



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|-------------------------------------|
| Organisasjonsnummer: | 981 389 085 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | PON HOLDING NORWAY AS |
| Forretningsadresse: | Bølerveien 60 2020 SKEDSMOKORSET |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2022 - 31.12.2022 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|----|
| Mørselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

Regnskapsregler

| | |
|--|------------------------------------|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Regnskapslovens alminnelige regler |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | - |

Årsregnskapet fastsatt av kompetent organ

| | |
|--|----------------|
| Bekreftet av representant for selskapet: | Ingunn Sæterbø |
| Dato for fastsettelse av årsregnskapet: | 30.06.2023 |

Grunnlag for avgivelse

| |
|--|
| År 2022: Årsregnskapet er elektronisk innlevert |
| År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022 |

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.08.2024



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|---|------|-------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Kostnader | | | |
| Annen driftskostnad | 3 | 123 083 | 476 372 |
| Sum kostnader | | 123 083 | 476 372 |
| Driftsresultat | | -123 083 | -476 372 |
| Finansinntekter og finanskostnader | | | |
| Inntekt på investering i datterselskap | 4 | 8 300 000 | 57 788 533 |
| Renteinntekt fra foretak i samme konsern | | 16 967 128 | 5 505 450 |
| Annen renteinntekt | | 825 314 | |
| Annen finansinntekt | | 166 725 | |
| Sum finansinntekter | | 26 259 167 | 63 293 983 |
| Rentekostnad til foretak i samme konsern | | 16 538 769 | 23 314 631 |
| Annen rentekostnad | | 9 654 153 | 1 042 478 |
| Annen finanskostnad | | | 179 910 |
| Sum finanskostnader | | 26 192 922 | 24 537 018 |
| Netto finans | | 66 244 | 38 756 965 |
| Ordinært resultat før skattekostnad | | -56 839 | 38 280 593 |
| Skattekostnad på resultat | 5 | | 8 421 730 |
| Ordinært resultat etter skattekostnad | | -56 839 | 29 858 863 |
| Årsresultat | | -56 839 | 29 858 863 |
| Årsresultat etter minoritetsinteresser | | -56 839 | 29 858 863 |
| Totalresultat | | -56 839 | 29 858 863 |
| Overføringer og disponeringer | | | |
| Avsatt til annen egenkapital | 6 | | 29 858 863 |
| Overført fra annen egenkapital | 6 | -56 839 | |
| Sum overføringer og disponeringer | | -56 839 | 29 858 863 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|----------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 5 | | |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 4 | 553 596 192 | 553 596 192 |
| Sum finansielle anleggsmidler | | 553 596 192 | 553 596 192 |
| Sum anleggsmidler | | 553 596 192 | 553 596 192 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Konsernbidrag | 7 | 8 300 000 | 57 788 533 |
| Andre kortsiktige fordringer | 7, 8 | 899 520 787 | 205 481 439 |
| Sum fordringer | | 907 820 787 | 263 269 972 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter o.l. | | 59 372 784 | 27 631 860 |
| Sum bankinnskudd, kontanter og lignende | | 59 372 784 | 27 631 860 |
| Sum omløpsmidler | | 967 193 572 | 290 901 833 |
| SUM EIENDELER | | 1 520 789 764 | 844 498 025 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Aksjekapital | 6 | 12 140 200 | 12 130 100 |
| Overkurs | 6 | 612 240 800 | 312 250 900 |
| Annen innskutt egenkapital | 6 | 11 774 332 | 11 774 332 |
| Sum innskutt egenkapital | | 636 155 332 | 336 155 332 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|-----------------------------------|------|----------------------|--------------------|
| Opptjent egenkapital | | | |
| Annen egenkapital | 6 | 35 750 140 | 35 806 979 |
| Udisponert resultat | | | |
| Sum opptjent egenkapital | | 35 750 140 | 35 806 979 |
| Sum egenkapital | | 671 905 472 | 371 962 311 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 5 | | |
| Annen langsiktig gjeld | | | |
| Øvrig langsiktig gjeld | 7 | 178 000 000 | 378 200 000 |
| Sum annen langsiktig gjeld | | 178 000 000 | 378 200 000 |
| Sum langsiktig gjeld | | 178 000 000 | 378 200 000 |
| Kortsiktig gjeld | | | |
| Gjeld til kredittinstitusjoner | | 87 490 | |
| Betalbar skatt | 5 | | 8 421 730 |
| Annen kortsiktig gjeld | 7, 8 | 670 796 802 | 85 913 983 |
| Sum kortsiktig gjeld | | 670 884 292 | 94 335 713 |
| Sum gjeld | | 848 884 292 | 472 535 713 |
| SUM EGENKAPITAL OG GJELD | | 1 520 789 763 | 844 498 024 |

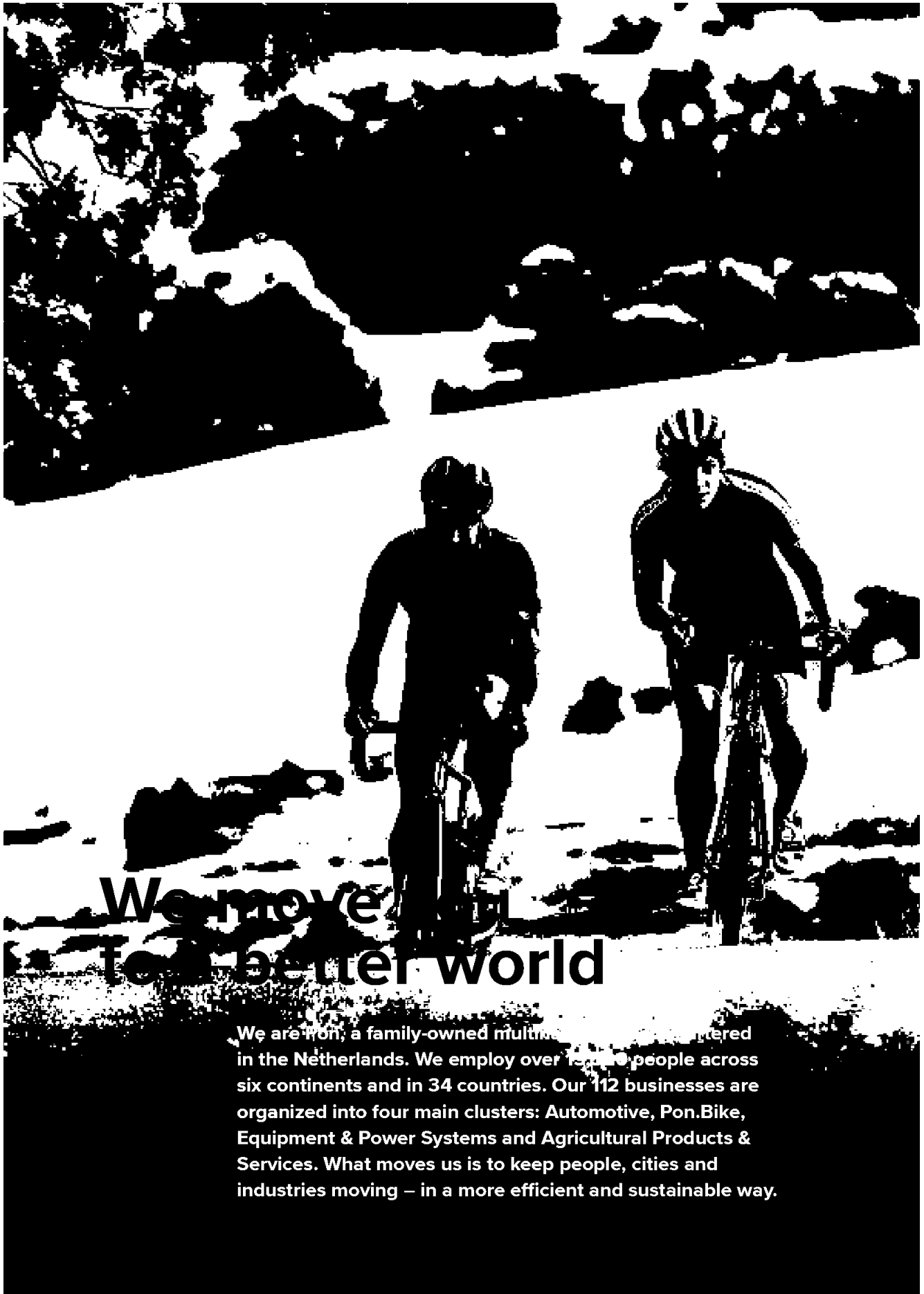


Pon Holdings B.V.

Annual Accounts 2022



**We move you
to a better world**



We move you to a better world

We are Itron, a family-owned multinational company headquartered in the Netherlands. We employ over 13,000 people across six continents and in 34 countries. Our 112 businesses are organized into four main clusters: Automotive, Pon.Bike, Equipment & Power Systems and Agricultural Products & Services. What moves us is to keep people, cities and industries moving – in a more efficient and sustainable way.



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Highlights 2022

(in million euros)

10,042

2022

8,144

7,310

7,581

7,522

(in million euros)

547

2022

307

125

191

155

(average number of employees)

15,704

2022

13,678

12,232

12,796

14,062

(gross margin is defined as revenue less costs of sales and direct personnel costs)

22.5%

2022

20.8%

18.3%

17.9%

17.9%

(in million euros)

1,045

2022

559

351

429

352

(in million euros)

799

2022

392

201

289

209

In above figures, URUS is consolidated for 6 months in 2021.
MEC, PVI and Pon Asia activities were sold during 2022.



[Our Strategy](#)

[Report of the Executive Board](#)

[Corporate Governance and Risk Management](#)

[Report of the Supervisory Board](#)

[Financial Statements](#)

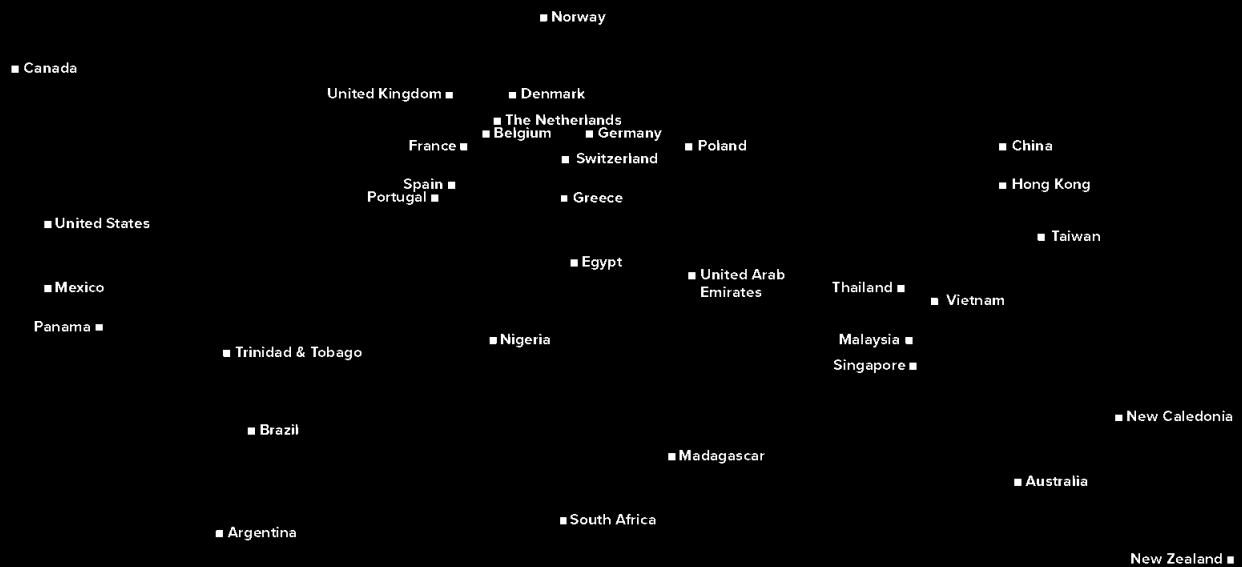
[Other Information](#)

(in thousand euros)

3,045,188

6,535,746

460,870



112

34

Profile Business Clusters

Pon has organized its business in the following clusters: Automotive, Pon.Bike, Equipment & Power Systems and Agricultural Products & Services. The Industrial Mobility cluster was largely divested in 2022.



The Automotive cluster is structured into two distinct groups: Wholesale & Retail, and Luxury & Performance Cars. Wholesale & Retail combines Pon's automotive wholesale, retail and service activities in the Netherlands. Wholesale is the leading player in the Dutch passenger car market, light commercial vehicle market (vans), and heavy commercial vehicle market

(trucks, buses, coaches). Retail comprises all fully owned dealer organizations in the Netherlands, in addition to the minority interest in car-sharing platform Greenwheels. Services consists of Pon's participation in Europcar and businesses leveraging the other automotive activities. Luxury & Performance Cars holds a strong position in the luxury and performance car segments in the Netherlands and the U.S., and also has a presence in Vietnam.

| | Cluster revenue (in million euros) | Number FTEs (in average FTEs: Full-Time Equivalents) |
|--|---------------------------------------|---|
| Total | 5,998 ↑ 2021: 5,247 | 3,284 ↑ 2021: 3,015 |
| Automotive Wholesale | 2,714 ↑ 2021: 2,534 | 568 ↑ 2021: 536 |
| Automotive Retail | 1,086 ↑ 2021: 914 | 1,704 ↑ 2021: 1,440 |
| Automotive Services | 74 ↓ 2021: 118 | 50 ↓ 2021: 201 |
| Pon Luxury & Performance Cars Europe | 603 ↑ 2021: 501 | 239 ↑ 2021: 201 |
| Pon Luxury & Performance Cars North America | 1,521 ↑ 2021: 1,180 | 723 ↑ 2021: 637 |



Pon.Bike is a leading player in the global bicycle industry. The core of this cluster is a portfolio of premium and high-end brands. Pon.Bike spans a wide range of customer segments, from comfort and sports to performance and lifestyle, offering electric and non-electric urban, road, race, cargo, gravel and mountain bikes, in addition to providing servicing, parts and

accessories. It has a global footprint, focusing on Europe and the U.S., while also serving South America and the Asia-Pacific region. In B2B & Mobility Services, Pon.Bike operates in the private lease, business lease and corporate lease markets.

| | | |
|-----------------------------|----------------------------|----------------------------|
| Pon.Bike¹ | 2,404 ↑ 2021: 1,287 | 4,523 ↑ 2021: 2,235 |
|-----------------------------|----------------------------|----------------------------|

¹ Pon.Bike includes activities Dorel Sports for 2022.



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Equipment & Power Systems

Equipment & Power Systems' main businesses are the Caterpillar dealerships in the Netherlands and Norway, and its joint ventures in Brazil and Vietnam. Pon Equipment delivers heavy equipment for construction, infrastructure, mining, waste management and recycling, with its business models varying from traditional ownership and maintenance to 'equipment as a service', or rental. Pon Power provides integrated energy solutions, an expertise for which there is considerable demand given the current need to transition to green energy. It delivers CAT engines, solar systems, power grids and generators, and integrates these into sustainable, dependable power grids. In addition, Power Systems has a strong position in the marine power segment, with several leading maritime power companies.

| | Cluster revenue (in million euros) | Number FTEs (in average FTEs: Full-Time Equivalents) |
|------------------------|---------------------------------------|---|
| Total | 1,197 ↑ 2021: 1,148 | 2,644 ↓ 2021: 3,429 |
| Pon Equipment | 563 ↑ 2021: 472 | 922 ↑ 2021: 879 |
| Pon Power | 585 ↑ 2021: 467 | 1,475 ↑ 2021: 1,450 |
| MEC¹ | 49 ↓ 2021: 208 | 247 ↓ 2021: 1,099 |

¹ MEC activities were sold during 2022.



Agricultural Products & Services

Our Agricultural Products & Services cluster comprises URUS and its operating subsidiaries. URUS offers solutions to the global challenge of producing sufficient food to meet the demands of a fast-growing population, while at the same time needing to reduce greenhouse gas emissions drastically. The company empowers agricultural producers to develop more sustainable and productive livestock

through a wide range of technologies, products and services. It owns the leading global herd management software platform, and provides cutting-edge genetics, in addition to products and services to help raise the healthiest and most productive livestock. URUS is active on six continents and is the global market leader in its sector.

| | | |
|-------------------------|------------------------|--------------------------|
| URUS¹ | 422 ↑ 2021: 184 | 2,054 ↑ 2021: 797 |
|-------------------------|------------------------|--------------------------|

¹ URUS consolidated for 6 months in 2021.



Industrial Mobility

During 2022, a large part of the Industrial Mobility cluster was divested. Pon Australia remains part of the group, and specializes in flow control solutions to the oil & gas, mining and renewable energy industries.

| | | |
|--------------------------|------------------------|----------------------------|
| Total¹ | 702 ↓ 2021: 798 | 2,424 ↓ 2021: 3,492 |
| PVI | 499 ↓ 2021: 606 | 1,486 ↓ 2021: 2,385 |
| Pon Asia | 203 ↑ 2021: 192 | 938 ↓ 2021: 1,107 |

¹ PVI and Pon Asia activities were sold during 2022.



Key figures 2018-2022

(in million euros, unless stated otherwise)

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|--------|--------|--------|--------|--------|
| Revenue | 10,042 | 8,144 | 7,310 | 7,581 | 7,522 |
| Change in % in relation to previous year | 23% | 11% | (4%) | 1% | 13% |
| Gross margin¹ | 2,258 | 1,696 | 1,338 | 1,354 | 1,344 |
| Change in % in relation to previous year | 33% | 27% | (1%) | 1% | 11% |
| As % of total revenues | 22.5% | 20.8% | 18.3% | 17.9% | 17.9% |
| EBITDA | 1,045 | 559 | 351 | 429 | 352 |
| Operating income (EBIT) | 799 | 392 | 201 | 289 | 209 |
| Change in % in relation to previous year | 104% | 95% | (30%) | 38% | 38% |
| As % of total revenues | 8.0% | 4.8% | 2.8% | 3.8% | 2.8% |
| Results of participating interests | 23 | 52 | 16 | 17 | 18 |
| Net result | 547 | 307 | 125 | 191 | 155 |
| Cash flow from operating activities | (262) | 478 | 687 | 153 | 113 |
| Cash flow from investing activities | (678) | (580) | (41) | (73) | (248) |
| Free cash flow | (940) | (102) | 646 | 81 | (135) |
| Total assets | 6,428 | 4,475 | 4,163 | 4,163 | 3,677 |
| Lease & rental assets | 147 | 100 | 46 | 44 | 141 |
| Other fixed assets | 2,597 | 1,748 | 1,408 | 1,521 | 1,185 |
| Current assets | 3,408 | 2,254 | 1,920 | 2,291 | 2,225 |
| Cash and cash equivalents | 274 | 373 | 789 | 307 | 126 |
| Total liabilities & equity | 6,428 | 4,475 | 4,163 | 4,163 | 3,677 |
| Group equity | 1,991 | 1,407 | 1,285 | 1,279 | 1,100 |
| Interest bearing debt | 1,991 | 1,103 | 1,200 | 1,341 | 1,151 |
| Provisions | 187 | 168 | 179 | 177 | 146 |
| Non interest bearing debt | 2,258 | 1,797 | 1,499 | 1,367 | 1,280 |
| Financial ratios | | | | | |
| Solvency | 31.0% | 31.4% | 30.9% | 30.7% | 29.9% |
| Leverage | 2.3 | 0.6 | (0.5) | 0.9 | 1.6 |
| Interest coverage | 8.6 | 14.9 | 9.6 | 8.6 | 7.3 |
| Average number of employees (FTEs) | 15,704 | 13,678 | 12,232 | 12,796 | 14,062 |

¹ Gross margin is defined as revenue less costs of sales and direct personnel costs.



Megatrends

Pon is a global player in the mobility and agriculture domains. While we see continued short-term turbulence in the markets in which we operate (due to inflation, supply chain shortages and COVID-19-related shocks), Pon is well-positioned for the long-term thanks to our diversified portfolio. We are active across different industries, different stages of the value chain, and different geographies. We see seven megatrends that are of most relevance to our future success.



Data-driven economy

Radical decarbonization



Shift to flexible ownership

Race for direct consumer access



Rebalancing global value chains

Rising importance of brands



Need for genuine purpose



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Data-driven economy

Our landscape continues to become ever more digital. COVID-19 has acted as a significant accelerator in this regard. At the front-end, consumers expect to be served seamlessly through online and offline channels as the physical world is integrated into the Internet of Things (IoT). At the back-end, digitalization continues to lead to quicker and better decision-making, as well as improved efficiency due to a variety of new technologies.

> Approximately 90% of all the data in the world was created in the last two years

> Our most important partner and OEM, Volkswagen AG, earmarked €73 billion in future technology investments through to 2025, which represents 50% of its total investments

Radical decarbonization

Fighting climate change has become a global collective effort. The role played by companies in addressing this challenge is growing fast, and rightly so. The industries in which we operate have considerable potential to improve in terms of becoming more sustainable, with agriculture and transportation accounting for 23% and 14% of global emissions respectively. Our business clusters have a vital role to play in the energy transition – for instance through the electrification of mobility, and by improving agricultural efficiency and reducing emissions.

> An estimated €250 trillion of global investment is needed to get to net zero by 2050

> Improved genetics can dramatically improve dairy production while significantly cutting methane emissions





Shift to flexible ownership

Consumers are increasingly shifting to subscription-based models. As a result, leasing, subscriptions, sharing schemes and added services are becoming increasingly important. This trend applies to all mobility sectors in which we are active, whether that be automotive, bikes, or heavy equipment.

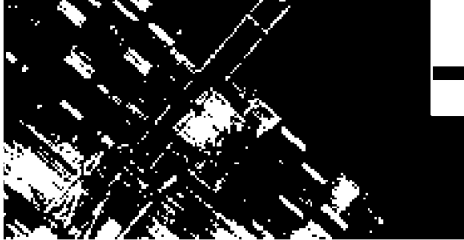
- > The global trade in services is outgrowing the global trade of goods by 60%
- > 25-35% of European consumers would consider a vehicle subscription
- > Rental is already the dominant channel in heavy equipment

The race for direct consumer access

Competition for direct end customer access is growing. OEMs are increasingly offering direct-to-consumer (DTC) propositions. While wholesale and retail channels are vital – and will continue to be so in the future – DTC channels offer an opportunity for brands to move closer to customers, control interactions, and create consistent brand experiences. Many brands are currently experimenting with this approach, with mixed success. Pon has always and will continue to rely strongly on our retail partners, and we will therefore need to work with our retail partners to address this trend.

- > DTC players can be divided into two types: ‘DTC-only’ players; and established brands that have also started to serve consumers directly
- > Direct models are now common in sectors such as automotive and bikes, which have traditionally been dependent on strong retail partners





Rebalancing global value chains

The shortage of semiconductors, coupled with the competition for raw materials and essential components such as batteries, has significantly impacted the global economy in recent years. Given disruptions such as wars, trade wars, wider geopolitical tensions, supply chain shocks and resource scarcity, we expect that this uncertainty will continue in the short-term. To increase our robustness against these effects, Pon is developing more rationalized and simplified supply chains.

- > 80% of global trade involves countries with declining political stability
- > In the last three years, container prices grew eightfold and have fallen again to pre-COVID levels, a never seen before level of unpredictability



Rising importance of brands

The importance of brands is ever-growing and strong brands continue to win new customers. The majority of consumers today seek brands that are aligned with their personal goals and values. This means that brands need to adjust what they stand for. As a house of brands, this is a key trend for Pon to understand and act upon.

- > Strong brands can command a 30% price premium
- > Niche brands are appearing in the automotive sector. In 2000, there were 152 light vehicle brands globally; by 2022 the number had increased to 250



Need for a genuine purpose

A purpose-driven brand with a positive impact on society and the environment has become the key to connecting with both customers and employees alike. Consumers are willing to pay more for such brands. Brands increasingly need to take a stance, and should actively communicate their positive impact to the world.

- > Generation Z is 2.5 times more likely than Baby Boomers to buy from companies with a defined purpose
- > 52% of consumers are willing to pay more for products and services from purpose-driven brands



MOVE_U Strategy

Our strategy is based on the following pillars:

Customers



Mutual relationships

We aim to build long-term relationships that are beneficial to all involved. Pon leads the way in customer and dealer satisfaction, and is a valued and respected partner for its customers and OEMs. We continue to focus heavily on the well-being of our people, which translates into a high employee-satisfaction rating.

The core



Operational simplicity

We continuously strive to make our operations leaner and more efficient, without compromising on customer intimacy and quality. Our structure – with focused business clusters – provides the best access to local markets, enables us to respond to megatrends, and helps us to achieve our ambitious growth targets.



Valued propositions

We stay ahead of the competition by providing unique products, services and solutions based on a better understanding of our customers' needs. Our strength and added value are reflected in our position as a leader in B2B and B2C sales – with an omnichannel approach, in addition to leading digital capabilities and customer experiences.

Customers



Explore opportunities

Our entrepreneurial approach to innovation leads to new concepts, new ideas and new value-adding business models.

Unique competitive positioning

Successfully building up the strategic pillars and their corresponding KPIs will enable all of our businesses to achieve a unique competitive position within their respective markets and industries.





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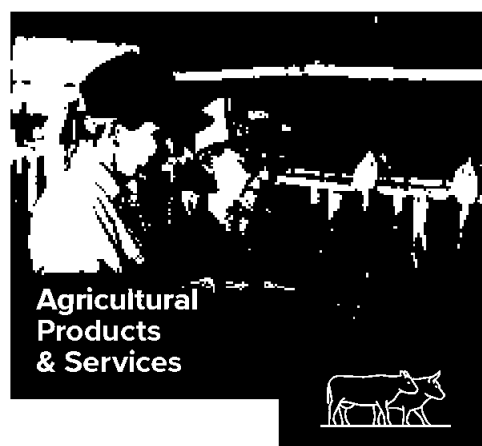
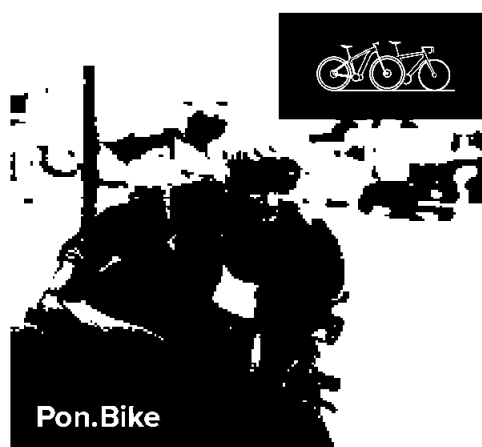
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- The **#1 automotive group** in the Netherlands
- **Strong and fast-growing player** in the U.S. luxury market
- **Valued and innovative partner** for top brands and OEMs
- **Actively shaping the mobility** space around us

- **Most-admired bicycle group** globally
- **Strongest brand portfolio** in the industry
- **Global leader** in high-end bikes and e-bikes
- **Pioneering innovative business models** such as leasing and subscription



- **Enabling the energy transition** as most knowledgeable partner
- **Benchmark** for customer satisfaction and loyalty
- **Valued and innovative** partner for OEM Caterpillar
- **Highly efficient** with outstanding returns

- Contributes to **solving food problems** for billions of people
- Drives a much more **sustainable production of milk and beef**
- Market leader in **farm management software**
- **Global market leader** where we operate

Corporate Social Responsibility

Pon wants to take responsibility for people and the environment. Our Corporate Social Responsibility (CSR) strategy has been in place since 2021. This strategy brings clear benefits to our group: It ensures we remain relevant to our stakeholders at a time when customers, employees and governments are embracing social and environmental change. It also ensures our long-term license to operate.

