortisation rate | 10% |

Software relates to both internally developed software and externally purchased software. Software has a useful life of 10 years.

Software related to Ecorys Information System (EIS) amounts to € 2,058,452 and amortisation started as per 1 March 2020.

## 21. Tangible fixed assets

A summary of the movements of tangible fixed assets is given below:

| | **Property, plant and equipment** |
|---|---|
| | EUR |
| **At 1 January** | |
| Acquisition cost | 62,471 |
| Cumulative depreciation and other impairment in value | (62,471) |
| **Carrying amount** | **-** |
| **Movements** | |
| Investments | - |
| Disposals | (62,471) |
| Depreciation | 62,471 |
| **Total Movements** | **-** |
| **At 31 December** | |
| Acquisition cost | - |
| Cumulative depreciation and other impairment in value | - |
| **Carrying amount** | **-** |
| Depreciation rate | 20% - 33% |

Property, plant and equipment relates to office furniture and equipment. There are no assets held under finance lease as at 31 December 2022 (2021: none).

Property, plant and equipment are collateral for the credit facilities, as provided by ABN AMRO Bank. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

## 22. Financial fixed assets

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Participations in Group companies | 14,724,224 | 13,501,629 |
| Amounts receivable from Group companies | 1,105,510 | 1,474,015 |
| Deferred tax asset | - | 146,111 |
| Other receivables from related parties | 2,490,234 | 2,544,748 |
| | **18,319,968** | **17,666,504** |

| | Participations in group companies |
|---|---|
| | EUR |
| Carrying amount as at 1 January | **13,501,629** |
| Movements: | |
| Exchange rate differences | (249,584) |
| Share in result of Group companies | 1,623,326 |
| Associated company dividends | (100,000) |
| Reclass from intercompany receivables for negative participation value | (60,197) |
| Investment in participations | 9,050 |
| Carrying value as at 31 December | **14,724,224** |

The deferred tax assets amounting to € 0 (2021: € 146,111).

The movement in amounts receivable from subsidiaries from 2021 to 2022 concerns the annual redemption of the loan receivable from Ecorys UK Ltd.

Other receivables from related parties concerns a loan to the shareholder Ecorys Trust (Stichting Ecorys). The movement from 2021 to 2022 represents the annual redemption. See also note 3 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

There is an unrecognised share in the loss for the participation in ECORYS Research and Consulting Ltd (Turkey), which holds a negative equity value, and has been valued at nil. The cumulative negative equity value at year end amounts to € 321,628, where the share for the reporting period is a profit of € 60,197.

## 23. Receivables, prepayments and accrued income

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Amounts receivables from Group companies | 5,550,840 | 4,697,692 |
| Trade receivables | - | 17,725 |
| Prepayments and accrued income | 360,723 | 310,017 |
| Value added tax | 65,934 | 23,930 |
| | **5,977,496** | **5,049,364** |

In respect of the amounts receivable from subsidiaries there are no securities provided and there are partially no agreements, no interest charges and no repayments.

The trade receivables are collateral for the credit facilities, as provided by ABN AMRO Bank. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

The prepayments and accrued income comprise costs paid in advance related to the financial year 2023.

## 24. Issued share capital

The authorised share capital of Ecorys B.V. amounts to € 1,000,000 divided 10,000,000 ordinary shares of € 0.10. Issued share capital consists of 2,983,614 ordinary shares.

In 2022, no shares were issued.

## 25. Share premium

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Balance at 1 January | 5,515,349 | 5,515,349 |
| Addition | - | - |
| Repayment | - | - |
| **Balance at 31 December** | **5,515,349** | **5,515,349** |

## 26. Legal reserves

The legal reserves are recognised in connection with the currency exchange differences and the legal reserves for Group companies.

| | Currency exchange differences | Participations Group companies | Total 2022 | Total 2021 |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| Balance at 1 January | (1,191,466) | 45,651 | (1,145,815) | (1,372,675) |
| Addition | (249,584) | - | (249,584) | - |
| Utilisation | - | - | - | 226,860 |
| Transfer | - | (8,842) | (8,842) | - |
| **Balance at 31 December** | **(1,441,050)** | **36,809** | **(1,404,241)** | **(1,145,815)** |

## 27. Other reserves

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Balance at 1 January | 3,771,934 | 2,536,737 |
| Company net profit/(loss) after tax prior year | 1,680,556 | 1,591,431 |
| Dividends paid to shareholders | (356,100) | (356,234) |
| Reclassification from/(to) legal reserve for participations | - | - |
| Other movement | 9,050 | - |
| Transfer | 8,842 | - |
| **Balance at 31 December** | **5,114,282** | **3,771,934** |

The annual report 2021 was adopted in the general meeting of shareholders held on 18 May 2022. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

*Proposed appropriation of result for the financial year 2022*
The Board of Management proposes, with consent of the Supervisory Board, to the General Meeting to appropriate the profit after tax for 2022 as follows: to pay out an amount of € 356,100 as dividend and to add the remaining amount of € 1,211,103 to Other reserves.

Own shares are valued at cost of acquisition and recognised on the other reserves.
The other movements contain the adjustments relating to share based payments.

## 28. Current liabilities, accruals and deferred expenditure

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Bank overdraft | 9,499,019 | 8,710,226 |
| Intercompany payables | 4,583,643 | 5,029,337 |
| Accruals and deferred expenditure | 473,350 | 460,613 |
| Corporation tax payable | 135,404 | - |
| Trade payables | 7,378 | 44,755 |
| | **14,698,794** | **14,244,931** |

All current liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character.