Our CSR Strategy

Our CSR strategy is called: We Move You to a Better World. It is an integral part of our broader MOVE_U corporate strategy. It is based on three pillars: People, Planet and Progress – aligned with Profit because we believe our CSR strategy will ultimately support the group’s profitability. Behind We Move You to a Better World lies a straightforward belief: That Pon can be a force for good, and that the group – through its businesses and operating companies – can address its social and environmental impact.

Our commitment to CSR pre-dates our strategy – we started measuring carbon emissions in 2014, for example, installed solar panels at some of our buildings and starting buying carbon credits. The strategy formalizes our approach however, and provides a framework for operating companies, ensuring that CSR will be fully embedded in Pon’s businesses.

To support our pillars, we have concrete CSR “moves” – areas where we believe we can create the most value for Pon and its stakeholders. Of these areas, we have chosen five as our immediate priorities: diversity & inclusion, human rights, net zero, circularity and “better option” – i.e., developing new, more sustainable products and services for our customers.

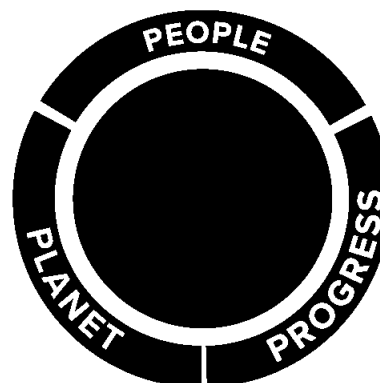
Strategy Execution

Over the past year, we have made significant progress: We have strengthened our CSR governance, pressed ahead with our diversity & inclusion programs, started work on identifying social and environmental risk in our supply chains, and taken measures to reduce carbon emissions from our businesses in line with our net-zero commitment. We have also begun to develop more sustainable business models. We have expanded mobility-as-a-service, and invested in battery storage systems and new, cleaner fuels. Even so, we recognize that there is much more to be done. We work with some of the world’s most carbon-intensive industries, including transport, oil & gas, agriculture and shipping. This presents us with an immense challenge, but also an immense opportunity as these industries transition to new, low-carbon technologies.

To execute our strategy, we have a dedicated CSR team at Pon Holdings – this team works closely with operating companies to help them set their own goals and ambitions. Our aim is to develop specific CSR roadmaps and targets for each operating company, based on our strategic framework. In 2022, we completed the first of these roadmaps – for Gazelle, part of our bike business, and Muntstad, one of our automotive dealer groups. We have now started similar work with Pon Equipment Netherlands. By the end of 2023, we expect to have completed another 25 roadmaps, covering more than 70% of our business by revenue.

At the same time, we have taken steps to further strengthen our CSR governance. We now have in place a network of CSR ambassadors at management level to act as a single point of contact at each operating company. We have also set up a quarterly CSR meeting to review our businesses’ programs and investments, and have an Impact Committee, reporting to the Executive Board, to ensure CSR is fully embedded within our organization.

Please note that further information on our CSR strategy and performance is available in our 2022 CSR Report.





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Our Net Zero Ambition

At Pon, our ambition is to make our operations net zero. This means bringing our businesses into line with the objective set out in the 2015 Paris Climate Agreement: To limit global warming to +1.5 degrees Celsius. To achieve this, we will need to reduce carbon emissions from our businesses by 57% over the next few years. We have built our net zero commitment into our CSR roadmap process. Gazelle – the first of our operating companies to complete this process – plans to reach net zero by 2026 for their own operations. Across our businesses, we are introducing initiatives to reduce emissions – by increasing energy efficiency, cutting down on waste, switching to electric vehicles and using data to reduce fuel consumption when making deliveries. Several of our buildings in the Netherlands have solar panels, including our facilities at Dieren and Leusden.

Core Values: the Pon DNA

Pon represents the best brands. We have sound strategic plans in place at all our companies. We believe that our success is a result of the way in which we interact every day with each other, our customers and our suppliers. We have captured this “Pon DNA” within our four core values. These core values state what we as a company stand for, and how we want to relate to each other within our business. They also define how we interact with our customers, suppliers and other external partners. Having a shared understanding of Pon’s core values, and applying them to all that we do, is vital to our success as a company.



Passion to Perform

We have a passion to perform and focus on tangible results. What drives us is a winner’s mentality. That means striving to improve continuously and accepting only the very best in any given situation. We finish what we start and go the extra mile to deliver for our customers. Outstanding performance demands that we work closely together with our colleagues, our business partners and our customers because we understand that performance is all about working together as a team.



Care & Act Responsibly

We believe in the power of long-term relationships with our colleagues, business partners and customers. We are honest, open and direct. We support and help one another whenever and wherever we can. We always take responsibility for our actions, and their consequences. And we believe that our company can and must have a positive impact on its social and natural environment.



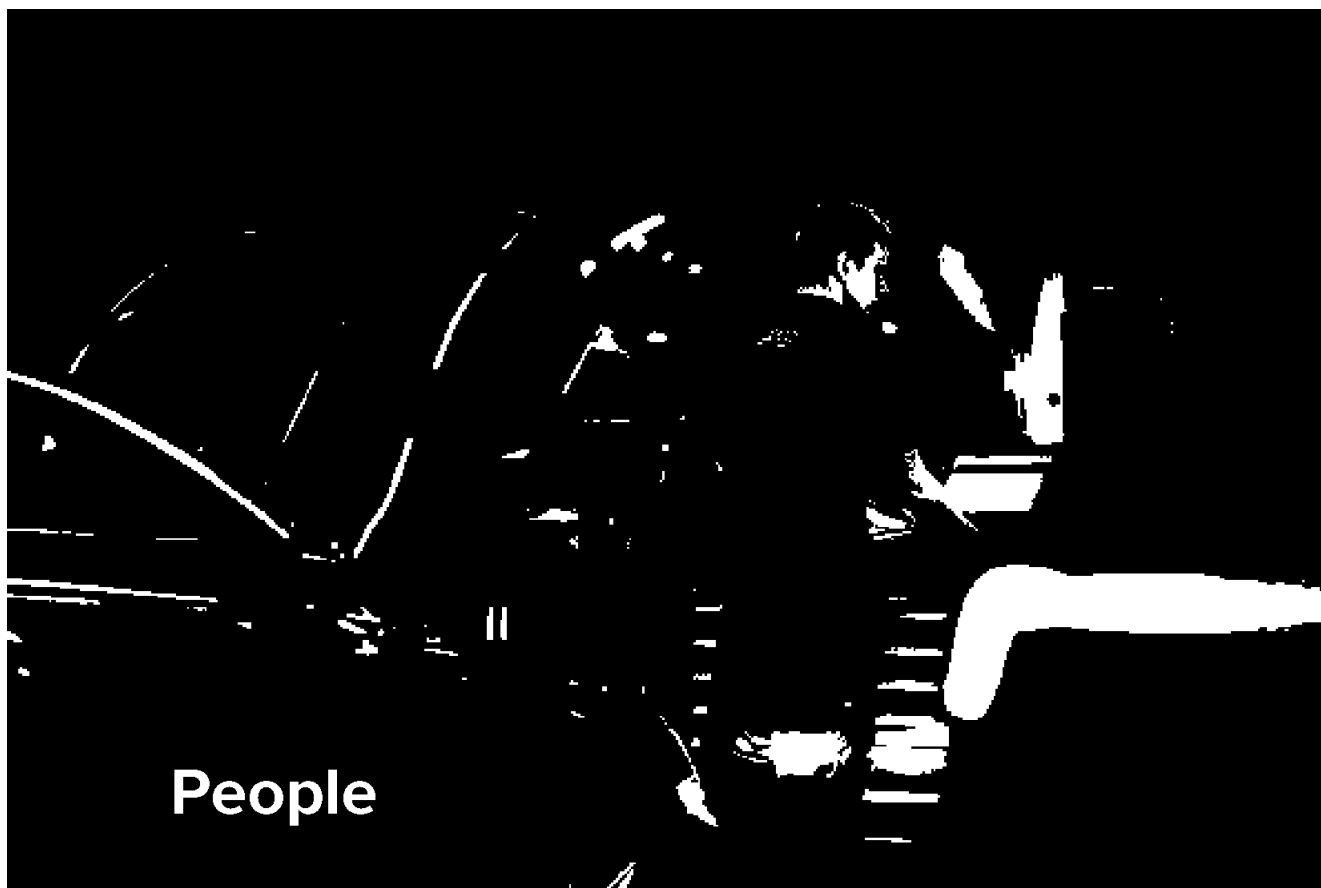
Trust to Act

We are trusted to perform and to think and act decisively. We show initiative and take ownership of our work. We think in terms of solutions, not problems, and we create an environment in which creativity can flourish.



Make it Fun

Work should be enjoyable. That’s what we believe and that’s how we operate. We are open, informal and optimistic. We enjoy interacting with our colleagues, business partners and customers. We work hard, and we share and celebrate our successes with one another.



People

Our Approach to Human Resources

At Pon, we have always attached great importance to human capital. We believe that our employees are the group's most valuable asset. We invest in training and development, pay competitive salaries, and provide a safe, healthy working environment for our staff. Like other companies, we are in a battle for talent – we realize that, to succeed, we must nurture the talent we have, offer opportunities that will attract new skills into our organization and create an open, more diverse working culture.

Pon operates a decentralized business model. Around the world, we have 112 operating companies. As far as possible, we delegate responsibility to these companies to manage their own human resources. That way, they are able to respond effectively to local market conditions and regulations. All Pon employees adhere to the group's core values¹ and its Code of Conduct, which sets out minimum standards of behavior. Across the group, we take a structured approach to performance reviews, talent management and succession planning. Our operating companies regularly measure employee engagement. We want all employees to recommend Pon to their friends and family as a good place to work – we are currently planning our next group-wide engagement survey, covering both Pon Holdings and our operating companies.

Our Workforce

Worldwide, Pon companies employ over 15,500 people. The largest number – 4,500 – work for Pon.Bike. Over the past year, our workforce has increased by nearly 2,000. We sold most of our Industrial Mobility business, but at the same time, we have taken on new employees through acquisitions, most notably those of Dorel Sports.

¹ See page 15 for details of our core values.



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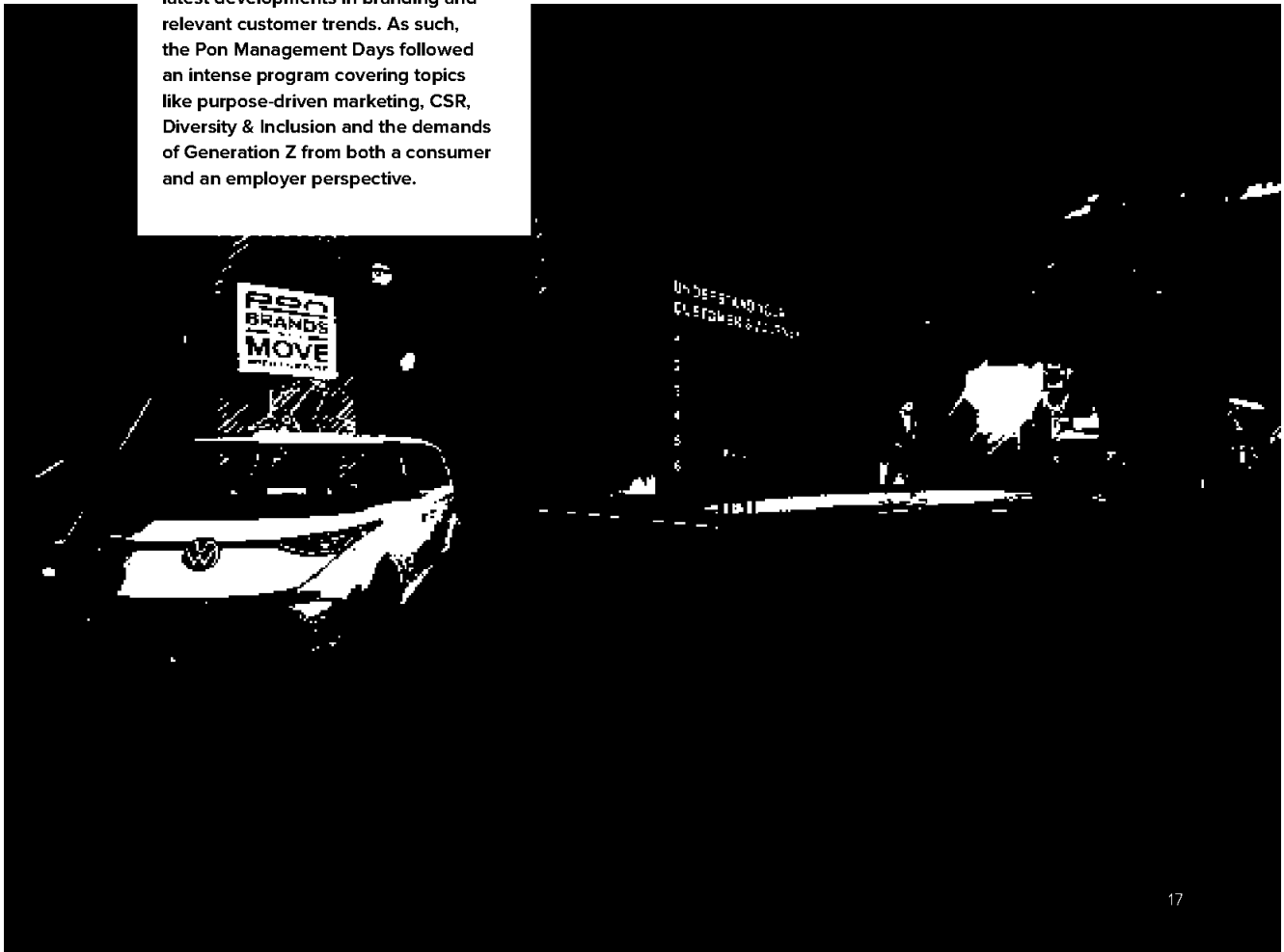
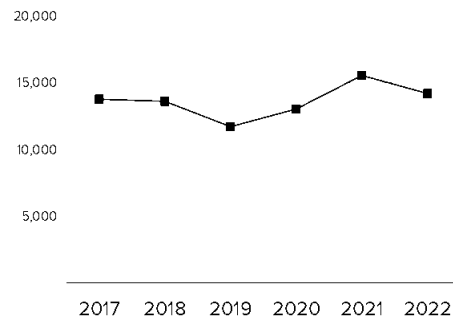
Brands on the Move with Purpose

In May, some 400 Pon managers from across our business clusters met in Palm Springs, California, for the 2022 Pon Management Days – our bi-annual event to address, discuss and start implementing Pon strategy.

This edition of the Pon Management Days was held in Palm Springs because that's where Pon Luxury and Performance Cars – and its indiGO Auto Group – operate several luxury car dealerships spread across two campuses.

With Pon operating as a house of high-end, world-renowned brands, this year's edition focused on the latest developments in branding and relevant customer trends. As such, the Pon Management Days followed an intense program covering topics like purpose-driven marketing, CSR, Diversity & Inclusion and the demands of Generation Z from both a consumer and an employer perspective.

Pon workforce (headcount)





Move to Help

Through our Move to Help initiative, employees volunteer time, skills and energy to community projects – everything from teaching children about road safety to repairing second-hand bicycles in deprived neighborhoods. An integral part of our Corporate Social Responsibility strategy, Move to Help builds stronger ties between Pon and local communities.

Pon workforce by business cluster

| | |
|----------------------------------|-------|
| Automotive | 3,284 |
| Pon.Bike | 4,523 |
| Equipment & Power Systems | 2,644 |
| Agricultural Products & Services | 2,054 |
| Industrial Mobility | 2,424 |
| Holding and captives | 775 |

Increasing Diversity and Inclusion

Across Pon, we are looking to increase the diversity of our workforce. Greater diversity, we believe, leads to better decision-making internally, and will bring our group closer to customers and other stakeholders. In 2021, we introduced a Diversity & Inclusion (D&I)

strategy, based on three focus areas: awareness, governance and community. This strategy provides a framework for operating companies to decide their own priorities, supported by Pon Holdings and a network of D&I ambassadors across the group.



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We have good gender diversity at Executive and Supervisory Board levels¹, but more work is needed within senior management – currently, only 7% of our Senior Vice Presidents are women. Admittedly, this won't be easy. Many of the industries we operate in, including Automotive and Equipment & Power Systems, are traditionally male-dominated.

In recent years, we have successfully increased the number of female trainees joining Pon. One of our priorities now will be to increase women applicants for these traineeships and strengthen the pipeline of female talent reaching senior management positions. At the same time, we must also look beyond gender to other forms of diversity: To do this, we are working with outside partners, such as Emma at Work and the Refugee Talent Hub, to increase diversity in our offices and other facilities.

Gender diversity by business cluster (% of women, 2022 vs. 2021)

| | 2022 | 2021 |
|----------------------------------|------|------|
| Automotive | 13% | 12% |
| Pon.Bike | 25% | 24% |
| Equipment & Power Systems | 13% | 14% |
| Agricultural Products & Services | 35% | 35% |
| Pon Holdings and others | 25% | 18% |

Salaries and Benefits

We are conscious that, with inflation, living costs for many of our employees are rising sharply. Across the group, we are committed to paying fair wages. During 2022, we increased salaries for our employees to reflect inflation and what has been a very tight labor market in many countries. We also signed new Collective Labor Agreements in the Netherlands and Germany. In 2022, Pon companies paid a total of EUR 1,121 million in wages, benefits and pension contributions. Salaries are a matter for our individual operating companies. Generally, our companies take living costs into account, along with performance and market conditions, when deciding salary increases for employees.

During 2022, we experienced significant labor shortages across our businesses in common with many other companies. These shortages were evident in data & digital, but also among mechanics, electrical engineers and other technicians. Mechanics account for approximately half our workforce. We have stepped up our efforts at recruitment and retention. At Dealer Group Pon, for example, we have been working with external consultants to identify what can be done to improve retention of mechanics. We have also created an Employer Branding Team in the Netherlands – one of its tasks will be to keep more of our existing talent within the organization. In a competitive labor market, Pon's strength is clearly its brands – we work with some of the best-known brands in the world. But we appreciate that that is no reason for complacency. We are working closely with schools and universities and putting more emphasis on listening to young people and understanding what they want from a prospective employer.

Learning and Talent Development

Pon provides extensive training and development programs for employees. It is clear that employees will not stay with us if we do not provide opportunities for career advancement and to learn new skills. Pon Academy offers technical training for our automotive dealer network. We also have programs aimed at cultivating a new generation of leaders, including a Management traineeship and Pon Future Leaders program. Our training courses are available online, but we make sure they can be accessed via mobile as well for employees on the shop floor.

We want to build a more open, more diverse culture within Pon. In 2022, we strengthened our leadership profile to reflect this, and made talent one of our HR focus areas across the group, identifying skill areas such as finance, data and digital where our operating companies can work more closely together.

We also want to be a more digital organization – to increase customer service, improve efficiency and provide new business insights. Our Data Innovation Lab is working directly with operating companies in this area. It is crucial that employees continue to support these changes and understand that increased digitization and automation in some areas of our business represent not a threat, but an opportunity.

¹ In 2022, half our Supervisory Board members were women and 20% of our Executive Board members. With organizational changes at the beginning of 2023, the proportion of women on our Executive Board increased to 33%.



Safety and Health

Safety is of paramount importance to us. We want to make sure that all our workers return home at the end of the day, safe and unharmed. That's why we include minimum safety standards in our Codes of Conduct for both employees and our business partners. We also have a specific Pon Safe Move Safety Statement, signed by the Executive Board. Safety and health is also an integral part of our CSR strategy (see below).

Throughout the group, we provide regular safety training to all staff. In 2022, we continued to roll out our global Safe Move program, further strengthening our safety culture. The program was launched in our Equipment & Power Systems business in 2021. We expect the roll-out to be complete by the end of 2023.

Our safety rules apply to all staff – if they see a risk, employees are empowered to stop their work and take appropriate measures, resuming only once it is safe to do so. Employees must notify supervisors and management of all incidents or unsafe conditions.

In 2022, there were no fatalities at our facilities; recordable safety incidents were broadly unchanged compared with the previous year, though the total number of days lost to safety incidents rose due to unforeseen longer recovery periods.

Along with safety, we also take steps to protect employees' health. During the year, we continued to put measures in place in some countries to minimize the spread of COVID-19, working in close collaboration with local health authorities. These measures included distributing equipment such as hand sanitizer, face masks, and protective clothing, on-site testing and restricting numbers at our offices and production facilities when necessary.

The pandemic is now largely contained, but remains a risk in certain countries, particularly where vaccination rates are low. We will, of course, remain vigilant to any new COVID-19 outbreak. Following the pandemic, we have introduced a system of hybrid working for our office staff, allowing them to work partly from home.



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In addition, our Pon Fit program in the Netherlands continues to prove successful. The program emphasizes the critical importance of exercise, diet and a balance between work and home life. Pon Fit also provides regular health checks, access to financial advice and support for mental health issues – increasingly important in the current difficult economic environment.

Ethics and Compliance

Our success is based on dedication to our employees and customers and on building strong and enduring relationships. It is important that all employees have a clear understanding of our shared goals and of the principles of working together, both within the company and with our external partners.

Our company continues to invest in optimizing compliance processes and procedures. Pon's senior management team is fully aware that compliance is essential in an organization with decentralized responsibilities. Under the guidance of our Compliance Committee, Pon's delegated business model is supported by local compliance officers, the Ethics & Compliance team, and a special Ethics helpline.

An online compliance program with dedicated e-learning courses is active for all employees worldwide. The goal of this program is to bring compliance to employees' "hearts and minds." It ensures all employees are aware of the importance of acting in an ethical and compliant manner, as well as understanding what this means for them individually. In 2022, particular attention was paid to bullying and harassment, and trade sanctions.

In addition to the e-learning courses, key elements of the awareness program include bi-monthly newsletters on Ethics & Compliance topics, risk-mitigating activities, export control, competition law, and fraud prevention. All necessary information is shared on the Pon Intranet, updated in 2022.

Pon has its own Code of Conduct. This code, together with specific compliance guidelines, serves as a basis for complying with laws, regulations and Pon's own principles. In addition to providing formal guidance, the Code of Conduct focuses on behavior and taking responsibility. During 2022, we also updated our separate Code of Conduct for suppliers and other business partners.





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Report of the Executive Board

For Pon, 2022 was a landmark year as we broke the EUR 10 billion revenue barrier. In tough and changeable market conditions, we were able to retain strong profitability. At the same time, we took major steps in our strategic transformation.

Pon performed well during the year, despite supply chain disruptions brought about by the ongoing COVID-19 pandemic and the direct and indirect effects of the war in Ukraine. Revenue for 2022 increased 23% to EUR 10.0 billion. Pon's operating result (EBIT) rose 104% to EUR 799 million, including proceeds from the divestment of our Industrial Mobility cluster. Excluding extraordinary items, EBIT grew 15%.

In many of our markets, demand exceeded the availability of goods. This led to missed revenues at several of our business clusters. Nevertheless, we were able to improve earnings through a combination of favorable product mixes (resulting in higher average prices), strong margins due to supply shortages, and strict cost management.

During 2022, we saw an increase in operating expenses due mainly to higher wages and rising prices for energy, housing and raw materials. For the most part, we were able to negate these.

Supply disruptions caused significantly increased delivery times in Automotive, Pon.Bike and Equipment & Power Systems. We were unable to fulfill all customer orders as efficiently as we would have wished. Despite these challenges, all three business clusters ended the year with very strong financial results and back order books. Our Agricultural Products & Services business had a more difficult year, mainly because of lower demand in its two main markets: the U.S. and Brazil.

We further transformed our company strategically in 2022, moving it more toward mobility and agriculture, while at the same time exiting the oil and gas servicing business. We divested most of our Industrial Mobility cluster, as well as other non-strategic activities. Parting with Industrial Mobility was a tough decision, but it freed up resources to invest elsewhere.

In mobility, we continued to expand our automotive activities in the Netherlands, Germany, Vietnam and the U.S. We were particularly proud to further deepen our partnership with the Volkswagen Group. During the year, we acquired Europcar with Volkswagen and launched joint ventures in e-bikes with Porsche. Meanwhile, the acquisition of Dorel Sports, completed in January, significantly strengthened Pon.Bike's already strong position.



In agriculture, interest in our products and services continued to increase. Feeding a growing population sustainably is a global challenge, and it is clear that efficient beef and dairy cattle will have an important role to play in meeting this challenge. In 2022, we expanded into sub-Saharan Africa, a potential growth market. In east Africa, URUS opened subsidiaries with support from the Bill & Melinda Gates Foundation, while a new project in Nigeria was initiated alongside industry partners Royal FrieslandCampina, Royal Barenbrug Group and Royal Agrifirm.

During the year, we started to execute our CSR program, accelerating our efforts on sustainability

and workforce diversity. It is important that, as a group, we reflect our customer base and society as a whole.

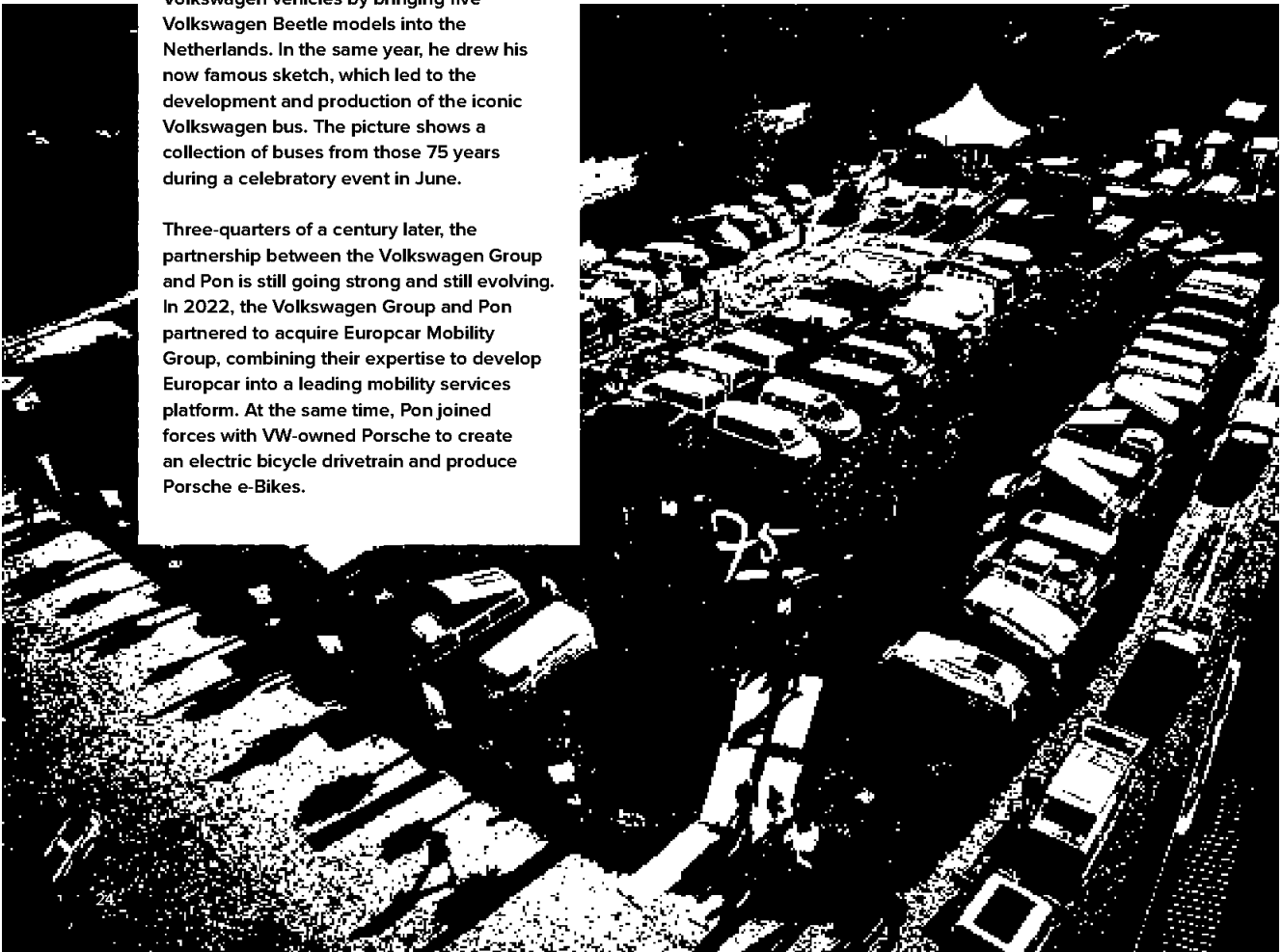
Pon has always maintained a strong capital position and will continue to do so. Inevitably, acquisitions and supply constraints put additional pressure on our capital position in 2022, as did rising interest rates. During the year, we secured new financing, further strengthening our balance sheet. Going into 2023, we expect the group's financial position to continue to improve – as supply problems eventually will ease in Automotive, Pon.Bike and Equipment & Power Systems and full order books convert into revenue.

The impact on our markets of unprecedented inflation during 2022 will become apparent in 2023. Despite possible macro-economic headwinds, we remain confident in the long-term prospects of our businesses. We have globally leading brands in bikes, automotive, agriculture and equipment & power. Demand for sustainable mobility is growing, as are food and agricultural markets, and we are well-placed to benefit from the current energy transition.

Celebrating 75 years of partnership

The relationship between Volkswagen and Pon dates back to 1947, when Ben Pon sr. became the world's first importer of Volkswagen vehicles by bringing five Volkswagen Beetle models into the Netherlands. In the same year, he drew his now famous sketch, which led to the development and production of the iconic Volkswagen bus. The picture shows a collection of buses from those 75 years during a celebratory event in June.

Three-quarters of a century later, the partnership between the Volkswagen Group and Pon is still going strong and still evolving. In 2022, the Volkswagen Group and Pon partnered to acquire Europcar Mobility Group, combining their expertise to develop Europcar into a leading mobility services platform. At the same time, Pon joined forces with VW-owned Porsche to create an electric bicycle drivetrain and produce Porsche e-Bikes.





Business Clusters

Pon operates a decentralized business model. We have 112 operating companies across four business clusters: Automotive, Pon.Bike, Equipment & Power Systems and Agricultural Products & Services. We delegate responsibility to company leaders to run their own businesses – this allows operating companies to maintain strong links with their markets and customers, while benefiting from the group’s strong financial position.

Automotive

Pon is the Netherlands’ leading automotive company. The foundation of the business is our partnership with the Volkswagen Group; this partnership celebrated its 75th anniversary in 2022. We import most Volkswagen Group brands in the Netherlands – and are dealers for the group’s luxury brands Bentley, Lamborghini and Bugatti. We also provide spare parts, maintenance and damage repair, as well as leasing and financing.

In 2022, more than one in five cars sold in the Netherlands was a car delivered by Pon.

In addition, our Luxury & Performance Cars business has a leading position in the U.S. through indIGO Auto Group, which represents not only Volkswagen Group brands, but also Aston Martin, BMW, Rolls Royce, Jaguar, Land Rover, McLaren, Ferrari and Rimac.

Revenues for Automotive (in euros million)

| | 2022 | 2021 | % change |
|----------------------------|--------------|--------------|-------------------|
| Wholesale | 2,714 | 2,534 | 7% |
| Retail | 1,086 | 914 | 19% |
| Services | 74 | 118 | -38% ¹ |
| Luxury & Performance Cars: | | | |
| • Europe | 603 | 501 | 20% |
| • North America | 1,521 | 1,180 | 29% |
| Total | 5,998 | 5,247 | 14% |

¹ Divestment of IMS U.K.

Automotive Wholesale, Retail and Services
Expectations were that the automotive market would recover in 2022 after the COVID-19 pandemic. The unfortunate war in the Ukraine, however, negatively impacted this market recovery. Sales of new passenger cars in the Netherlands came in at 312,500 vehicles, the lowest since the late 1960s. In 2019 – the last year before the pandemic – the market had amounted to 446,000.

Despite lower sales, underlying demand remained strong, with significant back orders for all Pon’s main brands, including Volkswagen, Audi, SEAT and ŠKODA. Demand helped drive higher prices for both new and used cars, with customers obliged to wait more than a year for some models. Chinese manufacturers, meanwhile, provided new competition, particularly at the lower end of the market.

This lower market was due to severe supply constraints and production stoppages. Across the industry, we continued to see significant shortages of key parts and components, especially batteries and semiconductors for e-cars. Manufacturers were also affected by tight labor supply and a sharp rise in energy prices. In 2022, new car registrations in the EU fell by 4.6%, compared with the previous year.¹

In the Netherlands, demand for electric vehicles (EVs) remained strong throughout 2022, driven by the government’s pledge to phase out internal combustion engine cars by 2030 and continued tax incentives on company electric cars. In 2022, battery electric vehicles (BEVs) accounted for nearly 32% of our total sales volume.

¹ Source: European Automobile Manufacturers’ Association (ACEA).

Margins from our Automotive Wholesale/Retail business increased in 2022 as supply constraints on new cars and strong demand led to higher prices and record-high used car sales volumes. The same supply constraints resulted in lower sales volumes for some brands, however. Operating expenses were higher, reflecting increased salaries, energy bills and recruitment costs.

In 2022, Audi saw an increase in market share to its highest level ever. SEAT and ŠKODA were both lower, however, largely due to supply problems. For the same reason, Volkswagen lost its leadership position in the Dutch market for the first time in eighteen years.

Across the business, our dealers further strengthened their approach to customer management, with Cupra phasing in a new distribution model, combining direct-to-consumer and dealership sales. We also pushed ahead with digitalization – to reduce complexity, we are digitizing our work order processes, using more data analytics and introducing a new, digital Workshop Planner.

Our light commercial vehicles (LCV) business, meanwhile, saw strong orders. Demand for electric LCVs is increasing steadily and should improve further as inner cities across the Netherlands adopt new zero-emission rules. Elsewhere, MAN Truck & Bus had a very successful year, with an improved market share and record revenue from its parts business. Overall revenue from our after-sales business increased 9%, helped by demand for parts and repair as more people started to drive to work again after the pandemic.

Our Automotive business completed two important acquisitions in 2022:

- In July, we bought a minority share in Europcar Mobility Group as part of a three-way consortium with Volkswagen Group and investment firm Attestor.
- We also bought a stake in Moll Gruppe, one of Germany's leading automotive retailers. Moll Gruppe has a similar portfolio to Pon, representing brands such as Volkswagen, ŠKODA, Volvo, Land Rover, Lamborghini, McLaren and Aston Martin.

New workshop planning to make life easier for customers (and dealers)

We are currently working with dealers on a new digital Workshop Planner. Workshops are an important part of our business, and the planner will make work flows more efficient and – crucially – provide a uniform process for both dealers and customers. Currently, dealers use their own planners – this means both services and the experience for customers differ from dealer to dealer. The new Workshop Planner will use the latest data in areas such as predictive maintenance and recalls to speed up processes, generate automatic work orders and make it easier for customers to go online and book appointments – all at a time when we are working to expand our workshops and service centers.





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During 2022, we sold the U.K. branch of our trailer parts supplier IMS Group.

Demand for EVs increased significantly, both in Europe and the U.S. Research suggests that, by 2030, more than a quarter of new car sales in the U.S. could be electric, helped by more states following California's lead in announcing bans on new gas-powered cars.¹ Toward the end of 2022, we were pleased to add the Croatian electric sports car brand Rimac to our portfolio.

Luxury & Performance Cars

Demand for luxury and performance cars increased significantly in both the Netherlands and the U.S., outstripping supply for many brands, resulting in longer wait times for customers. The market benefited from a renewed "willingness to spend" among wealthy buyers post-pandemic. Prices for both new and used luxury cars rose sharply. Orders showed no signs of weakening, despite increased economic uncertainty. Our luxury brands were also affected by shortages, though to a lesser extent as our OEMs allocated parts during the year to the production of more expensive, higher-margin cars.

¹ Source: IHS Markit: *Pivoting to an Electrified Future*. California has said it will ban sales of new gas-powered cars from 2035.



With limited availability of new cars, we were able to scale up our used car business – sales of pre-owned vehicles in the U.S. increased by nearly 25% in 2022. Consequently, revenue from our Luxury & Performance Cars increased by 29%. Improved margins offset an increase in operating expenses from higher energy and personnel costs.

We announced plans to add three new Porsche dealerships in the U.S. in 2023: in San Francisco (California), Sugar Land (Texas) and Little Rock (Arkansas). In the Netherlands, new Destination Porsche centers are now in operation in Twente and Rotterdam, with development underway in Leusden and Oisterwijk. In Vietnam, we repositioned our business following a difficult pandemic-affected 2021, successfully launching the latest generation Range Rover and new Defender model.

In 2022, we took measures to further enhance communications between our new cars, pre-owned cars and service & parts operations, significantly reduced turnaround times for pre-owned cars and expanded the capacity of our workshops. New service facilities are currently under construction in both Amsterdam and at Chesterfield in Missouri.

We also began work on a new, cutting-edge digital marketing platform, stepped up customer engagement through video and real-time messages, and continued to expand indiGO Direct in the U.S., which enables customers to buy or lease cars online.

Strategy & Conclusion

We believe Pon Automotive is well positioned for further growth in its main markets. As part of our strategy, we are aiming to increase our share of the pre-owned car market, strengthen our leadership in electric vehicles and further expand our footprint in the U.S. To enhance customer experience, we will also further integrate our front- and back-end operations, leverage big data more effectively and digitalize more of our processes and systems. We are managing our workforce carefully by putting emphasis on training, professional development, recruitment and promoting diversity to ensure we continue to have access to the right skills in key areas such as sales, data analytics and our workshops.



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Pon.Bike

Pon.Bike is one of the world's leading bicycle companies, delivering more than 2.8 million bikes in 2022. We are active in manufacturing, retail, parts & accessories and leasing. Our portfolio contains some of the most iconic brands in the industry, including Gazelle, Kalkhoff, Urban Arrow, Caloi, Cannondale,

FOCUS, Schwinn, Mongoose, Santa Cruz, GT and Cervélo. Through these brands, we offer a complete range of premium urban, road, mountain and cargo bikes. We operate mainly in Europe and the Americas, but our brands are sold around the world.

Revenues for Pon.Bike (in euros million)

| | 2022 | 2021 | % change |
|----------|-------|-------|------------------|
| Pon.Bike | 2,405 | 1,287 | 87% ¹ |

¹ 2022 includes EUR 817m of the acquired Dorel Sports business.

Demand for bicycles increased significantly during COVID-19. Since the pandemic, however, the industry has been badly affected by supply shortages across all parts and components, including batteries and high-tech chips for e-bikes. In the current environment, strong supply chain management is becoming increasingly important for operators like Pon.Bike.

Use of e-bikes continues to expand across both Europe and the U.S. Governments and cities are encouraging more cycling to help tackle climate change and reduce traffic congestion. Cargo bicycles, meanwhile, are benefiting from the expansion in e-commerce and last-mile delivery. At the same time, consumers have shown themselves willing to spend more on bicycles – in buying e-bikes, many are reducing their use of cars, public transport or

traditional pedal bicycles. E-bikes now account for more than 30% of the bicycles we sell through independent bike dealers.

Revenue from Pon.Bike, including EUR 817 million resulting from the acquisition of Dorel Sports, increased by 87% in 2022, despite supply disruptions and lower margins than in previous years. During the year, we completed several acquisitions with a challenging integration process – most notably Dorel Sports in the U.S., which brought important brands into our portfolio, including Cannondale, Schwinn, Caloi, Mongoose and GT. Finalized in January 2022, the acquisition makes Pon.Bike a genuine global leader in bicycles, positioning us for further growth in the Americas.

Boom in city cycle paths

In recent years, major cities have installed thousands of kilometers of new cycle paths – this boom in cycling infrastructure is helping drive demand for both e-bikes and traditional pedal bicycles. Cycle paths were growing even before COVID-19, but the pandemic gave them an extra boost. Now cities are finding other benefits: cycling reduces air pollution, improves health and reduces congestion. Figures show that commuters in some cities often spend more than 100 hours a year in traffic jams.¹ Post-pandemic, cities across Europe are introducing more cycle lanes. Milan plans to build 750 kilometers of protected cycle

paths by 2035. Similar efforts are also underway in Paris, Brussels and Barcelona – Lisbon is currently doubling its network. Across Europe, governments have introduced national cycling strategies – the EU's Urban Mobility Framework calls for cities to give priority to public transport, walking and cycling. Nor is it just Europe: U.S. cities are expanding their cycle paths as well. In just two years, five U.S. cities – Austin, Denver, New Orleans, Pittsburgh and Providence – added nearly 540 kilometers of new cycle lanes, part of a pilot project called Final Mile.

¹ Source: TOMTOM traffic index 2021.



Alongside Dorel Sports, we also bought Dutch city bicycle brand Veloretti, known for its innovative models and marketing, and further strengthened our relationship with Porsche, creating two new e-bike joint ventures:

- Porsche eBike Performance, based at Ottobrunn near Munich, will develop electric drive systems for two-wheelers (including engines, batteries and software).
- P2eBike, meanwhile, will use these drive systems to launch a new generation of Porsche e-bikes, beginning in 2025.

Work continued throughout 2022 to fully integrate these acquisitions.

During the year, we also expanded our manufacturing. In March, we opened a new 28,000 m² facility at Emstek to assemble Kalkhoff and FOCUS bicycles.

This facility will replace our Cloppenburg site, which is being phased out. We opened a new facility for Cervélo and Santa Cruz bicycles in Mainz and announced plans to build a state-of-the-art factory in Kėdianiai in Lithuania, due for completion in early 2024.

Strategy & Conclusion

We see real potential for growth in the years ahead. Much of this growth will come from e-bikes. Our ambition is to be a global leader in e-bikes within the next five years, expanding sales in the U.S. and in “next-wave” countries like Sweden, France, the U.K. and Spain. At the same time, we aim to sell more proportionally direct-to-consumer and increase revenues from our parts & accessories and financial services businesses.

Investing in sustainable urban transport

Ponooc is Pon’s venture capital arm. Created in 2016, it is now Europe’s leading investor in sustainable mobility and energy. Swapfiets is probably Ponooc’s best-known investment. But the group also has significant investments in electric transport and logistics for cities across Europe. These include DOCKR, a subscription service for electric delivery vehicles in inner cities; Check, which rents out electric scooters; and Eco-Movement, which provides data for electric-vehicle charging stations. Meanwhile, Hely – a joint venture with Dutch railways company NS – is currently setting up new mobility hubs at key locations such as train and bus stations, where users can rent electric cars, scooters and cargo bikes.





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Brands in the front

Brands are the foundation of Pon's success. Within Pon.Bike, each brand has a dedicated management team focused on making the brand number one in the market segment in which it operates. For Cervélo, this means that the team concentrates on producing the fastest and lightest professional bikes for road, triathlon, and track. They were rewarded for their hard work in June this year when Jonas Vingegaard (Team Jumbo-Visma) won the 2022 Tour de France riding a Cervélo bike. We are incredibly proud to be Team Jumbo-Visma's partner.



Equipment & Power Systems

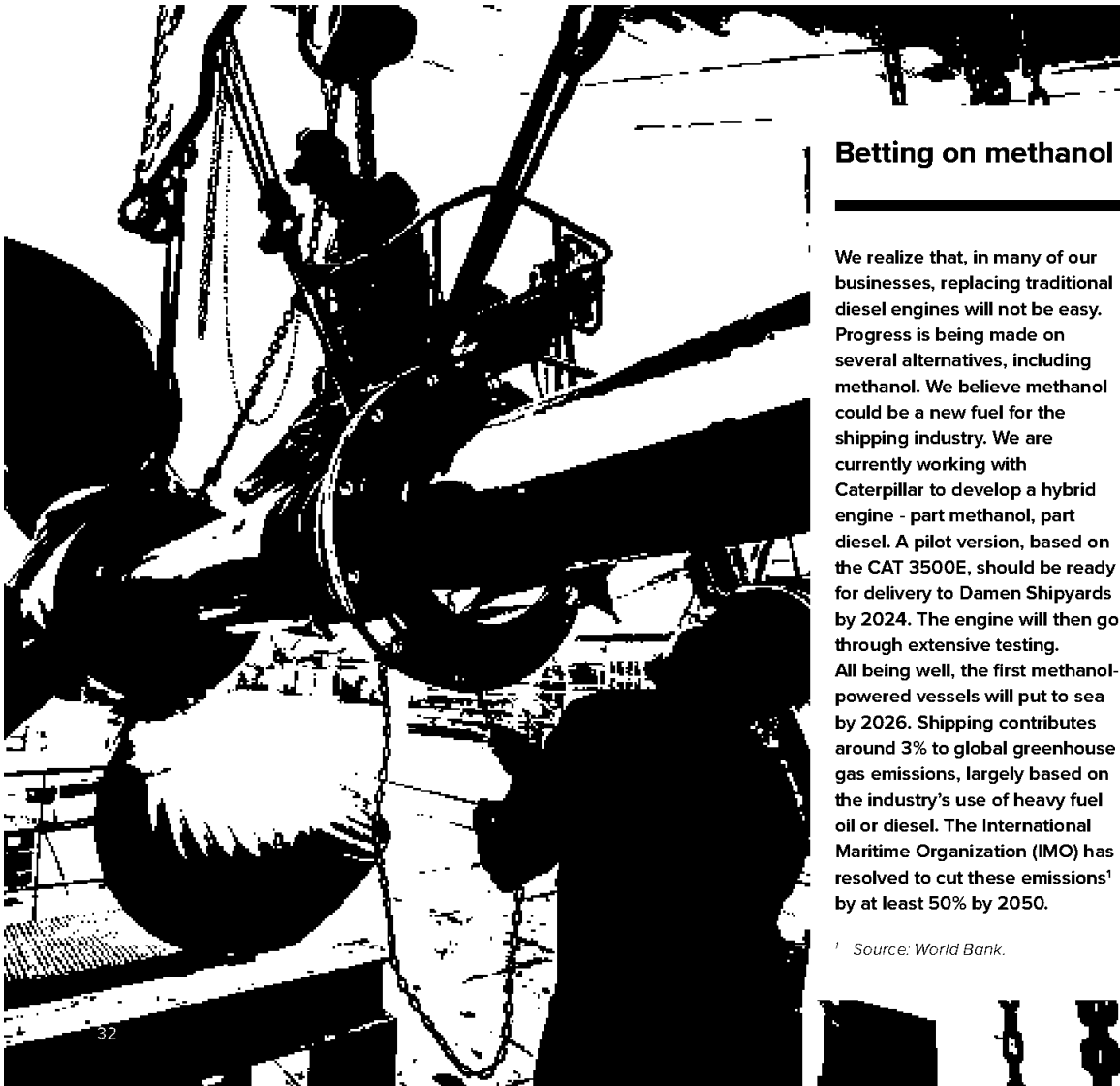
Our Equipment & Power Systems businesses supply machinery and equipment to hundreds of customers in the power, shipping, mining, transport, civil engineering and construction industries. Pon Equipment covers

our Caterpillar equipment dealerships in the Netherlands and Norway, while Pon Power focuses on sales and support for Caterpillar engines.

Revenues for Equipment & Power Systems (in euros million)

| | 2022 | 2021 | % change |
|---|------|------|----------|
| Pon Equipment | 563 | 472 | 19% |
| Pon Power | 585 | 467 | 25% |
| Marine Engineering Company (MEC) ¹ | 49 | 209 | -76% |

¹ Our former MEC activities were sold during 2022. See next page for details.



Betting on methanol

We realize that, in many of our businesses, replacing traditional diesel engines will not be easy. Progress is being made on several alternatives, including methanol. We believe methanol could be a new fuel for the shipping industry. We are currently working with Caterpillar to develop a hybrid engine - part methanol, part diesel. A pilot version, based on the CAT 3500E, should be ready for delivery to Damen Shipyards by 2024. The engine will then go through extensive testing. All being well, the first methanol-powered vessels will put to sea by 2026. Shipping contributes around 3% to global greenhouse gas emissions, largely based on the industry's use of heavy fuel oil or diesel. The International Maritime Organization (IMO) has resolved to cut these emissions¹ by at least 50% by 2050.

¹ Source: World Bank.





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Harnessing solar power

We are successfully expanding our solar panel business. In recent years, demand for solar power has increased significantly. It is not just concerns over climate change that is driving the switch to solar. Higher energy prices following the war in Ukraine have also highlighted the importance of long-term energy security. There is plenty of scope for growth – currently, only 10% of roofs in the Netherlands are equipped with solar panels. To respond to rising demand, we put in place a dedicated solar power team. In 2022, we more than doubled orders, securing agreement from Caterpillar to supply some non-Caterpillar panels – an important step in expanding our business.



During 2022, we divested our Marine Engineering Company (MEC). MEC subsidiaries RH Marine and Bakker Sliedrecht were sold jointly to company management. Van Berge Henegouwen, meanwhile, was sold via a separate management buy-out. These divestments will allow us to focus resources on our main Pon Power businesses.

Our Equipment & Power Systems business, normalized for the divestment of MEC activities, reported a 21% increase in revenue in 2022, due mainly to price increases, offsetting supply constraints. Margins came under pressure from lower new sales volumes and delays to some projects in Norway. Operating expenses were lower, despite higher wages and higher-than-expected spending on our new dealer-management system (NAXT).

Customer confidence remained strong throughout 2022. We saw healthy demand from the marine industry, as well as from offshore oil and wind. Our data center business also performed well, though stricter permit rules to reduce nitrogen pollution led to some delays in the construction sector in the Netherlands.¹ Our businesses continued to benefit from the energy transition, with more investment in clean energy and customers switching to energy-efficient alternatives for machinery and equipment.

Overall, however, sales were hampered by a lack of available equipment, machinery and parts. As a result, in our Caterpillar business, we were not always able to meet demand for customers. Our equipment business in Norway faced stiff competition from international operators benefiting from shorter supply chains. Revenue increased as a result of higher prices, a catch-up in demand following the end of the COVID-19 pandemic and a strong performance from the parts and service business – an integral part of our Caterpillar partnership.

Demand continued to increase for rental equipment, part of a long-standing trend, which accelerated in 2022 as customers became increasingly reluctant to invest in new equipment. Unfortunately, supply constraints meant we were unable to add significantly to our rental fleet.

To support the energy transition, we intensified efforts to develop methanol as an alternative, sustainable fuel. In November, we signed a joint agreement with Damen Shipyards and Caterpillar to develop dual methanol/diesel-powered tugboats. Beyond methanol, we are expanding training for technicians in areas such as new fuels, batteries and hybrids, and working on future energy systems for worksites. We are also developing new microgrids to help free up the Netherlands' overcrowded power network and expanding rebuilds, which allow customers to replace out-dated equipment, switching as they do so to more energy-efficient engines.

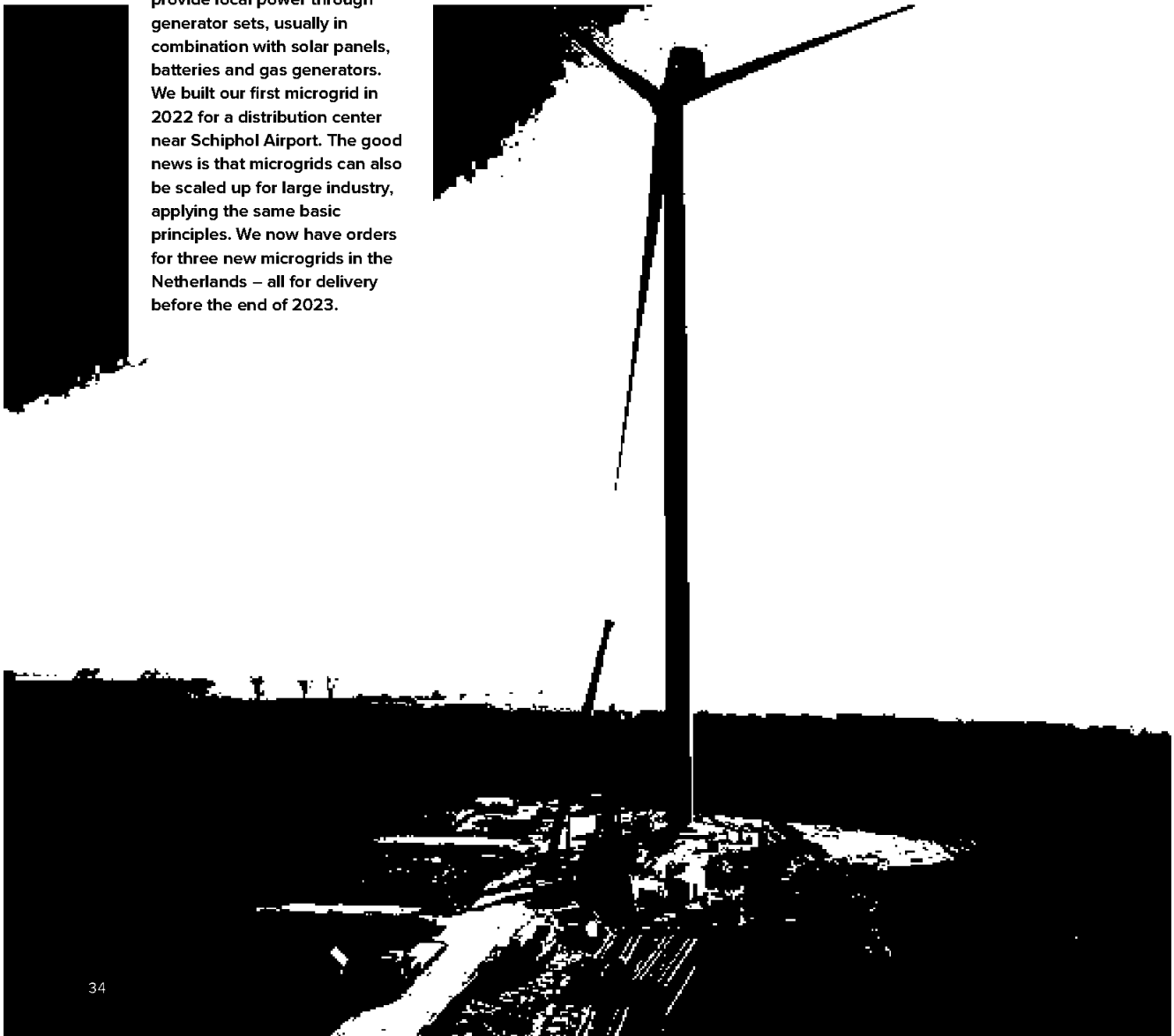
¹ For both end-consumers and distribution partners government measures to reduce nitrogen pollution caused mainly by intensive farming practices.