## 29. Non-recognised assets and liabilities and contingent assets and liabilities

*Fiscal unity for corporation tax and value added tax*
Ecorys B.V. and Ecorys Nederland B.V. form part of a fiscal unity for corporation tax and value added tax and are therefore jointly and severally liable for any fiscal debts concerning these taxes.

*Guarantees*
At the balance sheet date, the Company had outstanding commitments for guarantees as follows:

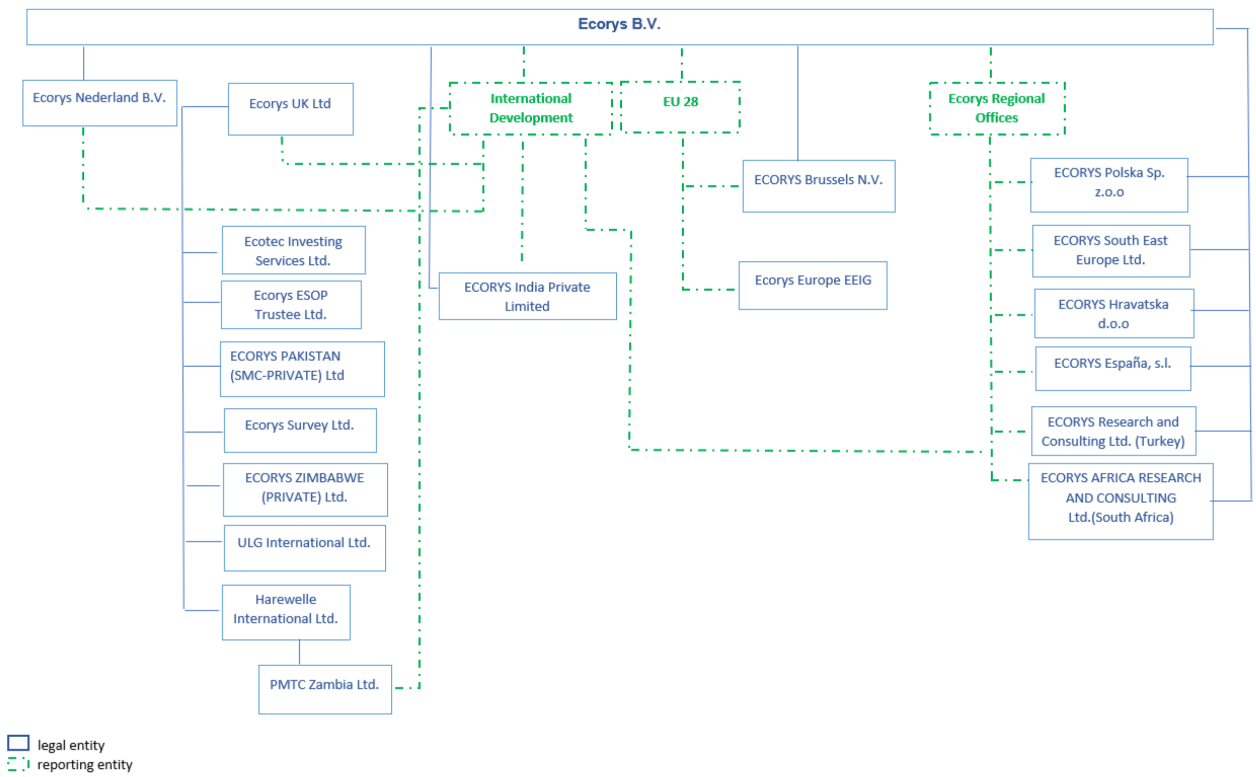
| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Project related | 2,329,261 | 5,334,564 |
| Financing facility subsidiary (see note 11) | 455,220 | 467,395 |
| | **2,784,481** | **5,801,959** |

Project related guarantees amounting to € 2,329,261 (2021: € 5,334,564) since ABN guarantees were transferred to Ecorys Nederland B.V. in 2022.

*Facilities provided by the group's banker*
The Company is joint and several liable for the facilities from the group's banker. See also note 11 in the Notes to the Consolidated Balance Sheet or Cash Flow Statement.

# OTHER INFORMATION

## Ecorys' group structure




## Branches

The Company has the following branches:

| Country | Trade name of branch |
|---|---|
| Georgia | ECORYS Nederland B.V. Representative In Georgia |
| Georgia | ECORYS Polska branch in Georgia |
| Ghana | ECORYS B.V. |
| India | ECORYS Nederland B.V. |
| Tanzania | ECORYS B.V. |
| Italy | ECORYS UK Limited |

## Appropriation of result according to articles of association

The articles of association stipulate that, in accordance with the article which relates to the appropriation of result, the annual result is at the free disposal of the general meeting.

# Signing of the financial statements

**Board of Management**

Rotterdam, The Netherlands, 26 April 2023

| | |
|---|---|
| Manon Janssen<br>CEO<br>Chair of the Board of Management | Celestine Fransen<br>CFO<br>Member of the Board of Management |

**Supervisory Board**

Rotterdam, The Netherlands, 26 April 2023

| | |
|---|---|
| Marc van Rooijen, chair | Thessa Menssen |
| Christopher Balch, vice chair | Marc Descheemaecker |

# INDEPENDENT AUDITOR REPORT

Reference is made to the auditor report as included hereinafter.

Answering tomorrow's challenges today

P.O. Box 4061
3006 AB Rotterdam
The Netherlands

Watermanweg 44
3067 GG Rotterdam
The Netherlands

T +31 (0)10 453 88 00

**ecorys.nl**