Reducing grid congestion in the Netherlands

There is severe congestion across the Netherlands' power grid. In many parts of the country, companies simply don't have access to enough power. We are working on a possible solution: Microgrids, which can operate independently of the national power grid. Microgrids provide local power through generator sets, usually in combination with solar panels, batteries and gas generators. We built our first microgrid in 2022 for a distribution center near Schiphol Airport. The good news is that microgrids can also be scaled up for large industry, applying the same basic principles. We now have orders for three new microgrids in the Netherlands – all for delivery before the end of 2023.

Strategy & Conclusion

Over the next few years, we are looking to grow our Equipment & Power Systems business. We will do this partly by expanding our existing businesses, partly by accelerating current initiatives in areas such as solar power and microgrids, as well as in energy and rental of earthmoving equipment. While pursuing new opportunities, we will continue to focus on existing customers – we realize that, while we need to support the energy transition, diesel and other traditional fuels cannot be replaced overnight. Key to future growth will be our expertise. For customers, we want to be a source of knowledge, especially in installing and operating energy systems. In parallel, we are pushing ahead with digitalization – our goal is for our Equipment & Power Systems business to be fully digital by 2025.





Agricultural Products & Services

Agricultural Products & Services is our newest business cluster, joining Pon Holdings in 2021. Through URUS, we are world leaders in cattle genetics and artificial insemination (AI). We also

provide dairy and beef farmers with cutting-edge software to improve herd quality and productivity. Approximately two-thirds of our revenue comes from the U.S. and Brazil.

Revenues for Agricultural Products & Services (in euros million)

| | 2022 | 2021 | % change |
|------|------|------|------------------|
| URUS | 422 | 184 | 130 ¹ |

¹ 2021 includes 6 operational months.

During 2022, our two main markets proved challenging. In Brazil, the market was hampered by declining demand, continued political tensions and a temporary import ban by China. In the U.S., demand for genetics was lower because of recent gains in efficiency, along with high feed prices and continued drought in parts of the country.

Despite these challenges, our Agricultural Products & Services business reported an overall increase in revenue for 2022, due in part to the introduction of more performance-related pricing. At the same time, cattle farmers continued to benefit from very high milk and beef prices during the year.

We remain confident in the long-term growth of the AI market. Demand for beef and dairy products continues to increase, particularly as consumers in emerging economies grow wealthier. We are also seeing pressure from governments to improve productivity to meet population growth and reduce the industry's impact on climate change and the environment.

Across the industry, we are seeing more emphasis on digitalization, automation and data management – part of this broader drive for productivity. Data, in particular, provides opportunities for more effective herd management and breeding. We also see clear prospects for growth in the lower take-up of AI currently in beef cattle and lower productivity rates in dairy farming in many developing economies.

In 2022, we continued to develop “beyond the straw” products, particularly software and data for herd management. We moved to more performance-related pricing, which ties our income to productivity gains for farmers using our products and services.

During the year, we continued to expand our Cow-as-a-Service (CaaS), providing integrated herd management through genetics, products, software and consulting. We also pushed ahead with digital initiatives – we now have more than 5,000 herds on our Pulse data platform. At the same time, we are expanding our precision AI platform, Dairy Suite, and moving more of our software to the Cloud.

In recent years, we focused most of our international growth on fast-developing economies, including Brazil and China. We have set up new businesses in sub-Saharan Africa – a potential growth market, given the continent's rapidly-expanding middle classes and current low levels of productivity, particularly among dairy cattle. In 2022, we opened subsidiaries in east Africa – in Kenya, Uganda and Tanzania – with support from the Bill & Melinda Gates Foundation, and started a new project in Nigeria, alongside industry partners Royal FrieslandCampina, Royal Barenbrug Group and Royal Agrifirm.

Strategy & Conclusion

We aim to increase revenue significantly from our Agricultural Products & Services business in the years ahead. To do this, we will continue to develop our leading position in AI and cattle genetics, leverage our database to support farmers and dairies and continue to grow our calf care business. We are confident we can deliver on this strategy. In an industry that is consolidating, we have clear advantages: our leading position in AI, access to data and the knowledge and expertise of our people, which enables us to act not just as a supplier of genetics but as a “trusted advisor” to the farmers and ranchers we work with.

¹ These sanctions do not apply to sales of genetics, however.



Minorities

Volkswagen Pon Financial Services (VWPFS) – our joint financing arm with Volkswagen Group – reported strong profits in 2022, in particular due to higher prices for pre-owned cars. DFM, which provides financing to companies in the mobility sector, also performed well during the year. Pon owns 40% in both VWPFS and DFM. Pon also has minority stakes in several car dealerships in the Netherlands. In 2022, these benefitted from the strong used car market and demand for after-sales services.

Ponooc

During 2022, Ponooc – our venture capital arm – made two important new investments:

- Laka, an insurtech start-up that already insures many of the U.K.'s leading last-mile delivery companies
- Eco-Movement, a leading data platform for electric vehicle charging stations

These investments will further strengthen Ponooc's position as Europe's leading venture capital fund in sustainable mobility and energy.

Among Ponooc's other investments are mobility data platform Vianova, fleet maintenance company Orion, and Swapfiets – a bike subscription service that now has nearly 270,000 subscribers in 60 cities across nine European countries.

Managed as a separate entity, Ponooc typically makes investment of EUR 1-4 million, bringing knowledge, capital and networks to help start-ups and scale-ups grow their businesses.

R&D, Innovation and Digitalization

To remain relevant to our customers and to fulfill our commitment to offer environmentally friendly and sustainable mobility, Pon vigorously and continuously innovates its products and services, its internal processes and the channels that are used to interact with customers and other stakeholders. Digitalization is an important driver for innovation as it enables our companies to offer an even better level of service to our customers while also increasing our own efficiency. This digital transformation has a number of prerequisites, including that our team should consist of ever more digitally savvy and competent employees, that our technology and data should be up to date, that we should be able to deliver software solutions at speed and guarantee the continuity, security and privacy of our customers' data.

Digital Transformation of our Business

COVID-19 has only accelerated the use of digital technology, with people today more accustomed than ever before to working remotely and using digital tools in their daily lives.

How customers choose to interact with our companies is changing fast, given the introduction of new digital channels such as websites, portals, apps and social media. Many now expect and prefer interactions to be undertaken digitally, whether that be product orientation, service & test drive appointments, warranty claim handling, invoicing, or payments. We have learned that the best way to adapt to changing customer behavior is to start by mapping the customer journey(s), then to design customer interactions accordingly.

Becoming a Digital Company

The shift to more digital interactions also affects our internal processes and systems, and the way we are organized as a business.

Our IT leaders and their teams around the world are leading that change, which requires executing an array of changes across our companies. Deep collaboration between marketing, sales, operations and IT is needed to develop the right solutions at speed. Data needs to be cleaned, harmonized and properly governed to enable us to use it to interact with our customers. Back-end systems have been replaced, and continue to be replaced, in all clusters. New technology stacks, based on recent technology, allow us to integrate new customer channels in a more flexible and scalable way.

As we continue to learn more about our customers through increased customer data, new data technology is also being introduced in many operating companies to analyze business patterns and behavior, supporting managers in their quest for further improvements in top and bottom-line results.

This major transformation is being led by our IT leadership team, supported by webinars, newsletters, education and training, innovation ideation events, and the use of data/big data. In addition, our collaboration with universities and colleges has intensified and is driving our ambition to innovate. Digital technology, data and data analysis have been the driving force behind most of our innovations. Our digital and data philosophy complements and supports our core values of exploring new things and identifying new opportunities to evolve our business. Digitalization has become one of the cornerstones of our company's success. With the right digital solutions and propositions, and with the implementation of simple and excellent digital customer journeys, we believe our company will continue to retain its competitive edge.



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Improving productivity for cattle farmers in Africa

In 2022, we launched our new Africa Dairy Genetics Multiplication Program. The four-year program will help cattle farmers in east Africa use AI to improve productivity, supported by a grant from the Bill & Melinda Gates Foundation. As well as encouraging small-scale farmers to adopt AI, the program will also train new AI technicians, recruit more women into the industry and begin to develop a more reliable cold chain for both genetics and deliveries of milk. Currently, many sub-Saharan African countries rely on imports for their milk and other dairy products. Improving productivity would reduce that reliance, create jobs and increase income for farmers. Globally, around 20% of all cattle are in Africa, yet productivity – effectively, the amount of milk produced by each cow – is far below rates seen in comparable regions, like South America. By increasing productivity, we can begin to feed Africa's populations, while reducing pressure on the environment. Since 1980, sub-Saharan Africa's population has increased more than three-fold to just under 1.2 billion people.¹

¹ Source: World Bank.

Digitalization will be successful only if Pon is able to counter cybercrime and online attacks. With this in mind, we have established an extensive, multi-year cyber security program. This program covers several topics such as awareness, tooling, tests and simulations, together with a central security operations center. All Pon companies are enrolled in this program and its execution is among our top priorities.

Pon Automotive designed the transformation of its current Enterprise Resource Planning (ERP) landscape into a new systems architecture that supports the future of its business model. This architecture is based on the idea that we increasingly utilize systems provided by OEMs, and retain our own systems only where we can really differentiate, innovate and add value. This "Force" program will be completed by 2025, and is governed by the Automotive management team.



The replacement of Pon Equipment & Power Systems' ERP system (NAXT) is progressing well after initial delays. Pon Equipment Netherlands and Pon Equipment Norway have implemented this new system. As employees adapt to this new way of working, we are convinced the system will provide benefits in line with the initial business case. This new system is an important enabler for digital innovation and for creating new online customer experiences and transactions. In addition, Equipment & Power Systems has also designed an organization for future technology. New positions in information management have been created at operating company level to drive digital innovations.

At URUS the implementation of the JDEdwards ERP system included operating companies in Africa and Canada. Under new management, Valley Ag Software (VAS) – part of URUS – has developed a new business plan. As part of this plan, VAS is implementing a new, more focused process for product development that accelerates the delivery of software components.

Following the acquisition of Dorel Sports, a new Pon.Bike digital strategy was developed, together with a new IT organization structure.

While a new IT management team was being formed, the IT organization continued its work, with a major milestone being the completion of a new production facility in Emstek, Germany. This included a complete systems set-up based on the Pon.Bike Europe/SAP system, which has become the template for similar projects in Lithuania and North America. As part of the new digital strategy, Pon.Bike's technology capacities are being increasingly integrated in the (agile) business teams, giving greater autonomy to the business to further improve systems and customer experience. In summary, we have created a modern and capable IT backbone for all Pon.Bike companies over the years, based on SAP technology and allowing the bike operating companies to focus on operational excellence.

With this broad set of digital initiatives and our continued efforts to experiment and innovate, we see the pace of digital transformation increasing across our company. While we are confident that our company has a strong digital strategy in place, we are not complacent about the challenges that new entrants could pose, and we recognize the need to maintain a focus on digital topics so as to stay competitive, retain our market position, and remain the first choice for our customers.





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Financial Position and Cash Flow

Due to supply chain constraints, inventory levels were higher than normal, particularly at Pon.Bike and Equipment & Power Systems. As a result, we had a cash outflow in 2022 from our operating activities of EUR 262 million (compared with a cash inflow of EUR 478 million in 2021). Our investing activities had a cash outflow of EUR 678 million, compared with EUR 580 million the previous year. This included a negative net amount from acquisitions and divestments of EUR 317 million, down from the EUR 368 million reported for 2021.

To finance the acquisition of Dorel Sports, Pon arranged a Bridge Finance Facility, which was fully redeemed during 2022.

With higher inventory levels and the negative effect of acquisitions and divestments, Pon's net debt to EBITDA ratio increased to 2.3 by the end of 2022, up from 0.6 the year before, still well within the agreed covenant thresholds.

Our Global Development program

URUS has had a Global Development program since the 1990s, working alongside industry partners, donors and NGOs to provide training and support to thousands of farmers in emerging countries:

- Through GENEX, we are members of the U.S. Agency for International Development's (USAID) Cooperative Development Program, supporting farm cooperatives in South Africa and Peru with training and technical assistance in areas such as governance, business management and agricultural and animal husbandry.
- GENEX is also part of the U.S. Department of Agriculture's (USDA) Emerging Market Program, helping identify and address barriers to international trade in bovine genetics.
- In addition, we have a dedicated Contracted Development team, training farmers and consultants in emerging countries on subjects such as AI certification and supply chains, record-keeping and farm management.

These projects are in addition to our work in east Africa with the Bill & Melinda Gates Foundation.

We believe that supporting farmers in low-income countries is critically important. Millions of people in these countries depend on income from livestock, often from only small herds. Some 95% of cattle farms around the world are family-run, with fewer than thirty cows.



Strategy

For more than 125 years, Pon has grown from a small, family-owned business into a global family business, with many operating companies active in multiple industries. Across these industries, Pon operates in almost every part of the value chain: from production and assembly to sales, and from distribution to service and maintenance. In addition, we conduct business on six continents, in over 60 markets. This diversified approach to business is the cornerstone of our company's strategy.

Pon has a strong foundation, both financially and in terms of organizational structure. We believe in the power of relationships: with OEMs, suppliers, retail partners, customers and other stakeholders. By working in close collaboration, we can better respond to the needs of existing and potential customers, as well as society as a whole. Furthermore, customer contact and sustainable innovation are fundamental to growing every aspect of our business.

Our company has a clear mission: "We move you to a better world," which inspires and guides us both literally and figuratively. In a literal sense, we will continue to move people, taking a leading role in mobility. We benefit from strong roots in automotive, a leading position in bikes, and a pioneering role in equipment and power systems. And with the need for multi-modal mobility solutions growing, we aim to play a vital role in the energy transition – a development closely related to mobility.

In a figurative sense, "We move you to a better world" refers to having a more sustainable relationship with our planet. In the case of farming, this creates challenging dilemmas, as well as opportunities. As the world's population grows, the need for more food also increases. At the same time, many people wish to know the origin of the food on their plates, and demand that it is produced in an environmentally friendly way. This is exactly where our agricultural products and services can make a difference.





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Note on Industrial Mobility

In 2022, we substantially downsized our Industrial Mobility cluster. We decided to exit the oil & gas and fire protection businesses in the U.S. and Asia to focus on industries where we could achieve genuine market leadership. Consequently, we divested most of our stake in Hiller Group, as well as the three companies that made up our industrial valve business: W&O Supply, A-T Controls and Setpoint Integrated Solutions. We also sold our Pon Asia maintenance, repair and overhaul businesses. For each of these businesses, we were able to find strong new owners who will ensure continuity for both customers and employees. From our former Industrial Mobility cluster, we retained a majority share in Pon Australia, leaders in fire protection and flow control, as well as a minority stake in Hiller Group.



Outlook

Forecasts suggest the global economy will slow in 2023 with inflation, rising household energy bills and higher interest rates likely to put a further squeeze on consumer spending. The economy faces clear challenges, not least from the continued war in Ukraine and the lingering effects of the COVID-19 pandemic. Economies in the U.S. and Europe will likely slow, though growth in China is expected to increase following the lifting of the government's strict zero-COVID policy.¹

Inevitably, a downturn will affect our businesses. That said, we enter 2023 with strong order books in Automotive, Pon.Bike and Equipment & Power Systems. We also expect supply constraints to ease, though – in the case of Automotive – these constraints will not have fully cleared until 2024. In bikes, we anticipate tougher conditions, partly as a result of overstocking at dealers and retailers.

As supply constraints clear, margins in both Automotives and Bike should “normalize.” In Norway, our Equipment & Power Systems business will continue to benefit from higher oil and gas prices, but concerns over nitrogen pollution are likely to lead to delays in construction and infrastructure projects in the Netherlands. We don't anticipate the economic downturn will have a significant impact on our Agricultural Products & Services business, with improving markets in Brazil and U.S. beef and milk prices forecast to remain high.

Automotive

Pon Automotive enters 2023 in good shape, despite current economic uncertainty. To some extent, strong back orders will cushion the impact of an economic slowdown. With inflation, consumers are likely to face a spending squeeze, which may adversely affect demand. Deeper shifts in consumer behavior will remain, however, with continued strong demand for electric vehicles, particularly in the Netherlands.

Currently, we see no sign of significant cancellations from either corporate or individual customers. Supply chain pressures are unlikely to ease substantially in the short term. Together with high energy prices, this will continue to put pressure on manufacturers and retailers in 2023. With inflation, consumers are likely to face a spending squeeze, which may adversely affect demand.

Overall, passenger car sales in the Netherlands are expected to recover in 2023 to around 340,000 units, an increase from 2022, but still short of levels seen prior to the pandemic.² Similarly, in luxury and performance cars, we see no significant attrition in orders – our Ferrari models are sold out for 2023, Lamborghini for 2024 as well. The economic slowdown may lessen demand but growing wealth particularly in the U.S. means the impact is unlikely to be as pronounced as with passenger cars.

Pon.Bike

At Pon.Bike, we have already seen some easing in supply constraints, though not for all components. At the same time, there has been overstocking, particularly at the lower end of the market – a consequence of suppliers taking a “first come, first served” approach during 2022. We expect gross margins to normalize after significant increases seen during the COVID-19 pandemic. In 2023, market conditions may be exacerbated by a slowdown in the wider economy and increasing living costs, which will leave many consumers worse off than in 2021. Given the change in market conditions, we will continue to keep a tight lid on operating expenses. Longer-term trends within the industry are likely to remain unaffected. We expect underlying demand for e-bikes to continue to grow in both the U.S. and Europe. Going into 2023, we believe Pon.Bike is well placed – at the forefront of electrification in the industry and, crucially, able to offer strong and stable supply chains to our brands.

Equipment & Power Systems

Our equipment and power systems business enters 2023 with a significant order book among leading clients. We expect continued strong demand from electrification and data centers, as well as an upturn in shipbuilding. At the same time, concerns over energy security may mean renewed activity in offshore oil and gas. Nevertheless, slower economic growth in both the Netherlands and Norway could adversely affect some parts of our business. Higher interest rates may restrict financing for smaller clients, for example, and slow the construction market. Rising prices, meanwhile, will put pressure on consumer spending. Supply chain problems are likely to persist into 2023, though there are already signs of an improvement in this respect in heavy equipment.

¹ Source: International Monetary Fund January 2023 World Economic Outlook.

² Source: RAI Automotive Industry NL and BOVAG.



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Agricultural Products & Services

Underlying demand for genetics, we believe, will remain strong, given the expanding middle classes in many developing countries. There is also a clear need for increased productivity as part of the shift to more sustainable dairy and beef production, particularly in regions outside Europe and North America where productivity rates are lower. We expect further consolidation across the sector. Going into 2023, political tensions remain in Brazil, Iran, the Mid-East and China/Taiwan. High inflation may pose further risks, particularly as this affects product pricing and salaries. We do not expect an economic slowdown in 2023 to have a significant effect on our business. U.S. beef and milk prices are forecast to remain high¹, though farmers will have to contend with rising input costs.

Overall outlook for Pon

Pon has shown agility and resilience in the way it has handled major challenges, such as COVID-19 and supply chain disruptions. Despite the forecast slowdown in the world economy, our clear strategy and dedicated employees, in combination with strong order books, bode well for the company's ability to face the future with optimism. Going into 2023, all Pon business clusters are in good shape and the group's financial position is strong. We are well-placed to navigate challenges in our markets and capitalize on new opportunities, with our goal of creating a better world for our customers and other stakeholders.

¹ Source: American Farm Bureau Federation.





Executive Board and Management Board

As per 30 March, 2023

Executive Board profile

A.B. Smalbraak (1967)
Position : Chief Executive Officer
and sole Statutory Director
Nationality : Dutch
Appointed in : 2010

B. Sprong (1966)
Position : Chief Financial Officer
Nationality : Dutch
Appointed in : 2013

C.C. Brinkman (1976)
Position : Chief of Staff
Nationality : Dutch
Appointed in : 2021

Composition of the Management Board

A.B. Smalbraak : Pon Holdings (CEO)
B. Sprong : Pon Holdings (CFO)
C.C. Brinkman : Pon Holdings (Chief of Staff)
H.W. Lamers : Pon.Bike (COO)
J. Koopman : Pon Automotive (SVP Wholesale
& Retail)
P. van Splunteren : Pon Automotive (SVP Pon Luxury
& Performance Cars) *
K.M. Wolf : Pon Automotive (SVP Pon Luxury
& Performance Cars;) **
M.B.M. de Groen : PEPP (CEO)
P.M. Hunt : URUS (CEO)
M. Traupe : Pon Holdings (SVP Mergers &
Acquisitions)
T.D. van Dijk : Pon Holdings (CIO)

* until 31/3/2023

** from 1/4/2023



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Corporate Governance

Structure

Pon Holdings B.V. is a privately owned company, for which the large company regime is mandatory (as defined under Book 2, section 263, of the Dutch Civil Code). As a result, the legal provisions relating to the operation of the Supervisory Board also apply to the company (sections 2:268 to 274 of the Dutch Civil Code). Pon Holdings B.V.'s authorized capital consists of ordinary B shares and cumulative preference shares without voting rights. No shares are publicly traded or listed. Most of the company's share capital is owned by the holder of the B shares.

Governance

In the Executive Board's approach to management and decision-making, and the Supervisory Board's supervisory duties, both Boards are aware that the company's ordinary shares are controlled by one family; consequently, our system of governance differs in certain ways from publicly-listed companies.

Because of its heritage, values and the nature of its business, Pon Holdings B.V. attaches great

importance to its shareholders, employees, customers, principals (OEMs), suppliers and other business partners, as well as to maintaining a management and decision-making model that respects stakeholders' interests.

With this in mind, the Supervisory and Executive Boards consider all relevant external developments in corporate governance, such as the Dutch Corporate Governance Code, when assessing and adapting (where necessary) the company's approach to management supervision and decision-making.

Pon operates a delegated business model: A group of decentralized, entrepreneurial operating companies with significant autonomy and local decision-making power. These companies operate within an agreed Bill of Authority, policies and their own Articles of Association and applicable laws and regulations.

Pon has 112 operating companies, within four business clusters. Within these clusters, operating companies all have comparable market or product dimensions. Pon conducts strategic planning primarily through its business groups.



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General Meeting of Shareholders

The ordinary General Meeting of Shareholders is held annually within six months of the end of the financial year. When required, Pon's Executive and Supervisory Boards convene Extraordinary Meetings of Shareholders, subject to legal and statutory requirements. Resolutions are adopted by an absolute majority of votes – unless the law or the Articles of Association require a qualified majority.

Executive Board

Pon's Executive Board is entrusted with management and representation of the company. Its key responsibility, amongst others, is strategy and portfolio management, including Mergers & Acquisitions and resource allocation. The Executive Board also sets guidelines and policies, ensures the achievement of agreed targets, and secures sufficient financing. In addition, the Executive Board is responsible for risk management and the maintenance of business control systems. The Supervisory Board appoints all Executive Board members. During 2022, the Executive Board consisted of Mr. A.B. Smalbraak (Chief Executive Officer - CEO), Mr. B. Sprong (Chief Financial Officer - CFO), Mr. M. B. M. de Groen (Chief Operating Officer - COO), Mr. C. Hartmans (Chief Operating Officer - COO) and Ms. C. C. Brinkman (Chief Legal Officer). Mr. A.B. Smalbraak is the sole statutory director of Pon Holdings B.V.

Management Board

During 2022, the installation of a Pon Management Board was announced. As of January 2023, the Management Board operates as a sounding-board for the Executive Board. The Management Board's main focus is on cross-business group matters and the joint implementation of the corporate agenda, including Corporate Social Responsibility and Diversity & Inclusion.

The Management Board consists of the Executive Board members, the SVP's/CEO's leading the business clusters, complemented by the Chief Information Officer (CIO) and Senior Vice President (SVP) Mergers & Acquisitions. The composition of the Management Board can be found on page 44 of this report.

Supervisory Board

The Supervisory Board supervises execution of the strategy as set by the Executive Board and the general progress, results and return on capital from Pon Holdings B.V. operations and affiliated companies. The Board provides oral or written advice to the Executive Board and to the General Meeting of Shareholders when requested or when it deems this to be necessary. In fulfilling their duties, Supervisory Board members act always in accordance with the interests of the company, its affiliated companies and

its stakeholders when evaluating the company's strategy and (financing) policies.

The Supervisory Board may request, and will receive from the Executive Board, any information it deems necessary for the proper execution of its duties and responsibilities. Resolutions may be adopted only if approved by a majority of members; in the case of a tie, the Chair of the Supervisory Board has the deciding vote.

The Supervisory Board consists of at least three (natural) persons, one of whom is appointed as Chair. The General Meeting of Shareholders appoints Supervisory Board members for a term of four years. After each term, a Supervisory Board member may be re-elected.

The Supervisory Board also sets remuneration for Executive Board members, based on recommendations from the Remuneration Committee. Generally, Pon's Remuneration Policy aims to attract and retain people needed for the effective management of a company operating in an international environment with commercial, distribution, production, service, digital and rental activities, and for management to achieve optimal performance under rapidly changing market conditions. A significant portion of Executive Board members' total remuneration is related to annual financial performance.

In 2022, the Supervisory Board consisted of Ms. F. Pon (Chair), Mr. G. H. Beens, Mr. R. F. van den Bergh (Vice Chair), Mr. W. Dekker, Ms. P. H. M. Hofsté and Ms. M. J. Poots-Bijl. During the year, Mr. K. J. Storm stepped down as an advisor to the Supervisory Board (and resigned his positions on the company's Finance & Audit and Remuneration Committees).

Pon's Supervisory Board is supported by four committees:

Finance & Audit Committee

The Finance & Audit Committee is tasked with supervising and promoting the integrity of the company's financial reporting and the internal control systems established by the Executive Board. The committee also evaluates the financial audit, compliance audit and external audit and risk management processes. Finally, the committee regularly reviews the company's financing policy and structure. The committee has its own charter and regularly meets with the CEO and CFO of Pon Holdings B.V. Twice a year, the meeting is attended by the external auditor. In 2022, members of this committee were Ms. P. H. M. Hofsté (Chair of the Finance & Audit Committee), Ms. F. Pon and Ms. M. J. Poots-Bijl.



Remuneration Committee

This committee advises the Supervisory Board on remuneration for Executive Board members and senior management. The committee consists of Mr. G. H. Beens (Chair), Ms. F. Pon, and Mr. W. Dekker.

Management Development Committee

This committee advises the Supervisory Board on human resources, meeting regularly with the CEO and Chief of Staff. The committee consists of Mr. R. F. van den Bergh (Chair), Ms. F. Pon and Mr. W. Dekker.

IT Committee

The IT Committee advises the Supervisory Board on IT-related topics such as information risks and security, digital innovation and IT projects. The committee consists of Ms. M. J. Poots-Bijl (Chair) and Mr. R.F. van den Bergh.

Supervisory Board URUS

As a partnership between Pon Holdings B.V. and Cooperative Resources International (CRI), URUS has a separate Supervisory Board, comprising representatives from Pon Holdings B.V., CRI and independent industry experts.

Works Council

The CEO and CFO meet once a year with the works councils of Pon's Dutch operating companies. This annual meeting reviews progress at the company's business operations. It also provides an opportunity to discuss corporate matters related to employee participation and consultation.

Internal Control Systems

Internal control systems are aligned with the company's organizational structure and delegated business model. Within this structure, management is responsible for the design and operation of internal control systems as part of its corporate governance duties. Formal delegation of authority takes place through Bills of Authorities. The company has a standard framework for regular budgetary cycles and monthly internal reporting.

Financial reports are evaluated for all business groups. Results are compared with approved budgets and forecasts for the remainder of the year; they are discussed by the combined Boards at least twice a year. Each quarter, control compliance letters are signed by all SVPs, CFOs, Managing Directors and Controllers, and escalated through the organizational structure.

External Auditors

Within Pon, "full-scope" audits are carried out by external auditors for all business groups. The audits focus on financial reporting. Each year, a number of other specific audit areas are also agreed.

Compliance

Pon has adopted a Code of Conduct, along with a set of supporting policies and procedures, outlining desired employee behavior, including compliance with applicable laws and regulations. In addition to interpersonal aspects, including behavior in the work environment, the Code also includes rules on how to deal with customers and suppliers, as well as referencing applicable laws and Pon's internal policy framework.

While the Executive Board is ultimately responsible for embedding these rules in the organization, business group senior executives and Managing Directors of operating companies and business units are responsible for ensuring compliance with the Code of Conduct. Infringement of these rules of conduct may lead to disciplinary measures.

There are several units that support compliance within Pon. These include the Compliance Committee (which advises and supports the Executive Board and monitors compliance initiatives), the Compliance Audit Department (responsible for monitoring the implementation of Pon's Compliance Policy framework and providing an overview of key compliance risk areas at all operating companies), Local Compliance Officers (who advise on, support and monitor compliance within operating companies) and a Pon Ethics Helpline (the company's whistleblower facility).

Findings from the compliance audits are discussed with management in line with the company's organizational structure. Compliance incidents may be reported through the compliance organization directly or via the Pon Ethics Helpline.



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Risk Management

Pon derives income from multiple markets, including passenger cars, commercial vehicles, bicycles, equipment and power systems, flow control products and agricultural products and services – as well as from the supply of parts, repair services and maintenance related to these products. As such, Pon faces multiple market, operational and financial risks. Our risk appetite is to pursue growth opportunities while maintaining a prudent level of risk. The company's risk tolerance for each of these risks is set by the Executive Board and is periodically reviewed and updated based on changing market conditions and the company's financial performance. To manage these risks, Pon has implemented a comprehensive risk management framework that includes regular risk assessments, risk monitoring and reporting, and risk mitigation strategies. Pon believes that its risk management practices are effective in identifying and managing risks within its risk appetite, and that they provide a strong foundation for achieving its strategic objectives.

Market Risks

Concentration of Business

While product sales are particularly sensitive to economic growth, income from service-related activities is less susceptible, especially if carried out under long-term contracts. In 2022, the distribution of revenue between sales (new, used and lease/rental) and services (including maintenance, parts and accessories) was approximately 84%/16%; for gross margin, this split was around 72%/28%. Income earned from services and maintenance is often directly related to the product base installed and in operation. A structural change in the size of this base will feed through into proceeds from services and maintenance with a time delay of 12 to 24 months. On the cost side, opportunities for cost reduction in the short term relate mainly to marketing expenditures. Any significant structural cost reduction can occur only through a reduction in headcount.

Geographically, Pon's sales are generated mostly in Europe, with around 46% in the Netherlands and 19% in the rest of Europe. The remaining 35% is generated predominantly in the U.S., Asia (Singapore) and Australia.

Pon generally has a market share of between 10% and 25% in the geographies and sectors it serves. Pon aims to retain a top-three position in its markets, which equates to a satisfactory operational performance. The company does this mainly by collaborating with manufacturing principals (OEMs),

which produce quality products under top brand names. Within the bicycle group, Pon performs the OEM role itself. The agricultural cluster sells products and services, mainly developed in-house. Additional revenue is generated through the distribution of ancillary third-party products.

Growth is pursued both organically and through acquisitions, and is often based on maintaining and increasing the company's installed product base. This enables Pon to optimize the added value of its after-sales, service and maintenance activities. We monitor customer satisfaction closely as one of the main performance indicators for the long-term health of our business. Consequently, the strength of our principals, the availability of products (stock) and the level of customer satisfaction are all key to evaluating risks to our competitive position.

Automotive Tax Risks

The automotive industry in the Netherlands is subject to tax levies both on the purchase and use of cars. Changes in these levies may significantly influence demand for cars. In recent years, the tax on luxury cars (BPM) in the Netherlands, compared with other European countries, had a significant impact on newer, pre-owned cars entering the Dutch car market.

Operational Risks

Principals

Working for, and closely with, our principals (OEMs) is a vital pillar of our corporate strategy. OEMs supply the products and most of the spare parts, while Pon imports and provides other logistical, distribution and after-sales services. To do this, Pon manages a network of local sales and service points, protecting the company's long-term import and distribution contracts. Retaining our market position, as well as increasing sales and operating profit, depend to a certain degree on our OEMs developing and delivering new, innovative, technically-advanced products and models at competitive prices, and also depend on the OEMs' own financial position and reputation.

Manufacturing

Within its bicycle business, Pon is responsible for manufacturing, product development, and assembly. Here operational risks relate to innovation, continuing to develop products to meet market demand and quality assurance. Remaining competitive also depends on maintaining cost-efficient assembly and reliable, timely supply chains. Failure to do so may jeopardize operational performance.



Within our Agricultural Products & Services cluster, animal diseases are one of the most serious risks, as they often lead to situations where export of cattle genetics to certain countries is prohibited because of health regulations. This risk is mitigated by having bulls in multiple locations in several countries.

IT Systems

As with any IT system, our IT systems are subject to risks such as cyber attacks, system failures, and unauthorized access or disclosure. We have implemented policies and procedures to mitigate these risks, such as firewalls, access controls, and backup and recovery procedures. However, these measures may not be sufficient to prevent or detect all potential IT risks. Any IT system failure or breach could result in the loss of sensitive financial or personal data, disruption of business operations, or financial loss.

Financial Risks

Trade Financing

To manage its customer supply chain and trade finance solutions, Pon uses independent financial services companies, which operate separately from the company's main businesses and adhere to their own governance and risk policies. To do this, Pon operates through strategic alliances with its principal financial services companies (including the joint

ventures DFM and VWPFS), or through financial institutions such as commercial banks. Accessing the capabilities and funding capacity of a financial services organization for trade financing is essential, as it enables Pon to perform its distribution role profitably and with an acceptable level of risk.

Credit Risk

Pon has a large number of customers – generally, no individual outstanding receivable will exceed 1% of the company's annual revenue; this limits the risk that the company may have to absorb a material financial loss, though there may be a loss of business in certain individual cases. Pon reduces its credit risk by contracting with strong counterparties and agreeing on maximum exposure positions and/or prepayments. In addition, Pon applies credit insurance for specific receivables positions.

Rental and Lease Operations

Pon is exposed to residual value risk on rental and lease objects, resulting from long-term rental and leasing operations through strategic alliances, or when these objects are financed using the company's own funds. Managing this residual value risk is a core competence of the group's operating companies. Pon's operations generally engage with well-qualified parties when trading used equipment or finding short-term rental solutions.





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Automotive Dealer Network

To finance its Dutch automotive supply chain, Pon holds a strategic minority stake in two independently-operating joint ventures (DFM and VWPFS). For operations in the Netherlands, DFM offers floorplan financing and credit facilities, while VWPFS offers leasing solutions for the automotive supply chain. It is in Pon's interest that both joint ventures ensure sufficient funds are available to finance automotive dealers in the company's network, including supply chain inventories.

Interest Rate Exposure

Interest rates may increase or decrease as a result of fluctuations in financial markets. To manage this risk, we may, over a certain period, exchange floating interest rates for fixed rates, independent of the terms of our credit facility, to make future interest payments more predictable. In general, Pon has a higher exposure to fixed rates in the short term and a higher floating-rate exposure in the longer term. Pon uses interest rate swaps to reduce exposure in its most used currencies. The market value of these instruments generally fluctuates with changes in overall interest rates.

Currency Exposure

Pon hedges most of its currency exposure for transactions carried out by its operating companies. The exception is the bicycle group, where Pon applies a definition of economic exposure for hedging foreign

currencies. Regarding translation exposure, our policy is to hedge currency exposure according to the value of our foreign investments in euro terms, except for the company's invested equity position, where exposure is capped at a maximum of 50% of capital employed in that currency.

Liquidity and Financing

Pon's aim is always to have ample liquidity resulting from a healthy funding position and adequate liquidity management. At year-end 2022, our funding position comprised EUR 355 million in preference shares, a senior European private placement (EUPP) facility of EUR 400 million (of which EUR 342 million has already been drawn) and a syndicated senior credit facility of EUR 1 billion (of which EUR 669 million was drawn at year-end), as well as automotive supply chain financing agreements provided by VWPFS / DFM in the Netherlands and commercial banks in the U.S. In addition, Pon has working capital credit facilities for its German and Dutch activities, a number of smaller (un)committed bilateral credit facilities and various operating lease facilities for rental equipment. Pon maintains sufficient sources of undrawn liquidity, allowing the company to attract additional liquidity, if and when required.

During 2022, Pon repaid bridge financing totaling USD 450 million related to its acquisition of Dorel Sports.

Covenants

Pon must adhere to certain financial covenants as a requirement of its senior EUPP facility and syndicated unsecured senior credit facility. The main covenants in these facilities relate to the leverage and interest cover ratios. In the U.S., floorplan financing facilities contain covenants based on leverage, fixed charge coverage and loan-to-value ratios. Pon maintained healthy financial covenant ratios throughout 2022, well within the agreed thresholds.

Amsterdam, March 30, 2023

Executive Board

A.B. Smalbraak (CEO)
B. Sprong (CFO)
C.C. Brinkman (Chief of Staff)



Force for Good

In September 2022, Swapfiets – Ponooc's bike subscription company – became B. Corp-certified for the first time, putting it among some of the world's most sustainable companies. To secure the B. Corp certificate, Swapfiets had to pass a strict social and environmental performance assessment. It also had to change its Articles of Association to be accountable to all stakeholders, not just its shareholder. Swapfiets joins an elite band of B. Corp companies, including Patagonia, Ben & Jerry's, The Guardian and international food company Danone, that believe business should be a force for good.



Report of the Supervisory Board

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Report of the Supervisory Board

The Supervisory Board is proud to present Pon Holdings B.V.'s Annual Accounts for 2022. The Annual Accounts, as prepared by the Executive Board, include the audited financial statements for 2022. The independent auditor's report may be found on pages 99-101. After reviewing and discussing the financial statements with the Executive Board and the auditor, each member of the Supervisory Board has signed the Annual Accounts in accordance with the Board's supervisory responsibilities. We recommend that the General Meeting of Shareholders adopt the financial statements, including the dividend proposal. We also advise the General Meeting of Shareholders to discharge members of both the Executive and Supervisory Boards, in their respective roles, of the duties and tasks they have executed over the past financial year.

Despite the gradual recovery from the COVID-19 pandemic, 2022 was marked by a series of challenges and uncertainties, including the war in Ukraine and its direct and indirect economic consequences.

Many countries faced new waves of infections and struggled to contain the spread of the virus. Governments and health authorities around the world continued their efforts to control the pandemic, including regional lockdowns. Overall, the pandemic

still had far-reaching impacts on the global economy, and led to supply chain disruptions.

In addition to the pandemic, the war in Ukraine dominated the headlines. The conflict has resulted in thousands of deaths and significant humanitarian challenges. Political sanctions imposed on Russia and their countermeasures led to energy shortages and significant economic fall-out, including an increase in energy prices.

These higher energy prices fed into rising inflation, also driven by supply chain disruption, increased commodity prices and shortages of labor. In turn, inflation led to higher costs for businesses and households, reducing their purchasing power. At the same time, many central banks began to raise interest rates in an effort to restrain inflation, resulting in increased borrowing costs for businesses and households. Overall, we believe the challenges and uncertainties seen in 2022 are likely to continue into the coming years.

Transformation

Faced with these challenges, the company's agile entrepreneurial spirit produced an exceptionally successful year for Pon. Building and maintaining strong mutual relationships by the management, with stakeholders on all levels, particularly our Original



Equipment Manufacturers (OEMs) and suppliers – again proved to be crucial in overcoming supply chain challenges and achieving our goals and financial success.

In addition to a strong financial performance, we successfully completed our major business transformation, initiated in 2021. With the integration of URUS, acquired in 2021, agriculture is becoming part of Pon's DNA. Furthermore the acquisition of Dorel Sports and a participation in Europcar further strengthened Pon's already very strong portfolio of world-leading brands.

As part of this transformation, Pon also divested several non-strategic activities. Though fully supported by the Supervisory Board, it is with sadness that we say farewell to the Industrial Mobility cluster and MEC activities, divested in 2022.

While the acquisition of Dorel Sports, with renowned brands such as Cannondale and Schwinn, presents long-term opportunities for Pon.Bike as the world's most comprehensive bike group, 2022 proved to be a challenging year in terms of integration. The Supervisory Board was delighted by the expeditious approach taken by the Executive and Pon.Bike Boards in addressing these organizational obstacles.

Contributing to the UN Sustainable Development Goals

Through the company's CSR strategy, Pon contributes to the UN's Sustainable Development Goals (SDGs) – by reducing impact on the climate from our business activities, for example, improving waste management, and creating a diverse, safe and healthy working environment. We have mapped eight of the seventeen SDGs to the three pillars of our CSR strategy – these are the areas where we believe we can contribute the most to the SDGs:

People



Planet



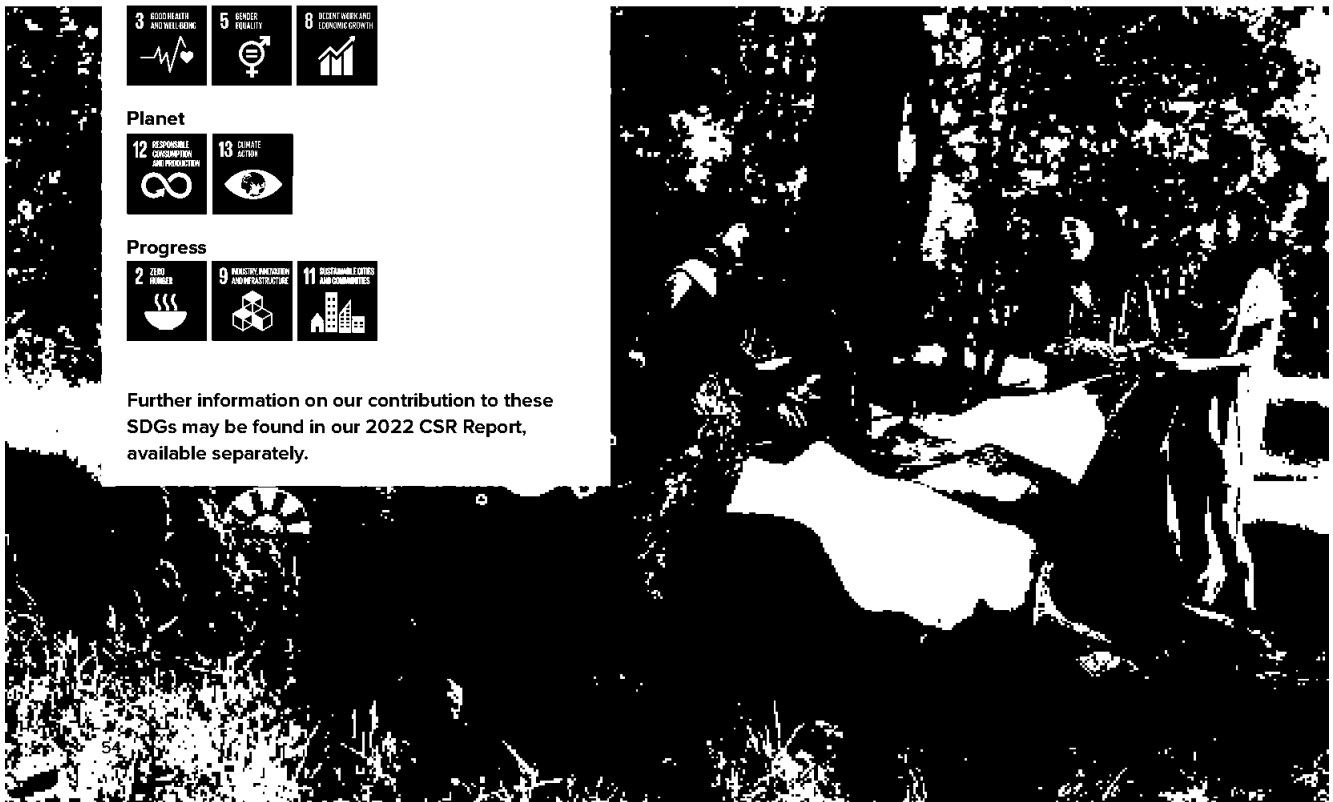
Progress



Further information on our contribution to these SDGs may be found in our 2022 CSR Report, available separately.

Membership of Executive Board

Mr. C. Hartmans retired as CEO of URUS and member of the Executive Board, effective January 1, 2023. Members of the Supervisory Board express their heartfelt gratitude for his dedicated service, expertise and valuable contributions to the company. In addition, at the same date, Mr. M. B. M. De Groen stepped down from his Executive Board responsibilities to focus fully on Pon Equipment & Power Systems as CEO and Dealer Principal for Caterpillar.





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Activities

The Supervisory Board monitors and assesses the Executive Board's strategic plans and management, as well as the company's operational and financial performance, risk management, legal matters, and legal and organizational structure. During 2022, the Supervisory Board very much appreciated the transparent, intensive, and trust-based cooperation with the Executive Board, which enabled the Supervisory Board to perform its duties effectively.

During four scheduled meetings in 2022, the Executive Board and invited senior management provided Supervisory Board members with financial and business updates, covering mergers & acquisitions (M&A), business development and legal developments. Particular attention was paid to the integration of Dorel Sports, the consequences of the war in Ukraine (including the unprecedented worldwide sanctions imposed on Russia and resulting supply chain challenges), corporate social responsibility, organization, diversity & inclusion and people (including senior management).

One meeting was fully dedicated to the Executive Board's strategy for the Pon Group; this allowed the Supervisory Board to perform its role as advisor with regard to the company's strategic direction. In addition, the Executive Board organized a dedicated workshop on Diversity & Inclusion in a combined meeting involving the Supervisory Board and the company's senior leadership.

During the year, the Chair of the Supervisory Board held regular meetings with the Chief Executive Officer (CEO) and periodically with the Chief Financial Officer (CFO), while the Chair of the Supervisory Board's Finance & Audit Committee (F&AC) also held regular meetings with the CFO. In addition to meetings and consultations with the Chair of the Finance & Audit Committee, the Chair of the Supervisory Board also met twice with the company's external auditor informally to discuss issues and topics concerning the Pon Group. Individual members of the Supervisory Board visited several operating companies to gain a deeper understanding of the operations.

Closed sessions of the Supervisory Board were held to discuss matters such as the performance of the Executive Board and its members; these meetings were not attended by members of the Executive Board. The Supervisory Board also conducted an evaluation of its own composition, performance and effectiveness, as well as members' views on the Board's new way of working.

Members of the Supervisory Board received timely and clear information on all relevant matters from the Executive Board, allowing them to carry out their supervisory and advisory tasks effectively during 2022.

Committees

All Supervisory Board members attend committees in their specific field of expertise. The **Finance & Audit Committee** met three times in 2022, with the external auditor attending twice. During these meetings, the F&AC focused on company's financial and operational performance, working capital management and financing as well as risk management. In particular, the F&AC took note of M&A matters and related funding aspects, the legal and capital structure, hedging, insurance, pensions and the company's tax position as well as progress in ESG reporting. In addition, the Pon Data Lab gave insight into its support for data-driven business decisions with analytics and artificial intelligence. The audit plan, the financial statements and the findings of the external auditor were also discussed, as well as the findings of the compliance and internal control departments.

The F&AC is pleased with the continued attention paid by the company to maintaining a robust control framework, continued improvement process and a prudent and balanced approach to valuations and performance measurements. Furthermore, the F&AC reviewed the financial soundness of the company's 2023 budget, reporting its observations to the full Supervisory Board.

The **Remuneration Committee** held two meetings to discuss and prepare a Supervisory Board decision on recurrent remuneration items, such as Executive Board base salaries, pension plans and incentive plans, including performance reviews, target setting and monitoring of incentive plan scores.

The **Management Development Committee** held three meetings during the year, in which it continued its review of leadership and management changes, management and talent development, and the company's principal learning programs (including the mentor-mentee and trainee programs). The committee also discussed extensively Human Resources (HR) governance, the Corporate HR Plan and (internal) succession planning outcomes for senior management. Particular attention was paid to the important topics of Diversity & Inclusion and measures to prevent bullying and harassment – a task carried out together with the HR representatives responsible for Management Development in the Pon business clusters. The Supervisory Board is satisfied with the plans and the progress made and will continue to follow this topic closely, as people are Pon's most valuable asset.

The **IT Committee** held three meetings to discuss progress in implementing the company's strategic IT priorities and digital strategies, as well as the business clusters' key IT projects. These discussions included reviewing privacy and security assessments, the establishment of a global security operations



center and measures taken to strengthen cyber security. Furthermore, the IT Committee discussed the topic of digital capabilities, including available expertise on data-driven decision-making and progress made in the digital workforce program, with a focus on further transformation of the workforce and an acceleration of digitalization across the company.

One Supervisory Board member advises the Executive Board regularly on M&A topics and another on legal cases; relevant issues are reported to the full Supervisory Board.

Composition of the Supervisory Board

The Supervisory Board consists of at least three (natural) persons, including an appointed Chair. The Supervisory Board strives to ensure that its members represent a good balance in terms of diversity to support proper supervision of the overall management of Pon and its business.

The General Meeting of Shareholders appoints Supervisory Board members in accordance with the statutory regime applicable at the time of appointment. Any Supervisory Board members with conflicts of interest are systematically excluded from related discussions or decision-making.

We would like to extend our sincerest appreciation and thanks to Mr. Storm, who resigned as advisor to the Supervisory Board during 2022. His insights, strategic thinking and leadership have been invaluable

in guiding the company through numerous challenges and opportunities during the more than 30 years as a member of and advisor to the Supervisory Board. His commitment to excellence and unwavering support have been instrumental in the company's success.

In conclusion

The Supervisory Board would like to express its appreciation for the Executive Board's effective, collaborative and transparent working style during a challenging year marked by the ongoing COVID-19 pandemic and the war in Ukraine, as well as the integration of Dorel Sports and URUS, and the various market and organizational challenges resulting from it. The Executive Board's skillful leadership, along with the dedication and passion demonstrated by the business clusters' senior management and all employees, has made 2022 a standout year in Pon's history.

Finally, members of the Supervisory Board would like to extend their gratitude to all employees for their tireless efforts, and to the OEMs, suppliers, customers and other valued partners for their continued trust in the company.

Supervisory Board

F. Pon, Chair
G.H. Beens
R.F. van den Bergh
W. Dekker
P.H.M. Hofsté
M.J. Poots-Bijl

Supervisory Board Profile

F. Pon, Chair (1970)

Nationality : Dutch
Appointed in : 2006
Current term : until December 2026

G.H. Beens (1959)

Nationality : Dutch
Appointed in : 2009
Current term : until June 2025

R.F. van den Bergh (1950)

Nationality : Dutch
Appointed in : 2015
Current term : until May 2023

W. Dekker (1956)

Nationality : Dutch
Appointed in : 2019
Current term : until January 2027

P.H.M. Hofsté (1961)

Nationality : Dutch
Appointed in : 2019
Current term : until April 2023

M.J. Poots-Bijl (1969)

Nationality : Dutch
Appointed in : 2019
Current term : until April 2023

K.J. Storm, advisor (1942)

Nationality : Dutch
Appointed in : 2019
Resigned as advisor on 1 July 2022



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Consolidated balance sheet as at 31 December 2022

(before profit appropriation, x EUR 1,000)

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31.12.2022

31.12.2021

Assets

Fixed assets

Intangible fixed assets

| | | | | |
|--------------------|---|------------------|----------------|--|
| | 1 | | | |
| Goodwill | | 759,834 | 507,172 | |
| Software | | 83,212 | 67,060 | |
| Brands and patents | | 258,689 | 11,206 | |
| Development costs | | 22,706 | 18,608 | |
| | | <u>1,124,441</u> | <u>604,046</u> | |

Tangible fixed assets

| | | | | |
|---------------------------|---|----------------|----------------|--|
| | 2 | | | |
| Land and buildings | | 344,073 | 320,136 | |
| Machinery and equipment | | 118,013 | 109,915 | |
| Lease and rental assets | | 146,777 | 99,825 | |
| Means of transport | | 7,847 | 8,948 | |
| Live stock | | 81,005 | 74,226 | |
| Assets under construction | | 63,455 | 34,389 | |
| | | <u>761,169</u> | <u>647,439</u> | |

Financial fixed assets

| | | | | |
|--|---|----------------|----------------|--|
| | 3 | | | |
| Participating interests and joint ventures | | 351,126 | 262,392 | |
| Other participations | | 403,260 | 216,667 | |
| Deferred tax assets | | 45,496 | 77,817 | |
| Other receivables | | 60,135 | 39,676 | |
| | | <u>860,017</u> | <u>596,552</u> | |

Current assets

| | | | | |
|------------------|---|-----------|-----------|--|
| Inventory | 4 | 2,377,522 | 1,401,393 | |
|------------------|---|-----------|-----------|--|

Receivables

| | | | | |
|---|---|------------------|----------------|--|
| | 5 | | | |
| Accounts receivable | | 657,989 | 549,803 | |
| Receivables from participating interests and joint ventures | | 64,396 | 26,122 | |
| Financing accounts receivable | | 132 | 4,405 | |
| Taxes and social security contributions | | 42,391 | 30,032 | |
| Other receivables and accrued income | | 265,510 | 242,088 | |
| | | <u>1,030,418</u> | <u>852,450</u> | |

Cash and cash equivalents

| | | | | |
|--|---|----------------|----------------|--|
| | 6 | <u>273,998</u> | <u>373,494</u> | |
|--|---|----------------|----------------|--|

6,427,565



(before profit appropriation, x EUR 1,000) Notes **31.12.2022** 31.12.2021

Equity and liabilities

| | | | | |
|---|----|----------------|----------------|------------------|
| Group equity | 7 | | | |
| Shareholders' equity | | 1,948,381 | 1,372,389 | |
| Minority interests | | <u>43,101</u> | <u>34,229</u> | |
| | | 1,991,482 | | 1,406,618 |
| | | | | |
| Provisions | 8 | | 187,015 | 167,626 |
| | | | | |
| Non-current liabilities | 9 | | | |
| Subordinated debt | | 140,000 | 140,000 | |
| Debts to credit institutions | | 1,153,582 | 556,356 | |
| Deferred income LT | | 65,653 | 40,075 | |
| Other debt | | <u>26,699</u> | <u>17,717</u> | |
| | | 1,385,934 | | 754,148 |
| | | | | |
| Current liabilities | 10 | | | |
| Debts to credit institutions | | 255,975 | 121,212 | |
| Debts to participating interests and joint ventures | | 424,091 | 212,408 | |
| Trade creditors | | 856,908 | 590,455 | |
| Taxes and social security contributions | | 510,649 | 384,210 | |
| Subordinated debt | | – | 55,000 | |
| Liabilities related to pensions | | 2,793 | 531 | |
| Work in progress projects | 11 | 5,168 | 71,482 | |
| Other liabilities and deferred income | | <u>807,550</u> | <u>711,684</u> | |
| | | 2,863,134 | | <u>2,146,982</u> |

6,427,565



Consolidated profit and loss account and statement of comprehensive income for 2022

| (x EUR 1,000) | Notes | 2022 | 2021 |
|---|-------|------------------|------------------|
| Revenue | 16 | 10,041,804 | 8,143,935 |
| Costs of sales | 17 | <u>7,343,818</u> | <u>6,032,735</u> |
| Net revenue (revenue less costs of sales) | | <u>2,697,986</u> | <u>2,111,200</u> |
| Other income | 18 | <u>382,637</u> | <u>29,830</u> |
| Wages and salaries | 19 | 1,064,939 | 874,482 |
| Social security charges | 19 | 109,515 | 96,797 |
| Pension charges | 19 | 55,773 | 50,564 |
| Depreciation, amortization and impairment | 21 | 194,733 | 138,367 |
| Other operating expenses | 22 | <u>857,156</u> | <u>588,684</u> |
| Total operating expenses | | <u>2,282,116</u> | <u>1,748,894</u> |
| Operating result (EBIT) | | 798,507 | 392,136 |
| Financial income and expense | 23 | <u>(93,328)</u> | <u>(45,160)</u> |
| Result from ordinary activities before taxation | | 705,179 | 346,976 |
| Tax on result from ordinary activities | 24 | (173,090) | (86,296) |
| Dividend from participations | | – | 100 |
| Share in results of participating interests | | <u>22,707</u> | <u>52,092</u> |
| Result from ordinary activities after taxation | | 554,796 | 312,872 |
| Minority interests | | <u>(8,249)</u> | <u>(5,384)</u> |
| | | 546,547 | |
| Exchange rate and translation differences foreign subsidiaries | 32 | (8,500) | 36,119 |
| Revaluation financial fixed assets and other | 32 | <u>(25,736)</u> | <u>(208,319)</u> |
| Other comprehensive income | | <u>(34,236)</u> | <u>(172,200)</u> |
| | | 512,311 | |



Consolidated cash flow statement for 2022

| (x EUR 1,000) | Notes | 2022 | 2021 |
|---|-------|------------------|------------------|
| Operating result (EBIT) | | 798,507 | 392,136 |
| Adjustments for: | | | |
| – result sale subsidiaries and other participations | 18 | (379,814) | (17,779) |
| – amortization and impairment of intangible fixed assets | 1 | 129,885 | 83,971 |
| – depreciation and impairment of tangible fixed assets | 2 | 118,367 | 84,059 |
| – movements in inventories and work in progress | 4-5 | (893,764) | (48,598) |
| – movements in other short term receivables | | (35,465) | (53,033) |
| – movements in provisions and LT liabilities excl DTax | | 17,695 | 18,148 |
| – movements in trade creditors and other current liabilities | | 171,365 | 109,982 |
| | | <u>(871,731)</u> | <u>176,750</u> |
| Cash flow from business operations | | (73,224) | 568,886 |
| Interest paid | 23 | (99,655) | (53,177) |
| Interest received | 23 | 11,222 | 7,560 |
| Dividends received | 3 | 35,894 | 21,469 |
| Income tax paid | 24 | <u>(136,382)</u> | <u>(66,283)</u> |
| | | <u>(188,921)</u> | <u>(90,431)</u> |
| Cash flow from operating activities | | (262,145) | 478,455 |
| Investment in (in)tangible fixed assets | 1-2 | (346,729) | (214,187) |
| Disposal of (in)tangible fixed assets | 1-2 | 59,572 | 59,153 |
| Acquisition of subsidiaries, participating interests and other participations | | (915,526) | (449,108) |
| Divestment of subsidiaries, participating interests and other participations | | 598,445 | 80,894 |
| Investments in other financial fixed assets | 3 | (73,851) | (59,322) |
| Disposal of other financial fixed assets | 3 | – | 2,476 |
| Cash flow from investing activities | | (678,089) | (580,094) |
| | | (940,234) | |
| Repayments of debt | | (98,479) | (371,352) |
| Proceeds from borrowings | | 859,267 | 92,428 |
| Dividend paid | | (81,300) | (44,183) |
| Issuance of shares | | 155,000 | – |
| Cash flow from financing activities | | 834,488 | (323,107) |
| | | (105,746) | |
| Cash and cash equivalents as at January 1 st | | 373,494 | 788,734 |
| Exchange rate differences on cash held | | 6,250 | 9,506 |
| Cash and cash equivalents as at December 31st | | 273,998 | 373,494 |

Notes to the consolidated financial statements

General

Principal business activities

Pon Holdings B.V. has its statutory seat in Leusden, the Netherlands. It is a privately-owned company with limited liability under Dutch Law. Pon Holdings B.V. is an international trading, servicing and manufacturing company. Its activities are divided into business clusters: Automotive, Bikes, Equipment & Power Systems and Agricultural Products & Services. The Industrial Mobility cluster was largely divested 2022.

Pon's business activities are the import, distribution, sales, rental and after sales of the product range and services of its principals. These activities are conducted through Pon's own sales and service organizations or by distribution networks managed by the company. In bikes, Pon also partly conducts the assembly of products from the brands it owns. In agriculture, Pon conducts production of some of the products it distributes.

Basis of preparation

The consolidated financial statements have been prepared on the basis of going concern, in accordance with Title 9 of Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The company's financial year runs from January 1st to December 31st. All amounts included in the financial statements are presented in euro, unless indicated otherwise.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

The financial information of the company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate profit and loss account of the company exclusively states the share in the result after taxation of companies in which participating interests are held and the general result after taxation.

The balance sheet is prepared before profit appropriation. Dividends payable to preference shareholders, if adequate freely distributable reserves are available, are recorded as a liability and presented as a separate negative item within shareholders' equity.

Accounting principles

General

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost price or value can be measured reliably. Assets that are not recognized in the balance sheet are considered as off-balance sheet assets.

A liability is recognized in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Liabilities that are not recognized in the balance sheet are considered as off-balance sheet liabilities.

If a transaction results in a transfer of future economic benefits and / or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction.

Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognized when the company has transferred the significant risks and rewards to the buyer.

Refer to the accounting principles under the heading 'Revenue Recognition' for different types of revenue generating activities.



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Functional and presentation currency

The financial statements are presented in euro, the company's functional currency. All financial information in euros has been rounded to the nearest thousand.

Estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions which influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are regularly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

For valuation of certain brands acquired in the acquisition of Dorel Sports the relief-from-royalty method was used. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the brands being owned. This methodology is in the opinion of management important in preparing these financial statements and requires judgements, estimates and assumptions.

Consolidation principles

Financial information relating to group companies/ subsidiaries is included in the consolidated financial statements of Pon Holdings B.V. The assets and liabilities and the results of these companies are fully consolidated. Minority interests in the group equity and in the group result are stated separately. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial information has been prepared using uniform accounting policies for comparable transactions and other events in similar circumstances. All significant intercompany transactions, balances and unrealized gains on transactions are eliminated in the consolidation. Group companies exclusively acquired and held for sale are exempted from consolidation. Interests exclusively held with the view to resale are exempted from consolidation if the intention to resale was already present at the acquisition date and resale within one year is probable.

Investments in companies resulting from private equity activities through Ponooc Investments B.V. are included under Other participations within Financial

fixed assets. The financial information of such private equity investments is, in accordance with section 2:407 sub 1c of the Dutch Civil Code, not consolidated as these investments are not intended to be permanently held and defined exit strategies exist.

A list of subsidiaries is filed at the Chamber of Commerce. In accordance with section 379(5), in part 9, Book 2 of the Dutch Civil Code, this list is not included in the financial statements. For a summary of primary operating companies, see paragraph 'Operating companies'.

Business combinations

A business combination is a transaction whereby the group obtains control over the assets and liabilities and the activities of the acquired party.

Business combinations are accounted for using the 'purchase accounting' method on the date that control is transferred to the group (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are allocated to the transaction price.

The group recognises the identifiable assets and liabilities of the acquiree at the acquisition-date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the group (assets) or settlement will result in an outflow of resources embodying economic benefits (liabilities), and the cost or fair value of it can be measured with reliability.

Reference is made to the accounting policy under the heading 'Intangible fixed assets' for the recognition of goodwill resulting from a business combination.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised. Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price. Comparative figures are not adjusted.

Retrospective changes to the fair value of the identifiable assets and liabilities as per the acquisition date are accounted for if these appear up to one financial year after the acquisition date.



Principles for the translation of foreign currency

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euro at the applicable exchange rate applying on the transaction date. Exchange gains and losses are taken to the profit and loss account.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euro at the applicable exchange rate applying on the balance sheet date. The revenues and expenses of foreign operations are translated into euro at the exchange rate applying on the transaction date.

Goodwill resulting from the acquisition of a foreign operation and fair value adjustments accounted for at the acquisition date are translated to the exchange rate at the transaction date. The fair value adjustments at acquisition date are translated to the exchange rate at the transaction date.

Translation gains and losses are taken to a separate translation difference reserve. When a foreign operation is fully or partially sold, the cumulative amount that relates to that foreign operation is transferred from the translation reserve to the profit and loss account.

Hedging of the net investment in foreign operations

Exchange rate differences arising on translation of a foreign currency liability accounted for as a hedge of a net investment in a foreign activity are taken directly to shareholders' equity, in the reserve for translation differences, insofar as the hedge is effective.

The non-effective part is taken to the profit and loss account.

Financial instruments

General

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, trade and other payables and derivatives.

Financial assets and liabilities are recognized in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognized if a transaction has the result that substantially all rights to economic benefits and substantially all risks with respect to that financial instrument have been transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms.

Financial instruments are initially recognized at fair value, including discount or premium and directly attributable transaction costs, except for derivatives for which cost price hedge accounting is applied. The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. If instruments are not measured at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement. Financial instruments embedded in contracts that are not accounted for separately from the host contract are recognized in accordance with the host contract.

After initial recognition, financial instruments are valued in the manner described below.

Loans granted and other receivables

Loans granted and other receivables are carried at (amortized) cost on the basis of the effective interest method, less impairment losses. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are stated after their initial recognition at amortized cost on the basis of the effective interest rate method. Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

Derivatives

Derivatives are carried after their initial recognition at the lower of cost or market value, except if the cost model for hedge accounting is applied. Cost price hedge accounting is applied to hedge interest and currency risk.



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If the cost model for hedge accounting is applied, then no revaluation of the derivative instrument takes place, as long as the derivative hedges the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is recognized in the profit and loss account.

If the hedged position of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the measurement of the asset or liability is adjusted by the hedge results that have not yet been recognized in the profit and loss account.

When a derivative expires or is sold, the accumulated profit or loss that has not yet been recognized in the profit and loss account prior to that time is included as a deferral in the balance sheet until the hedged transactions take place. If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then hedge accounting is also terminated.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost price hedge accounting is applied. This is done to ensure that the gains or losses arising from the translation of the monetary items recognized in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between their forward and spot rates as at reporting date. The difference between the spot rate agreed at the inception of the forward exchange contract and the forward rate is amortized via the profit and loss account over the term of the contract.

At each balance sheet date, the Company assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged position (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical features of the hedging instrument against the hedged position.

If the critical features, assessed in the context of the hedging relationship, are matching, there is no ineffectiveness. If the critical features, assessed in the context of the hedging relationship, are not matching each other, there is ineffectiveness. In that case, the degree of ineffectiveness is determined by comparing the fair value change of the hedging instrument with the fair value change of the hedged position. If there is a cumulative loss on the hedging relationship over the period between initial recognition of the hedging instrument and the balance sheet date, the ineffectiveness (loss) is directly recognized in the profit and loss account.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Leasing

The company may enter into financial 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.

If the company acts as lessee in an operating lease, lease payments regarding operating leases are recognized to the profit & loss account on a straight-line basis over the lease term. If the company acts as a lessor in an operating lease, the leased asset is recognized in the balance sheet according to the nature of that asset. Lease income as part of the lease payments is recognized on a straight-line basis over the lease term.

Balance sheet

Intangible fixed assets

General

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. Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortisation and impairment losses

Expenditures made after the initial recognition of an acquired or constructed intangible fixed asset are included to the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the profit and loss account. The accounting principles for the determination and recognition



of impairments are included under the section Impairments of fixed assets.

Software

Software is capitalized at cost, less amortization according to the straight-line method on the basis of the estimated useful life of 3 to 7 years.

Brands and patents

Brands and patents acquired in a business combination and recognized separately from goodwill are initially recognized at cost based on their fair value as at the acquisition date and are amortized on a straight-line basis over their expected economic life, which is between 5 to 15 years.

Development costs

Development costs are capitalized insofar as incurred in respect of potentially profitable projects and are stated at cost. The development of an intangible fixed asset is considered commercially profitable if the following conditions are met: the completion of the asset is technically feasible, the company has the intention of completing the asset and then of using or selling it (including the availability of adequate technical, financial and other resources to achieve this), the company has the ability to use or sell the asset, it is probable that the asset will generate future economic benefits, and the costs during the development phase can be determined reliably. Development costs are measured at construction cost, less accumulated amortisation and impairment losses. These costs mainly comprise the cost of direct labour. Upon termination of the development phase, the capitalized costs are amortized over their expected useful life, which is 3 to 5 years. Amortization is calculated using the straight-line method. The costs of research and other development costs are charged to the result in the period in which they have incurred.

A legal reserve is formed for the capitalized development costs that have not yet been amortized.

Goodwill

Goodwill represents the excess of the cost of the acquisition (including transaction costs directly related to the acquisition) over the company's interest in the fair value of the assets acquired and the liabilities assumed at the transfer date, less cumulative amortization and impairment losses. Internally generated goodwill is not capitalised.

Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the spot exchange rates at the date of acquisition.

The capitalized goodwill is amortized on a straight-line basis over the estimated useful life of each acquisition, currently between 5 to 15 years.

In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally.

For acquisitions up to and including 2015, goodwill was recognized directly in equity. Any changes to goodwill relating to acquisitions from before January 1st 2016, are still accounted for directly through equity.

Tangible fixed assets

Tangible fixed assets are 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.

Land and buildings, machinery and equipment, lease and rental, means of transport, tangible fixed assets under construction and prepayments on tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses. The estimated useful life, is 25 to 40 years for buildings, 5 to 15 years for refurbishments, 5 to 10 years for machinery and equipment and 5 to 8 years for lease & rental assets.

The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalized when it extends the useful life of the asset.

Depreciation is recognized 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.

Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Assets retired from active use are stated at the lower of book value or net realizable value. If the book value of an asset exceeds the recoverable amount, an impairment is charged to the profit and loss account.

A provision is recognized for expected costs of periodic major maintenance to buildings and equipment. The related accounting principle is described in the section on Provisions.

Purchased livestock is valued at the acquisition price, including the costs until semen production starts, less depreciation according to the straight-line method in 5 to 5.5 years. Livestock coming out of the female program are valued at production costs, less depreciation according to the straight-line method in 5.5 years. The cost consists of the price



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of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use.

Financial fixed assets

Group companies

A group company is an entity controlled, directly or indirectly, by Pon Holdings B.V. Group companies, generally accompanying a shareholding of 50% or more of the voting rights, are fully consolidated.

Joint ventures

A joint venture is a contractual agreement whereby Pon and one or more third parties undertake an economic activity that is subject to joint control. Joint ventures are valued according to the equity method on the basis of net asset value.

Participating interests

A participating interest is an entity, including an unincorporated entity such as a partnership, which is neither a group company nor an interest in a joint venture and over whose commercial and financial policy decisions Pon Holdings B.V. has the power to exert significant influence. Participating interests are stated at net asset value. Participating interests acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation. Results on transactions involving transfer of assets and liabilities between the company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realized. Participating interests with a negative net asset value are valued at nil. A provision is recognized to the extent the company has an obligation to fund or is a guarantor in respect of the liabilities of the participating interest.

In assessing whether the company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

Goodwill arising on the acquisition of participating interests is included under 'Goodwill'.

Other participations

Other participations are other investments that have a long-term nature where no significant influence is exercised on the business and operating policy by Pon Holdings B.V.

Investments in listed shares are measured at fair value following their initial recognition. Changes in fair value are recognized in equity via other

comprehensive income until the time of realization. Upon derecognition of the investment, the accumulated result recognized in equity is transferred to the profit and loss account. Any accumulated decrease in fair value to below the initial cost is recognized in the profit and loss account.

Investments in unlisted shares are measured after their initial recognition at the lower of cost or market value. Dividends are recorded in the profit and loss account at the time when they are declared.

Impairment

Tangible, intangible and financial fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realizable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, an impairment loss is recognized for the difference between the carrying amount and the recoverable amount.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of impairments only takes place when observable indications objectify such reversal. Impairments of goodwill are never reversed in a subsequent period.

Inventory

Raw materials and consumables are stated at the lower of either historical cost or net realizable value in accordance with the first-in, first-out (FIFO) principle. Net realizable value is determined through the valuation of individual inventory items. Semi-finished and finished goods are stated at production cost or lower net realizable value. Production costs include direct material consumption, direct labor and machine costs, plus all other costs that can be attributed directly to production. The net realizable value is based on the expected selling price, less completion and selling expenses.



Goods available for sale are stated at cost. Costs include the purchase price and expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventories at our agricultural business consist principally of produced and purchased semen, farm systems structures and parts, and reproduction technology and biology products. Inventories are valued at the lower of cost, determined on the weighted average method (for semen inventories), FIFO (non-semen inventories), or lower net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Work in progress projects

Included in the valuation of work in progress are the costs which directly relate to the specific project, the costs which are attributable to contract activity in general and can be allocated to the project, as well as other costs chargeable to the customer under the terms of the project. Revenues, costs and profit taking in respect to the projects in progress are recognized with respect to the activity performed to complete the project as at balance sheet date (percentage of completion method), on the basis of the project costs incurred up until the balance sheet date in proportion to the estimated total project costs. Project costs which will lead to activities to be performed after the balance sheet date are recognized as assets if it is probable that they will lead to revenue in a subsequent period. Expected losses on projects in progress are immediately recognized as an expense in the profit and loss account.

Accounts receivable

Accounts receivable are recognized initially at the fair value of the receivable and subsequently measured at amortized cost, less impairment losses.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash at bank and in hand is carried at nominal value.

Shareholders' equity

Financial instruments designated as equity 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 recognized in the profit and loss as financial income or expense.

Share premium

Amounts contributed by the shareholder(s) of the company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the company. Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after taking into account tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

Revaluation reserve

Increases in value of certain financial fixed assets that are measured at fair value (i.e. other participations) are included in the revaluation reserve. Decreases in fair value of these assets are first charged against the positive balance of the revaluation reserve. The revaluation reserve is established per individual asset and is not to exceed the difference between the historical cost and the fair value of the asset; any accumulated decrease in fair value below historical cost is charged to the profit and loss account. If the assets are sold, any revaluation reserve pertaining to those assets are released and credited to the profit and loss account.

Minority interests

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities of a consolidated entity, determined in accordance with the company's measurement principles.

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

Provisions

Provisions are recognized for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of



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the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the nominal value of the expenditure expected to be required to settle the obligations.

A provision for maintenance is recognized for expected maintenance costs of buildings and equipment based on a long-term maintenance program. If the major maintenance costs exceed the carrying amount of the provision recognized for the relevant asset, the (additional) costs are recognized in the profit and loss account.

The provision for warranties relates to the estimated costs of replacing delivered products. A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities. The provision for earn-outs is based on contractual earn-out obligations. The provision is recognized at the best estimate of the amount to be paid.

A provision for restructuring costs is established if a detailed restructuring plan has been formalized at the balance sheet date and, no later than on the preparation date of the financial statements, a valid expectation of implementation of the plan has been raised for those persons that will be affected by the restructuring. The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the company. A provision for claims, disputes and lawsuits is established when it is more likely than not that the company will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

A provision for an onerous contract 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.

Deferred tax assets and liabilities, arising from temporary differences between the carrying amounts of assets and liabilities and the fiscal valuation of assets and liabilities as well as resulting from tax loss or interest carry-forwards, are calculated using the tax rates expected to apply when they are realized or settled.

Deferred tax assets are recognized if it is probable that they will be realized. Deferred tax assets and

liabilities for which a legally enforceable right to offset exists and which are within the same consolidated tax group are presented net in the consolidated balance sheets.

Non-current liabilities

See principles for Non-current and current liabilities and other financial commitments under Financial Instruments.

Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs.

Profit and loss account

Revenue

Revenue represents the revenues from the delivery of goods and services to third parties less discounts, credit notes and taxes levied on sales. Accumulated experience is used to estimate and provide for the discounts and returns. Included in revenue is interest income from financing activities. Registration tax on passenger cars (BPM) is not included.

Revenue recognition

Revenues are recognized when services are rendered, goods are delivered or work is completed. Revenue is measured at the fair value of the consideration of received amounts or receivable amounts.

Amounts received in advance are recorded as accrued liabilities until services are rendered to customers, goods are delivered or work is completed, using the percentage of completion method, based on services provided.

The company usually recognizes revenue at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognized at the level of a group of contracts, for example where the company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other.



The company recognizes revenue for the amount to which the company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. The company measures a non-monetary consideration at fair value.

Determining the transaction price

The company recognizes revenue for the amount to which the company expects to be entitled in exchange for transferring promised goods or services. The transaction price may consist of fixed fees, variable fees or a combination thereof. In determining the transaction price, the company considers, among other things, the effects of:

- variable consideration;
- significant financing components;
- non-cash consideration; and
- consideration payable to customers.

Sale of goods and services

Revenues from the sale of goods and services are recognized when:

- the company has transferred to the buyer all significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control of the goods sold;
- the amounts of revenue are measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and,
- the costs to be incurred in respect of the transaction can be measured reliably.

Work in progress projects

As soon as the outcome of a project can be estimated reliably, project revenue and project costs associated with the project are recognized as revenue and expenses respectively in proportion to the amount of work performed as at balance sheet date. Revenue from projects includes the contractually agreed upon revenue plus any revenue from variations in project work, claims and reimbursements, insofar as and to the extent that it is probable that these revenues will be realized and can be reliably determined.

The extent to which work has been completed in respect of a project is determined by comparing the project costs incurred until the balance sheet date to

the total project costs. If the result of a project cannot be reliably estimated, project revenue should only be recognized up to the amount of project costs incurred likely to be recovered. Expected losses on projects are immediately recognized in the profit and loss account.

Costs of sales

Costs of sales equals production costs or the purchase price (of revenue) plus the additional costs of freight and insurance, less deduction for discounts and bonuses relating to these purchases. For services rendered and goods sold these cost include the interest expenses on the funds raised for financing activities and depreciation on leased and rental assets. Expected losses on construction contracts are recognized immediately in the profit and loss account as an expense.

Employee benefits/pensions

Employee benefits costs are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognized 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.

Termination benefits

Termination benefits (including most transitional compensations) are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognized as a liability and an expense when the company is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision. See the policy under the heading 'Provisions'.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans.



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Dutch pension plans

The main principle is that the pension charge to be recognized for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or nonexistence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The provision is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (company, fund and members) are recognized and measured in accordance with Dutch pension plans (see previous section).

For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the commitment as at balance sheet date. This commitment is then stated on the basis of an actuarial valuation principle generally accepted in the Netherlands.

Financial income and expense

Financial income and expense are recognized on a time-proportioned basis in the profit and loss account by applying the effective interest method. Financial income comprises interest income on lending, foreign currency gains and gains resulting from hedging activities.

Financial expenses comprise interest expense on borrowings, foreign currency losses, impairment losses recognized on financial assets and losses arising on hedging activities.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax expense, payable or recoverable for the reporting period. Corporate income tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case the related corporate income is also recognized in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognized. For deductible temporary differences, available tax losses, unused interest deduction and unused tax credits, a deferred tax asset is recognized, 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 realized.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax liability is recognized, unless the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the company has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable company, or the same fiscal unity.

Deferred tax liabilities and deferred tax assets are measured based on the tax consequences following from the manner in which the company expects, at the balance sheet date, to realize or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value using tax rates (enacted or substantively enacted at the reporting date) that apply when they are expected to be realized or settled.



Share in result of participating interests

Where significant influence is exercised over the business and financial policy of a company, the group's share of the participating interests is included in the consolidated profit and loss account. The group's share in this result is determined on the basis of the accounting principles applicable to Pon Holdings B.V.

The results of participating interests acquired or sold during the financial year are measured in the group result from the date of acquisition or until the date of sale respectively.

If no significant influence is exercised over the business and financial policy, only dividend income is accounted for within the group's results. Dividend income is recognized in the period in which it is declared.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash flows in foreign currencies have been translated at average exchange rates. Exchange rate differences affecting cash items are shown separately in the cash flow statement.

Receipts and payments with respect to taxation on profits are included in cash flow from operating activities.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

The consideration of acquired group companies is presented under the cash flows from investment activities, for the considerations paid in cash and cash equivalents. The cash and cash equivalents obtained through the acquired group companies at the acquisition date, are deducted from the consideration paid.

Transactions that do not include an exchange of cash and cash equivalents are not included in the cash flow statement.

Related parties

Transactions with related parties are disclosed if they have not been entered into at arm's length.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that occur before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the notes to the financial statements.



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Notes to the consolidated balance sheet and the consolidated profit and loss account

(x EUR 1,000)

Balance sheet | Assets

Fixed assets

1. Intangible fixed assets

The movements during the year can be specified as follows:

| | Goodwill | Software | Brands and patents | Development costs | Total |
|---------------------------------|-----------|----------|--------------------|-------------------|-----------|
| Historical cost | | | | | |
| Balance as at | | | | | |
| 1 January 2022 | 645,494 | 279,822 | 103,397 | 57,477 | 1,086,190 |
| Investments | – | 36,439 | 19 | 9,403 | 45,862 |
| Impairment | – | – | – | – | – |
| Acquisitions | 392,686 | 12,330 | 273,922 | 1,202 | 680,140 |
| Divestments | (124,778) | (1,688) | (902) | – | (127,368) |
| Disposals | – | (491) | – | (2,270) | (2,761) |
| Exchange rate differences | 24,244 | 3,123 | (2,130) | 926 | 26,163 |
| Balance as at | | | | | |
| 31 December 2022 | 937,643 | 329,535 | 374,306 | 66,738 | 1,708,223 |
| Accumulated amortization | | | | | |
| Balance as at | | | | | |
| 1 January 2022 | 138,322 | 212,762 | 92,191 | 38,869 | 482,144 |
| Amortization for the year | 75,762 | 24,228 | 21,387 | 6,875 | 128,251 |
| Impairment | 19 | 2 | 1,516 | 97 | 1,634 |
| Acquisitions | 0 | 8,907 | – | – | 8,907 |
| Divestments | (42,101) | (497) | (414) | – | (43,012) |
| Disposals | – | (450) | – | (2,247) | (2,697) |
| Exchange rate differences | 5,807 | 1,371 | 937 | 439 | 8,555 |
| Balance as at | | | | | |
| 31 December 2022 | 177,809 | 246,323 | 115,617 | 44,033 | 583,782 |
| Book value | | | | | |
| Balance as at | | | | | |
| 1 January 2022 | 507,172 | 67,060 | 11,206 | 18,608 | 604,046 |
| Balance as at | | | | | |
| 31 December 2022 | 759,834 | 83,212 | 258,689 | 22,706 | 1,124,441 |

The increase in goodwill, brands and patents this year is primarily related to the acquisition of Dorel Sports. Capitalized development costs relate to development costs at our bicycle manufacturers of Pon.Bike.



2. Tangible fixed assets

The movements during the year can be specified as follows:

| | Land and buildings | Machinery and equipment | Lease and rental assets | Means of transport | Live stock | Assets under construction | Total |
|---------------------------------------|--------------------|-------------------------|-------------------------|--------------------|------------|---------------------------|-----------|
| Historical cost | | | | | | | |
| Balance as at | | | | | | | |
| 1 January 2022 | 531,983 | 452,819 | 172,835 | 22,022 | 134,633 | 34,389 | 1,348,681 |
| Investments | 60,643 | 58,416 | 104,737 | 2,878 | 46,511 | 27,682 | 300,867 |
| Acquisitions | 23,388 | 65,277 | 3,439 | 1,423 | – | 5,151 | 98,677 |
| Divestments | (55,068) | (102,472) | (3,197) | (9,132) | – | (2,825) | (172,694) |
| Disposals | (14,435) | (29,680) | (49,679) | (2,911) | (27,550) | (989) | (125,244) |
| Exchange rate differences | 13,265 | 7,952 | 238 | 674 | 2,388 | 47 | 24,564 |
| Balance as at 31 December 2022 | 559,776 | 452,312 | 228,372 | 14,955 | 155,983 | 63,455 | 1,474,851 |
| Accumulated depreciation | | | | | | | |
| Balance as at | | | | | | | |
| 1 January 2022 | 211,846 | 342,904 | 73,010 | 13,074 | 60,407 | – | 701,241 |
| Depreciation for the year | 20,895 | 42,237 | 38,372 | 1,827 | 14,762 | – | 118,093 |
| Impairment | 124 | 150 | – | – | – | – | 274 |
| Acquisitions | 13,617 | 47,038 | 1 | 1,144 | – | – | 61,801 |
| Divestments | (25,543) | (77,412) | (2,764) | (7,166) | – | – | (112,885) |
| Disposals | (8,378) | (26,413) | (27,051) | (2,258) | (1,696) | – | (65,796) |
| Exchange rate differences | 3,142 | 5,795 | 26 | 486 | 1,504 | – | 10,954 |
| Balance as at 31 December 2022 | 215,703 | 334,299 | 81,595 | 7,107 | 74,978 | – | 713,682 |
| Book value | | | | | | | |
| Balance as at | | | | | | | |
| 1 January 2022 | 320,136 | 109,915 | 99,825 | 8,948 | 74,226 | 34,389 | 647,439 |
| Balance as at 31 December 2022 | 344,073 | 118,013 | 146,777 | 7,848 | 81,005 | 63,455 | 761,169 |

On 13 objects, included under land and buildings, collaterals up to an amount of EUR 214 million are given in the form of a mortgage (2021: EUR 92 million).



3. Financial fixed assets

The movements during the year can be specified as follows:

| | Participating interests and joint ventures | Other participations | Deferred tax assets | Other receivables | Total |
|---------------------------------------|--|----------------------|---------------------|-------------------|----------|
| Balance as at 1 January 2022 | 262.392 | 216.666 | 77.817 | 39.676 | 596.551 |
| Investments / Acquisitions | 64.372 | 224.288 | 3.871 | 83 | 292.614 |
| Divestments / Disposals | (1.237) | 33 | (29.978) | (474) | (31.656) |
| Results | 60.371 | (37.664) | – | – | 22.707 |
| Dividends | (35.894) | – | – | – | (35.894) |
| Financing / Repayments | – | – | – | 19.943 | 19.943 |
| Exchange rate differences | 1.122 | 19 | 517 | 1.010 | 2.668 |
| Revaluation reserve | – | – | – | – | – |
| Other movements | – | (82) | (6.731) | (103) | (6.916) |
| Balance as at 31 December 2022 | 351.126 | 403.260 | 45.496 | 60.135 | 860.017 |

Participating interests and joint ventures

Relate to strategic participations in Volkswagen Pon Financial Services and DFM. Acquisitions are mainly related to Porsche eBike Performance, a remaining interest in the Hiller companies and a 40% share in Moll Gruppe.

Other participations

Other participations mainly relate to strategic investments and include investments of Ponooc Investment B.V. and Gundlach Automotive Corporation. Acquisitions mainly relate to the acquisition of 7% of Europcar's share capital as per May 31, 2022.

Other receivables

Other receivables mainly relate to issued vendor loans with fixed interest rates and maturity dates over a year.

Deferred tax assets

The deferred tax assets relate to the recognized unused tax losses and interest carry-forwards of EUR 18.8 million (2021: EUR 23.6 million) and deductible temporary differences of EUR 26.7 million (2021: EUR 54.2 million). It is expected that the majority of the deferred tax assets will be offset after one year. No deferred tax assets are reduced by an impairment of tax losses that previously were recognized (2021: EUR 0 million). No deferred tax assets are recorded in relation to potentially tax-deductible liquidation losses for an amount of EUR 17.6 million.

The balance of unrecognized tax losses and deductible temporary differences amounts to EUR 28.3 million (2021: EUR 25.7 million). The increase of this amount is mainly an effect of current year losses and acquisitions.

4. Inventory

Inventory can be specified as follows:

| | 31.12.2022 | 31.12.2021 |
|---|------------------|------------------|
| Finished products and goods for resale | 1,765,512 | 1,166,867 |
| Raw materials | 611,182 | 214,787 |
| Work in progress including advance payments | 38,230 | 33,206 |
| Prepayments on stock and goods in transit | 116,877 | 72,316 |
| | <u>2,531,801</u> | <u>1,487,176</u> |
| Provision for obsolete inventories | (154,279) | (85,783) |
| | <u>2,377,522</u> | <u>1,401,393</u> |

Work in progress includes EUR 42.3 million advance payments (2021: EUR 27.6 million).



Provision for obsolete inventories

The provision for obsolete inventories can be specified as follows:

| | 2022 | 2021 |
|--|----------|---------|
| Balance as at 1 January 2022 | 85,783 | 66,295 |
| Addition / release via the profit and loss account | 45,073 | 5,282 |
| Addition / reduction due to acquisitions and divestments | 39,634 | 18,924 |
| Write-offs charged against the provision | (16,336) | (6,610) |
| Exchange rate differences | 125 | 1,892 |
| Balance as at 31 December 2022 | 154,279 | 85,783 |

5. Trade and other receivables

Accounts receivable

An amount of EUR 29.3 million (2021: 14.1 million) is outstanding in non-recourse factoring programs at year-end.

Receivables from participating interests and joint ventures

An amount of EUR 40.3 million is receivable from DFM (2021: EUR 5.1 million) at year-end, relating to our regular automotive sales.

Taxes and social security contributions

The current income tax receivable amounts to EUR 6.3 million (2021: EUR 6.9 million).

Other receivables and accrued income

Other receivables and accrued income consist largely of deferrals EUR 87 million (2021: EUR 72 million), OEM refunds EUR 59 million (2021: EUR 67 million), prepayments EUR 64 million (2021: EUR 57 million), and turnover to be invoiced EUR 42 million (2021: EUR 35 million).

6. Cash and cash equivalents

This concerns cash and bank balances, as well as deposits. Cash at banks is freely available.

| | 31.12.2022 | 31.12.2021 |
|---------------|------------|------------|
| Cash at banks | 272,249 | 371,832 |
| Deposits | 1,749 | 1,662 |
| | 273,998 | 373,494 |

7. Group equity

For a breakdown of group equity, reference is made to note 32 on the company financial statements.

8. Provisions

The movements during the year can be specified as follows:

| | Pensions | Deferred taxes | Other | Total |
|---------------------------------------|----------|----------------|----------|----------|
| Balance as at 1 January 2022 | 264 | 33,293 | 134,070 | 167,626 |
| Additions | 1 | 16,241 | 91,814 | 108,055 |
| Deductions | (90) | (20,608) | (66,653) | (87,351) |
| Exchange rate differences | 19 | (1,512) | 176 | (1,315) |
| Balance as at 31 December 2022 | 194 | 27,414 | 159,407 | 187,015 |
| of which < 1 year | 194 | 2,899 | 80,535 | 83,628 |



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Deferred taxes

The provision for deferred taxes of EUR 27.4 million (2021: EUR 33.3 million) mainly relates to temporary differences between financial accounting and valuation for tax purposes. Main differences are in the carrying amount of goodwill, tangible fixed assets and provisions.

Other provisions

The other provisions can be specified as follows:

| | Product warranties | Repurchase commitments | Onerous contracts | Maintenance | Earn-out | Other | Total |
|---------------------------------------|--------------------|------------------------|-------------------|-------------|----------|---------|----------|
| Balance as at 1 January 2022 | 34,787 | 13,785 | 8,323 | 17,142 | 32,610 | 27,423 | 134,070 |
| Additions | 25,383 | 4,591 | 31,639 | 1,429 | 11,466 | 17,306 | 91,814 |
| Deductions | (19,812) | (3,205) | (9,140) | (354) | (24,592) | (9,550) | (66,653) |
| Exchange rate differences | (411) | – | (349) | – | 1,238 | (300) | 177 |
| Balance as at 31 December 2022 | 39,947 | 15,171 | 30,472 | 18,217 | 20,722 | 34,879 | 159,407 |
| of which < 1 year | 24,936 | 4,602 | 25,724 | 2,235 | 6,259 | 16,778 | 80,535 |

The provision for warranties relates to liabilities that arise as a result of sold products not complying with contractual quality conditions. The provision is based on estimates made on historical warranty data associated with similar products and services.

The provision for repurchase commitments mainly relates to our Pon.Bike business.

The provision for onerous contract relates to a negative difference between the expected benefits from services to be received after the balance sheet date under a contract and the unavoidable costs to meet the contractual obligations.

The provision for maintenance expenses is recognized for major maintenance on our premises and is of a long-term nature.

In various acquisitions an earn-out agreement was agreed upon. The expected payments under these agreements are included in the provision for earn-out.

Other provisions include provisions for legal cases, restructuring plans and others. Although the outcome of legal cases and disputes cannot be predicted with certainty, it is expected that, partly based on legal advice, the cases will not have a significant negative impact on the consolidated financial position.

9. Non-current liabilities

| | 2022 | 2021 |
|-----------------------------|------------------|----------------|
| Subordinated debts | 140,000 | 140,000 |
| Debt to credit institutions | 1,153,582 | 556,356 |
| Deferred income LT | 65,653 | 40,075 |
| Other debt | 26,699 | 17,717 |
| | <u>1,385,934</u> | <u>754,148</u> |



The movements in (non-)current liabilities are as follows:

| | Subordinated debt | Debts to credit institutions | Debts to participating interests and jointventures | Deferred income LT | Other debt | Total |
|---|-------------------|------------------------------|--|--------------------|------------|-----------|
| Balance as at 1 January 2022 | 195,000 | 677,568 | 212,408 | 40,075 | 17,718 | 1,142,769 |
| New loans | – | 650,431 | 202,697 | 0 | 6,139 | 859,267 |
| Repayment | (55,000) | (72,261) | – | – | (2,817) | (130,078) |
| New debts as result from a business combination | – | 133,422 | (254) | – | 1,446 | 134,614 |
| Difference in foreign currency translation | – | 20,395 | – | – | – | 20,395 |
| Other changes in values | – | – | 0 | 25,578 | 4,214 | 29,792 |
| Balance as at 31 December 2022 | 140,000 | 1,409,557 | 414,851 | 65,653 | 26,699 | 2,056,760 |
| Current as at 31 December 2022 | – | 255,975 | 414,851 | – | – | 670,826 |
| Non-current as at 31 December 2022 | 140,000 | 1,153,582 | – | 65,653 | 26,699 | 1,385,934 |
| of which: | | | | | | |
| Repayment obligation < 1 year | – | 255,975 | 414,851 | – | – | 670,826 |
| Repayment obligation > 1 year and < 5 year | – | 1,012,361 | – | 65,653 | 26,699 | 1,104,713 |
| Repayment obligation > 5 year | 140,000 | 141,221 | – | – | – | 281,221 |

The amount of non-amortized transaction costs relating to debts to credit institutions is EUR 4.7 million.

In January 2022, Pon arranged a new Syndicated Credit Facility, which was related to the acquisition of Dorel Sports. The new facility is a committed syndicated facility amounting to EUR 1.0 billion, with an accordion feature of EUR 200 million. It has a 5-year maturity with two one-year extension options. The new Syndicated Credit Facility was used to refinance the previous EUR 770m million Syndicated Credit Facility with an original maturity date in December 2023. The terms and financial covenants are similar to those in the old facility.

The bicycle subsidiary Caloi Norte SA in Brazil has committed credit facilities with local banks. These facilities amount to BRL 318 million, of which BRL 231 million was drawn at 31 December 2022. The long-term facilities of BRL 104 million contain a leverage covenant. Caloi Norte SA obtained waivers for a covenant breach, which resulted from a negative EBITDA over 2022.

The senior Syndicated Credit Facility is divided into a EUR 300 million term loan (2021: EUR 192.5 million) and a EUR 700 million revolving credit facility (2021: EUR 577.5 million). The revolving credit facility can be drawn in US Dollar up to an amount of USD 250 million. EUR 17 million has been replaced with multi-currency ancillary facilities (2021: EUR 88 million). Interest payable is based on a floating rate (EURIBOR/SOFR) plus a predefined margin in a range between 85 and 180 bps dependent of the Net Debt to EBITDA ratio. At year-end 2022, EUR 669 million of debt (2021: EUR 242.5 million) and EUR 1 million of guarantees (2021: EUR 66 million) were drawn under the facility. The financial covenants of the Syndicated Facility include a leverage (Net Debt to EBITDA) ratio and an interest cover ratio.

Since 2017, Pon has a European Private Placement (EUPP) facility agreement with a maximum size equivalent to EUR 400 million. During 2022, Pon issued new EUPP loans of EUR 47.5 million and USD 100 million, with both existing and new investors. At year-end 2022, Pon has drawn EUR 122.5 million and USD 220 million under this facility (2021: EUR 75 million and USD 120 million). The EUPP facility consists of eleven unsecured bullet loans, ranking pari passu with the Syndicated Credit Facility. The loans mature between 2024 and 2032 and carry a fixed interest rate varying between 2.8% and 5.8%. Financial covenants are similar to those of the Syndicated Credit Facility.



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Additional bilateral financing exists through an unsecured committed credit facility with Commerzbank of EUR 25 million without a stated maturity. Interest payable is based on a floating rate (Eonia) plus a predefined margin. The facility was undrawn at year-end (2021: no drawings).

In addition to these bilateral facilities, Pon has an uncommitted and unsecured cash pool facility of EUR 60 million and several (un)committed credit lines exist with various local banks in Australia, Europe and the U.S., for a total amount of EUR 44 million (2021: EUR 42 million), which are related to cash pool activities and guarantee facilities. These facilities do not have stated maturity dates. The interest margin of these facilities is in a range between 75 and 225 bps.

Pon uses a multi-currency notional cash pool for its daily cash management at group level. This cash pool does not include any overdraft facilities. Interest payable is based on a floating rate plus a margin.

Funding Pon Luxury Cars North America

Pon Luxury Cars North America, indiGO Auto Group and indiGO Auto Group Real Estate are ring-fenced for financing purposes accommodating a local U.S. automotive retail funding structure. The total debt for this ringfenced group amounted to USD 392 million per 31 December 2022 (2021: USD 276 million).

In March 2018, Pon Luxury Cars North America Inc. entered into a USD 100 million acquisition facility to complete the financing of indiGO Auto Group. The unsecured term loan had a maturity of 5 years. Pon Luxury Cars North America Inc. redeemed USD 50 million of this facility in June 2021 and the remainder was prepaid in December 2022. As of 31 December 2022, no amounts are outstanding (2021: USD 50 million).

Per 31 December 2022, indiGO Auto Group Holdings had a consolidated debt position of USD 240 million (2021: USD 127 million), which included a USD 60 million bridge loan, USD 19 million term loans maturing between 2022 and 2023 (2021: USD 23 million) and USD 154 million floorplan financing (2021: USD 100 million). Per 31 December 2022, IndiGO Auto Group Real Estate Holdings had USD 141 million in real estate mortgages outstanding, maturing between 2023 and 2026 (2021: USD 99 million). The related inventories, receivables, real estate and several other assets of the indiGO companies are pledged as security.

Subordinated debt

Since 2014, Pon had a syndicated, unsecured subordinated bullet loan carrying a fixed interest rate. This loan was repaid in August 2022, in line with the contractual redemption schedule. As at 31 December 2022, no amounts were outstanding (2021: EUR 55 million).

At year-end 2022, Pon held EUR 140 million in debt preference shares (series G), which are recorded on the balance sheet as subordinated debt (2021: EUR 140 million). The dividend of the debt preference shares amounts to 5% per annum.

Deferred income LT

Other changes mainly relate to received prepayments on fixed maintenance plans for battery electric vehicles at Pon's Automobielhandel B.V.

Factoring

In the ordinary course of its funding activities, the company entered into non-recourse factoring and reverse factoring facilities with its financiers.

10. Current liabilities

Taxes and social security contributions

Taxes and social security contributions mainly consist of the current income tax payable EUR 88.5 million (2021: EUR 54.5 million), the value added tax payable EUR 272.9 million (2021: EUR 239.0 million) and the purchase tax on passenger cars (BPM) EUR 104.3 million (2021: EUR 53.4 million).

Other liabilities and deferred income

Other liabilities and deferred income mainly consist of invoices to be received EUR 103.3 million (2021: EUR 61.9 million), turnover received in advance EUR 137.5 million (2021: EUR 122.4 million), premiums and discounts payable EUR 133.1 million (2021: EUR 129.5 million), holiday accruals EUR 39.9 million (2021: EUR 42.5 million), personnel bonuses EUR 84.9 million (2021: EUR 65.9 million) and other debt & accruals EUR 290.8 million (2021: EUR 277.3 million).



Debt to participating interests and joint ventures

Debt to participating interests and joint ventures mainly represent the funding of car floor plans and car dealers in the Netherlands, which are routinely financed by DFM N.V., which is a joint venture between Pon Holdings B.V. (40%) and Volkswagen Financial Services A.G. (60%). The related inventories and receivables of the dealer operations are pledged as security. The interest rates of the floor plan and dealer financing are based on Euribor / interest rate swaps, plus a margin.

11. Work in progress projects

Work in progress can be specified as follows:

| | 31.12.2022 | 31.12.2021 |
|------------------|------------|------------|
| Work in progress | 67,953 | 451,782 |
| Advance payments | (73,121) | (523,264) |
| | (5,168) | (71,482) |

The balance of work in progress including advance payments consists of projects with a total debit balance of EUR 0.0 million (2021: EUR 0.3 million) and a total credit balance of EUR 5.2 million (2021: EUR 71.8 million).

12. Financial instruments

During the normal course of business, the company uses various financial instruments that mitigate the risk of the company to market and/or credit risks. Derivative financial instruments are mainly used for hedging related transaction risks and currency translation risks. No ineffective hedging relations exist. All derivatives are unsecured and free of any margin call obligations, reducing liquidity risk in the derivatives portfolio.

Interest rate risk

The interest rate risk is the risk of fluctuations in short-term and long-term interest rates in the market. The policy is focused on minimizing this risk to which activities are exposed by fluctuations in interest rates. The company uses interest rate swaps to reduce this interest rate risk and has a policy to hedge its floating risk. The floating interest rate risk on the average total outstanding interest-bearing debt per year layer is hedged according to the pattern 25%-75% fixed for 0-4 years, 25%-50% fixed for 5-7 years and maximum 25% fixed for 8-10 years. To make future interest payments predictable, the floating interest rates are partly swapped to fixed rates over a defined period, independent of the terms of the credit facilities. Foreign exchange swaps are used for interest and liquidity optimization.

Currency risk

The currency risk for Pon largely concerns positions in US Dollars, Norwegian Kroner, Canadian Dollars and Australian Dollars. The positions are hedged based on the company's translation risk hedging policy. This policy is to hedge currency exposure based on the value of the foreign investments in euro terms, with the exception of the invested equity position (capped at 50% of foreign investment). The company is also exposed to currency risks related to purchasing transactions, mainly in US Dollars and Japanese Yen at its bicycle group. The company hedges its main FX transaction risks based on an internal policy and accordingly enters into forward currency contracts.

Credit risk

The credit risk is the risk that another party cannot meet its contractual commitments, as a result of which the company will have to absorb a financial loss. Given the wide variety of customers, the Groups' trade debtor risk is considered to be limited. The company reduces credit risk by trade credit insurance programs and by contracting solid counter parties based on individually determined credit limits. The maximum credit risk related to all receivables is equal to their carrying value as stated in the balance sheet. There is no specific concentration of credit risk. The credit risk that the company runs using financial instruments amounts at most to the market value of the contracts involved.

Pon holds its cash balances with a range of relationship banks, each with solid credit ratings and limited concentration per bank. Credit risk on bank counter parties is therefore considered to be limited.

Liquidity risk

The company monitors its cash position on a daily basis and uses liquidity budgets. Management ensures that the cash position is sufficient to meet the company's financial obligations towards creditors at all times, and that sufficient headroom remains under the available facilities to stay within all limits of its loan covenants.



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Liquidity risk is considered to be limited, as a result of the headroom within the various facilities. At year-end 2022, headroom within the Senior Syndicated Facility amounted to EUR 312 million, which is committed and readily available. With a new EUR 1.0 billion 5-year Senior Syndicated Facility since January 2022, debt maturities are not significant in the next 12 months. All other facilities have maturity dates between 2024 to 2032.

Hedging

The company has a hedging policy for interest rate risks, currency translation risks and currency exposures on transactions. To reduce floating interest rate risks, the company has entered into interest rate swap agreements with maximum maturity of eight years and at notional amounts of USD 446 million (2021: USD 305 million), CAD 30 million (2021: nil), EUR 100 million (2021: nil), NOK 85 million (2021: NOK 85 million), AUD 25 million (2021: AUD 25 million). These contracts adjust the floating rate nature of the underlying financing agreements and financial positions into fixed rates. Fixed interest rates payable range from 1.7% to 3.2%. The estimated fair value of the interest rate swaps amounts to EUR 20.5 million positive (2021: EUR 13.1 million negative).

To hedge its net investments in foreign currencies the company has entered into foreign currency swap agreements to sell USD 300 million (2021: USD 250 million), NOK 325 million (2021: NOK 250 million), AUD 30 million (2021: AUD 30 million) and CAD 40 million (2021: CAD 60 million). The estimated fair value of these instruments amounts to EUR 1.6 million positive (2021: EUR 0.4 million negative). All currency swap agreements mature within one year after the balance sheet date.

Furthermore, the company entered into currency forward agreements to buy USD 342 million (2021: USD 197 million), JPY 11.0 billion (2021: JPY 4.5 billion) and EUR 97 million for other currencies (2021: EUR 86 million) to hedge future transactions in these currencies. The fair value of these forward contracts amounts to approximately EUR 3.3 million positive (2021: EUR 8.0 million positive). All currency forward agreements mature within 18 months after balance sheet date.

Fair value

The fair value of the company's derivative financial instruments as stated above is based on external bank confirmations. The fair value of the other financial instruments recognized on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount. Pon issued EUPP and junior loans with fixed coupons that are held at amortized cost, which have a fair value that differs from the carrying value.

13. Off-balance sheet commitments

The company leases land and buildings, means of transportation and equipment in the ordinary course of its business. Total lease and rental commitments amount to EUR 560 million (2021: EUR 509 million) of which EUR 114 million (2021: EUR 104 million) is due within one year, while EUR 169 million (2021: EUR 165 million) is due after more than five years. Other off-balance sheet commitments issued by the company amount to EUR 154 million (2021: EUR 61 million).

In the ordinary course of our automotive business, the company has issued guarantees to its joint venture DFM/VWPFS. The company is involved in a limited number of legal procedures. Management is of the opinion that the outcome of these procedures will have no material impact on the company's financial position and result.

In the course of our agricultural business, the company has entered into agreements with owners of various sires, which provide for contingent royalty and lease payments based on the price and number of units of semen sold. Total payments under these agreements were EUR 8.0 million for the year ended 31 December 2022. The company has a contract until November 2023. The remaining total commitment in 2023 is approximately EUR 28.8 million. Furthermore, the company has agreements with two dairy farmers until July 2024. Under the terms of the agreements, the company is required to implant a minimum level of embryos annually. The annual commitment is for EUR 2.5 million of implants. The total commitment is approximately EUR 4.0 million.

14. Future lease income

The company acts as a lessor for land & buildings and equipment. Total future lease income amounts to EUR 18.1 million (2021: 22.7 million) of which EUR 5.9 million (2021: EUR 5.9 million) is due within one year, while EUR 0.5 million (2021: EUR 2.8 million) is due after more than five years.



15. Acquisitions and divestments

Pon has acquired several companies for a total consideration (incl. earn-outs) of EUR 903.5 million (2021: EUR 458.4 million), including amongst others:

- Movelo (25% of shares), as per January 1, 2022.
- Dorel Sports Group, as per January 4, 2022.
- Automobielbedrijf Rijnwoud, as per March 1, 2022.
- Europcar (7% of shares), as per May 31, 2022.
- Autohaus Moll Gruppe (40% of shares), as per June 10, 2022.
- Porsche eBike Performance (40% of shares), as per August 1, 2022.
- Veloretti, as per September 1, 2022.

Pon acquired the Dorel Sports Group for a total consideration of USD 810 million on a cash and debt free basis, which corresponds to a cash out of USD 827 million upon closing.

In 2022 Pon divested, among others, several businesses for a consideration of EUR 671.4 million (2021: EUR 77.6 million). Divestments included:

- The shares of Industrial Machinery Supplies, on April 1, 2022.
- The shares of LW Holding, on April 7, 2022.
- 25% Shares of Callidus Process Solutions, FPT Holdings and 23% shares of Prochem Group Holdings, on April 30, 2022.
- The shares of Van Berge Henegouwen Installaties, on June 17, 2022.
- The shares of PVI Holdings, W & O Supply (Canada), W&O Supply, W&O Supply Netherlands and W&O ASIA, on July 18, 2022.
- 75% Shares of The Hiller Companies, on September 16, 2022.
- The shares of Exion Asia, JM Pang & Seah, On Engineers and SWTS, on October 20, 2022.
- The shares of Encord, on November 2, 2022.

16. Revenue

Revenue can be segmented as follows:

| | | 2022 | 2021 |
|---|------------------|------------------|------------------|
| Automotive Wholesale | 2,714,332 | 2,534,434 | |
| Automotive Retail | 1,085,504 | 913,555 | |
| Automotive Services | 73,536 | 118,364 | |
| Pon Luxury & Performance Cars Europe | 603,149 | 500,560 | |
| Pon Luxury & Performance Cars North America | <u>1,521,100</u> | <u>1,180,447</u> | |
| Automotive | | 5,997,621 | 5,247,360 |
| Pon.Bike | | 2,404,584 | 1,287,271 |
| Equipment | 563,067 | 472,262 | |
| Power | 584,778 | 467,122 | |
| MEC ¹ | <u>49,165</u> | <u>208,274</u> | |
| Equipment & Power Systems | | 1,197,009 | 1,147,658 |
| PVI ¹ | 498,872 | 606,255 | |
| Pon Asia ¹ | <u>203,118</u> | <u>191,450</u> | |
| Industrial Mobility | | 701,990 | 797,705 |
| URUS ² | <u>421,809</u> | <u>183,732</u> | |
| Agricultural Products & Services | | 421,809 | 183,732 |
| Elimination and other | | <u>(681,211)</u> | <u>(519,791)</u> |
| | | 10,041,804 | 8,143,935 |

¹ MEC, PVI and Pon Asia activities were sold during 2022.

Total revenue of the divested activities in 2022 amount to EUR 649 million.

² URUS consolidated for 6 months in 2021.



| | | | | | | |
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The breakdown of net revenue by geographical region is as follows:

| | 2022 | 2021 |
|-------------------------|-------------------|------------------|
| Benelux | 4,802,514 | 4,367,087 |
| Nordics | 436,284 | 406,681 |
| Other Europe | 1,258,694 | 920,111 |
| North and South America | 3,045,188 | 2,111,982 |
| Asia & Oceania | 460,870 | 312,970 |
| Africa | 38,254 | 25,104 |
| | <u>10,041,804</u> | <u>8,143,935</u> |

Revenue includes EUR 136 million of project sales (2021: EUR 263 million). Revenue does not include purchase tax on passenger cars (BPM) sold in the Netherlands. This purchase tax on the relevant revenue amounts to EUR 287 million (2021: EUR 288 million). Eliminations & other relates to elimination of intragroup sales and revenues accounted for in entities not included in any group.

17. Costs of sales

Costs of sales can be specified as follows:

| | 2022 | 2021 |
|---|------------------|------------------|
| Costs of sales goods | 7,095,927 | 5,803,062 |
| Costs of sales services | 174,711 | 193,996 |
| Costs of sales other production costs | 21,751 | 6,714 |
| Depreciation related to lease and rental assets | 34,862 | 21,547 |
| Depreciation of live stock | 14,762 | 6,453 |
| Interest related to lease and rental assets | 1,805 | 963 |
| | <u>7,343,818</u> | <u>6,032,735</u> |

18. Other income

Other income can be specified as follows:

| | 2022 | 2021 |
|---|----------------|---------------|
| Result sale subsidiaries and other participations | 379,814 | 17,779 |
| Other operating income | 2,823 | 12,051 |
| | <u>382,637</u> | <u>29,830</u> |

Result sale subsidiaries includes the result from divested participations.

Other operating income consists mainly of result from sale of real estate.

19. Employee benefits

Can be specified as follows:

| | Direct personnel costs | Indirect personnel costs | 2022 Total | 2021 Total |
|-------------------------|------------------------------|--------------------------------|------------------|------------------|
| Wages and salaries | 327,943 | 736,996 | 1,064,939 | 874,483 |
| Social security charges | 33,725 | 75,790 | 109,515 | 96,797 |
| Pension charges | 17,175 | 38,598 | 55,773 | 50,564 |
| Other personnel costs | 61,195 | 137,525 | 198,720 | 123,921 |
| | <u>440,038</u> | <u>988,909</u> | <u>1,428,947</u> | <u>1,145,765</u> |

Pension charges

Most of the employees of Pon in the Netherlands are part of a pension scheme which is administered by Stichting Pensioenfonds Pon. The scheme is a Collective Defined Contribution scheme (CDC), a conditionally (indexed) average-salary scheme. Based on the administration agreement, the sole obligation of the employer is the payment of the annual contribution to the pension provider.



For active members, deferred members and pensioners, entitlements and rights that have been granted are only indexed (adjusted in line with inflation) if and to the extent that the pension fund has sufficient resources and has decided accordingly. Stichting Pensioenfonds Pon, which is the main pension fund for employees in the Netherlands, has a positive coverage ratio of 107.5% (preliminary figures, as annual accounts 2022 are pending).

Additionally, some employees in the Netherlands are part of an industry pension fund. Employees in other countries have pension schemes which in most cases are Defined Contribution schemes. These foreign schemes are structured and operate in line with to the Dutch pension system. Pension charges in the profit and loss account included regular contributions of EUR 28.7 million (2021: EUR 28.1 million) payable to Stichting Pensioenfonds Pon for 2022.

20. Average number of employees

The average number of employees, expressed in full time equivalents (FTEs), can be specified as follows:

| | 2022 | 2021 |
|---|---------------|---------------|
| Automotive Wholesale | 568 | 536 |
| Automotive Retail | 1,704 | 1,440 |
| Automotive Services | 50 | 201 |
| Pon Luxury & Performance Cars Europe | 239 | 201 |
| Pon Luxury & Performance Cars North America | 723 | 637 |
| Automotive | 3,284 | 3,015 |
| Pon.Bike | 4,523 | 2,235 |
| Equipment | 922 | 879 |
| Power | 1,475 | 1,450 |
| MEC ¹ | 247 | 1,099 |
| Equipment & Power Systems | 2,644 | 3,428 |
| PVI ¹ | 1,486 | 2,385 |
| Pon Asia ¹ | 938 | 1,107 |
| Industrial Mobility | 2,424 | 3,492 |
| URUS ² | 2,054 | 797 |
| Agricultural Products & Services | 2,054 | 797 |
| Other | 776 | 711 |
| | 15,704 | 13,678 |

¹ MEC, PVI and Pon Asia activities were sold during 2022.

² URUS consolidated for 6 months in 2021.

Of the average total number of employees 9,776 are employed outside the Netherlands (2021: 7,939).

21. Depreciation, amortization and impairment

Can be specified as follows:

| | 2022 | 2021 |
|---|----------------|----------------|
| Goodwill amortization and impairment | 75,781 | 46,638 |
| Amortization and impairment of other intangible fixed assets | 54,104 | 37,359 |
| Depreciation and impairment of tangible fixed assets | 118,367 | 84,072 |
| Book losses and (gains) on disposals (excluding land and buildings) | (3,897) | (1,702) |
| | 244,355 | 166,366 |
| Less: costs of sales | (49,622) | (28,000) |
| | 194,733 | 138,367 |



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22. Other operating expenses

| | 2022 | 2021 |
|-------------------------------|----------------|----------------|
| Marketing and sales promotion | 169,156 | 109,432 |
| Premises | 105,417 | 94,876 |
| Logistic | 68,854 | 41,662 |
| Travel | 48,978 | 25,371 |
| ICT | 86,380 | 67,046 |
| Inventories and supplies | 29,013 | 22,282 |
| Consultants | 39,930 | 25,888 |
| Other personnel | 198,720 | 123,921 |
| Restructuring | 5,048 | 4,972 |
| Insurance | 26,643 | 21,232 |
| Audit, Tax, Legal | 21,477 | 13,400 |
| Other | 57,540 | 38,600 |
| | <u>857,156</u> | <u>588,684</u> |

Other personnel costs consist mainly of external temporary personnel costs EUR 84.1 million (2021: EUR 57.9 million), lease costs of personnel company cars EUR 29.8 million (2021: EUR 23.5 million) and training and recruitment cost EUR 12.8 million (2021: EUR 7.8 million).

Restructuring costs consist mainly of costs for outplacement and redundancy EUR 4.1 million (2021: EUR 4.1 million) and other restructuring costs.

Other costs consist mainly of service vans EUR 17.9 million (2021: EUR 15.2 million), costs for warranty and coullance EUR 12.4 million (2021: EUR 10.5 million) and other costs EUR 22.5 million (2021: EUR 18.9 million).

23. Financial income and expense

| | 2022 | 2021 |
|---------------------------|-----------------|-----------------|
| Interest income | 12,549 | 7,742 |
| Interest expense | (92,093) | (48,643) |
| Financing costs | (12,775) | (5,449) |
| Currency exchange results | (1,009) | 1,190 |
| | <u>(93,328)</u> | <u>(45,160)</u> |

24. Taxes

The tax expense recognized in the profit and loss account amounts to EUR 173.1 million, or 24.5% of the result before tax (2021: EUR 86.3 million and 24.9%). The amount of EUR 173.1 million consists of EUR 161.5 million current tax (2021: EUR 92.2 million) and EUR 11.6 million deferred tax (2021: EUR 5.9 million negative).

The applicable weighted average tax rate is 25.7% (2021: 24.9%), whereby the weighted average tax rate has been calculated based on the results before taxes in the various tax jurisdictions.

The reconciliation between the applicable and the effective tax rate is as follows:

| | 2022 | 2021 |
|--|--------------|-------------|
| (amounts x EUR 1 million) | | |
| Applicable tax rate in the Netherlands | 25.8% | 25.0% |
| Income tax using the applicable tax rate in the Netherlands | 181.9 | 86.7 |
| Tax effect of: | | |
| – Other applicable tax rates abroad | (1.0) | 3.5 |
| – Results under the participation exemption | (21.0) | (4.4) |
| – Non-deductible expenses | 11.6 | 7.6 |
| – Adjustments for prior years (incl. effect of rate changes) | 1.2 | (0.8) |
| – Tax losses (not) recognized | 0.4 | (6.3) |
| Tax expense | <u>173.1</u> | <u>86.3</u> |
| Effective tax rate | 24.5% | 24.9% |



25. Related party transactions

Transactions with related parties occur when a relationship exists between the company, its participating interest and their directors and key management personnel.

In its normal course of business, the company buys and sells goods and services from and to various related parties in which the company has an interest of 50% or less. Generally, these transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

Other

26. Audit fees

With reference to Section 2:382a(1) and (2) of the Dutch Civil Code, a fee of EUR 2.9 million (2021: EUR 2.8 million) for the financial year audit has been charged by KPMG Accountants N.V. to the company and its subsidiaries. The amount of non-audit services was EUR 0.0 million.

27. Remuneration of the Boards

As the company has only one statutory director, pursuant to article 2:383 of the Dutch Civil Code, the company is not obliged to state the remuneration of this director.

The remuneration of the Supervisory Board members, which was charged in the financial year to the company amounted to EUR 522 thousand (2021: EUR 462 thousand). No loans, prepayments and guarantees have been granted to the company's Supervisory Board members.

28. Subsequent events

No subsequent events.



Company balance sheet as at 31 December 2022

(before profit appropriation, x EUR 1,000) Notes **31.12.2022** 31.12.2021

Assets

Fixed assets

Intangible fixed assets

| | | | | | |
|----------|--|----|----|-----|-----|
| Software | | 36 | | 110 | |
| | | | 36 | | 110 |

Tangible fixed assets

| | | | | | |
|-------------------------|----|-------|-------|-------|-------|
| Land and buildings | 29 | 125 | | 177 | |
| Machinery and equipment | | 1,412 | | 1,664 | |
| | | | 1,537 | | 1,841 |

Financial fixed assets

| | | | | | |
|--|----|-----------|-----------|-----------|-----------|
| | 30 | | | | |
| Group companies | | 1,909,368 | | 1,407,237 | |
| Receivables group companies | | – | | 19,694 | |
| Participating interests and joint ventures | | 210,897 | | 188,454 | |
| Deferred tax assets | | 285 | | – | |
| Other participations | | 121 | | 121 | |
| Other receivables | | 13,200 | | 21,378 | |
| | | | 2,133,871 | | 1,636,884 |

Current assets

| | | | | | |
|--------------------------------------|----|---------|---------|--------|---------|
| | 31 | | | | |
| Receivables from group companies | | 433,780 | | 97,583 | |
| Other receivables and accrued income | | 14,785 | | 13,255 | |
| | | | 448,565 | | 110,838 |

Cash and cash equivalents

| | | | | | |
|--|--|--|---------|--|---------|
| | | | 635,927 | | 332,477 |
|--|--|--|---------|--|---------|

3,219,936



| (before profit appropriation, x EUR 1,000) | Notes | 31.12.2022 | 31.12.2021 |
|---|-------|------------------|----------------|
| Equity and liabilities | | | |
| Shareholders' equity | 32 | | |
| Share capital | | 259 | 259 |
| Share premium | | 312,541 | 157,541 |
| Legal reserve | | 273,039 | 214,599 |
| Translation reserve | | (14,303) | (5,803) |
| Revaluation reserve | | – | – |
| Other reserve | | 844,217 | 702,205 |
| Unappropriated result | | <u>532,628</u> | <u>303,588</u> |
| | | 1,948,381 | 1,372,389 |
| Provisions | | | |
| Deferred taxes | | – | (16) |
| Other | | <u>1,885</u> | <u>1,885</u> |
| | | 1,885 | 1,869 |
| Non-current liabilities | 33 | | |
| Debts to credit institutions | | 997,405 | 423,564 |
| Subordinated debt | | <u>140,000</u> | <u>140,000</u> |
| | | 1,137,405 | 563,564 |
| Current liabilities | | | |
| Current account group companies | | 2,371 | 2,438 |
| Trade creditors | | 2,775 | 6,718 |
| Debts to participating interests and joint ventures | | 9,240 | – |
| Taxes and social security contributions | | 42,562 | 28,463 |
| Subordinated debt | | – | 55,000 |
| Liabilities related to pensions | | 339 | 156 |
| Other liabilities and deferred income | | <u>74,978</u> | <u>51,553</u> |
| | | 132,265 | 144,328 |
| | | 3,219,936 | |



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Company profit and loss account for 2022

| (x EUR 1,000) | 2022 | 2021 |
|---|-----------------|-----------------|
| Share of results from participating interests | 577,555 | 329,183 |
| Other results | <u>(31,008)</u> | <u>(21,695)</u> |
| | 546,547 | |



Notes to the company financial statements

General

The Company financial statements are part of the financial statements of the group. For the company profit and loss account the exemption pursuant to Section 2:402 of the Dutch Civil Code has been used.

Insofar as no further explanation is provided of items in the company balance sheet and the company profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account. Where necessary, the comparable figures have been reclassified in order to enable comparability.

Accounting policies

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account, with the exception of the accounting for the share of results from participating interests.

Share of results from participating interests

This item concerns the company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

Accounting policy with respect to the classification of cumulative preference shares

In the past the company has issued cumulative preference shares G (with a fixed maturity date). Until 31 December 2019, these shares were presented in the company financial statements based on their legal form, as equity instruments, in accordance with Dutch Accounting Standards applicable until that year.

As from 2020, Dutch Accounting Standards provide an accounting policy choice to present the cumulative preference shares based on their economic substance, consistent with their presentation in the consolidated financial statements.

As the Company is obliged to make fixed or determinable (profit independent) dividend payments, the issued preference shares (series G) are presented as financial liabilities in the consolidated financial statements. The corresponding dividend is recognized as interest expense.

As from 1 January 2020, the Company has chosen to present the cumulative preference shares G in the company financial statements consistent with their presentation in the consolidated financial statements.



Notes to the company balance sheet and the company profit and loss account

(x EUR 1,000)

Balance sheet | Assets

29. Tangible fixed assets

The movements during the year can be specified as follows:

| | Land and buildings | Machinery and equipment | Total |
|---------------------------------------|--------------------|-------------------------|-------|
| Historical cost | | | |
| Balance as at 1 January 2022 | 2,574 | 5,708 | 8,282 |
| Investments | – | 38 | 38 |
| Disposals | – | – | – |
| Balance as at 31 December 2022 | 2,574 | 5,746 | 8,320 |
| Accumulated depreciation | | | |
| Balance as at 1 January 2022 | 2,397 | 4,044 | 6,441 |
| Depreciation for the year | 52 | 290 | 342 |
| Disposals | – | – | – |
| Balance as at 31 December 2022 | 2,449 | 4,334 | 6,783 |
| Book value | | | |
| Balance as at 1 January 2022 | 177 | 1,664 | 1,841 |
| Balance as at 31 December 2022 | 125 | 1,412 | 1,537 |

30. Financial fixed assets

The movements during the year can be specified as follows:

| | Group companies | Receivables from group companies | Participating interests and joint ventures | Other participations | Other receivables | Deferred tax assets | Total |
|---------------------------------------|-----------------|----------------------------------|--|----------------------|-------------------|---------------------|-----------|
| Balance as at 1 January 2022 | 1,407,237 | 19,694 | 188,454 | 121 | 21,378 | – | 1,636,884 |
| Results | 528,312 | – | 49,243 | – | – | – | 577,555 |
| Dividends | (219,430) | – | (26,800) | – | – | – | (246,230) |
| Capital increases | 215,310 | – | – | – | – | – | 215,310 |
| Financing | – | (19,694) | – | – | (7,749) | – | (27,443) |
| Investments / | | | | | | | |
| Acquisitions | (7,545) | – | – | – | – | – | (7,545) |
| Divestments | – | – | – | – | – | – | – |
| Exchange rate differences | 2,368 | – | – | – | (429) | – | 1,939 |
| Revaluation reserve | – | – | – | – | – | – | – |
| Other movements | (16,884) | – | – | – | – | 285 | (16,599) |
| Balance as at 31 December 2022 | 1,909,368 | – | 210,897 | 121 | 13,200 | 285 | 2,133,871 |

Dividends of group companies contain the yearly upstream of results and one off dividends from group companies and participations. Financing of receivables from group companies relates to the divestment of MEC.

The deferred tax assets mainly relate to temporary differences within the fiscal unity of Pon Holdings B.V. and primarily have a long-term nature.



31. Current assets

Receivables from group companies include a cash pool receivable of EUR 1,338 million and a cash pool payable of EUR 954 million.

Balance sheet | Equity and liabilities

32. Shareholders' equity

| | Share capital | Share premium | Legal reserve | Translation reserve | Revaluation reserve | Other reserve | Unappropriated result | Total |
|---------------------------|---------------|---------------|---------------|---------------------|---------------------|---------------|-----------------------|-----------|
| Balance as at | | | | | | | | |
| 1 January 2021 | 259 | 157,541 | 143,753 | (41,922) | 8,381 | 892,489 | 120,783 | 1,281,283 |
| Result for the year | - | - | - | - | - | - | 307,488 | 307,488 |
| Capital increases | - | - | - | - | - | - | - | - |
| Appropriation to reserves | - | - | - | - | - | 120,783 | (120,783) | - |
| Dividend | - | - | - | - | - | (40,283) | (3,900) | (44,183) |
| Other movements | - | - | 70,846 | - | (8,381) | (70,666) | - | (8,201) |
| Translation differences | - | - | - | 36,119 | - | - | - | 36,119 |
| Goodwill acquisitions | - | - | - | - | - | (200,118) | - | (200,118) |
| Balance as at | | | | | | | | |
| 31 December 2021 | 259 | 157,541 | 214,599 | (5,803) | - | 702,205 | 303,588 | 1,372,389 |

| | Share capital | Share premium | Legal reserve | Translation reserve | Revaluation reserve | Other reserve | Unappropriated result | Total |
|---------------------------------------|---------------|---------------|---------------|---------------------|---------------------|---------------|-----------------------|-----------|
| Balance as at | | | | | | | | |
| 1 January 2022 | 259 | 157,541 | 214,599 | (5,803) | - | 702,205 | 303,587 | 1,372,388 |
| Result for the year | - | - | - | - | - | - | 546,547 | 546,547 |
| Capital increases | - | 155,000 | - | - | - | - | - | 155,000 |
| Appropriation to reserves | - | - | - | - | - | 303,587 | (303,587) | - |
| Dividend | - | - | - | - | - | (77,400) | (13,919) | (91,319) |
| Other movements | - | - | 58,440 | - | - | (80,967) | - | (22,527) |
| Translation differences | - | - | - | (8,500) | - | - | - | (8,500) |
| Goodwill acquisitions/ divestments | - | - | - | - | - | (3,209) | - | (3,209) |
| Balance as at | | | | | | | | |
| 31 December 2022 | 259 | 312,541 | 273,039 | (14,303) | - | 844,217 | 532,628 | 1,948,381 |

Share capital

The total issued share capital amounts to EUR 258,655, divided into 1,080 common shares B, 60 series F cumulative preference shares without voting rights and 60 series H cumulative preference shares without voting rights, each share having a nominal value of EUR 226.89. The preference shareholders are entitled to have a fixed dividend percentage.

Share premium

The share premium concerns the proceeds from the issue of cumulative preference shares in 2003, 2006, 2018 and 2020, less costs, in so far as this exceeds the nominal value of the shares issued. In 2013 the B series shareholder paid a share premium of EUR 100 million. The share premium reserve is freely distributable.

The series F preference shares are placed at Stichting Administratiekantoor Cumulatief Preferente aandelen Pon Holdings (the 'STAK'), which in turn issued depository receipts to investors for a total amount of EUR 60 million. The series H preference shares were placed at Houdstermaatschappij Alba B.V. for a total amount of EUR 155 million on January 4, 2022. Both series of preference shares are perpetual and accounted for as equity.



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Legal reserve

The legally required reserve concerns the results of the group companies and other participating interests, insofar as the payment of these could not be achieved without any restrictions. Also in accordance with applicable legal provisions, a legal reserve of EUR 58.4 million (2021: EUR 70.8 million) is formed during the year for capitalized development costs and participating interests.

Translation reserve

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this legal reserve. In the case of the sale of a participating interest, the associated accumulated exchange differences are transferred to the profit and loss account.

Revaluation reserve

The revaluation reserve consists of changes in fair value for investments in listed shares.

Other reserve

The other reserve is a general reserve, consisting of accumulated results and other equity movements. In line with the transitional provisions of the new goodwill accounting policy, any changes in goodwill relating to acquisitions from before 1 January 2016 are still accounted for as a direct charge to the other reserves in equity. Additionally, for the common control transaction related to URUS in 2021, the 'pooling of interests accounting' method is used.

In December 2022 a dividend in the amount of EUR 8 million (2021: EUR 8 million) was paid on the B shares and has been deducted from other reserves in the shareholders' equity.

Proposed distribution to the shareholders

Pursuant to article 30.2 of the Articles of Association of Pon Holdings B.V., dividend shall first be declared on the cumulative preference shares series F, G and H. The remainder of the profit shall be available for distribution to the Reserve Account B, which account exclusively benefits the holder of series B shares.

In compliance with article 30.2 of the Articles of Association of Pon Holdings B.V. the Board of Pon Holdings B.V. will submit a proposal to the 2022 Annual General Meeting of Shareholders to declare a distribution of EUR 122.6 million (2021: EUR 69.4 million) to the holders of shares B.

Next to this, dividend for an amount of EUR 3.9 million (2021: EUR 3.9 million) will be paid to the holders of the cumulative preference shares F. A dividend for an amount of EUR 10.0 million (2021: nil) will be paid to the holders of the cumulative preference shares H.

It is proposed to add the remaining balance of the profit to the 'other reserves'.



33. Non-current liabilities

The movements in (non-)current liabilities are as follows:

| | Subordinated debt | Debts to credit institutions | Total |
|--|-------------------|------------------------------|------------------|
| Balance as at 1 January 2022 | 195,000 | 423,564 | 618,564 |
| New loans | – | 567,440 | 567,440 |
| Repayment | (55,000) | (150) | (55,150) |
| Difference in foreign currency translation | – | 6,551 | 6,551 |
| Balance as at 31 December 2022 | <u>140,000</u> | <u>997,405</u> | <u>1,137,405</u> |
| Current as at 31 December 2022 | – | – | – |
| Non-current as at 31 December 2022 | 140,000 | 997,405 | 1,137,405 |
| of which: | | | |
| Repayment obligation < 1 year | – | – | – |
| Repayment obligation > 1 year and < 5 year | – | 856,184 | 856,184 |
| Repayment obligation > 5 year | 140,000 | 141,221 | 281,221 |

In January 2022, Pon arranged a new Syndicated Credit Facility, which was related to the acquisition of Dorel Sports. The new facility is a committed syndicated facility amounting to EUR 1.0 billion, with an accordion feature of EUR 200 million. It has a 5-year maturity with two one-year extension options. The new Syndicated Credit Facility was used to refinance the previous EUR 770m million Syndicated Credit Facility with an original maturity date in December 2023. The terms and financial covenants are similar to those in the old facility.

The senior Syndicated Credit Facility is divided into a EUR 300 million term loan (2021: EUR 192.5 million) and a EUR 700 million revolving credit facility (2020: EUR 577.5 million). The revolving credit facility can be drawn in US Dollar up to an amount of USD 250 million. EUR 17 million has been replaced with multi-currency ancillary facilities (2021: EUR 88 million). Interest payable is based on a floating rate (EURIBOR/SOFR) plus a predefined margin in a range between 85 and 180 bps dependent of the Net Debt to EBITDA ratio. At year-end 2022, EUR 669 million of debt (2020: EUR 242.5 million) and EUR 1 million of guarantees (2021: EUR 66 million) were drawn under the facility. The financial covenants of the Syndicated Facility include a leverage (Net Debt to EBITDA) ratio and an interest cover ratio.

Since 2017, Pon has a European Private Placement (EUPP) facility agreement with a maximum size equivalent to EUR 400 million. During 2022, Pon issued new EUPP loans of EUR 47.5 million and USD 100 million, with both existing and new investors. At year-end 2022, Pon has drawn EUR 122.5 million and USD 220 million under this facility (2021: EUR 75 million and USD 120 million). The EUPP facility consists of eleven unsecured bullet loans, ranking pari passu with the Syndicated Credit Facility. The loans mature between 2024 and 2032 and carry a fixed interest rate varying between 2.8% and 5.8%. Financial covenants are similar to those of the Syndicated Credit Facility.

Additional bilateral financing exists through an unsecured committed credit facility with Commerzbank of EUR 25 million without a stated maturity. Interest payable is based on a floating rate (Eonia) plus a predefined margin. The facility was undrawn at year-end (2021: no drawings). In addition to these bilateral facilities, Pon has an uncommitted cash pool facility of EUR 60 million.

Subordinated debt

Since 2014, Pon had a syndicated, unsecured subordinated bullet loan carrying a fixed interest rate. This loan was repaid in August 2022, in line with the contractual redemption schedule. As at 31 December 2022, no amounts were outstanding (2021: EUR 55 million).



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At year-end 2022, Pon held EUR 140 million in debt preference shares (series G), which are recorded on the balance sheet as subordinated debt (2021: EUR 140 million). The dividend of the debt preference shares amounts to 5% per annum.

The series G preference shares are placed at Pon Holdings Pref G B.V. The STAK, being the sole shareholder of Pon Holdings Pref G B.V., issued depository receipts to investors for dated preference shares for a total amount of EUR 140 million. These shares have a maturity date in June 2078 and are accounted for as a financial liability in both the consolidated financial statements and the company financial statements.

34. Off-balance sheet commitments

The company leases land and buildings and means of transportation for which the total commitment amounts to EUR 3.7 million (2021: EUR 3.9 million), of which EUR 1.4 million (2021: EUR 1.4 million) is due within one year, while EUR 0.0 million (2021: EUR 0.0 million) is due after more than five years.

The company has stated its liability for the majority of the domestic group companies in accordance with section 403(1F), in Part 9, Book 2 of the Dutch Civil Code. The company is also fully liable for all local cash balances in the group's cash pool.

Together with nearly all of its Dutch subsidiaries, the company forms a fiscal unity for corporate income tax and value-added tax. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the tax group. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the tax rules applicable to the company.

Guarantees issued on Pon's behalf by financial institutions in connection with the execution of projects and for prepayments received an amount to EUR 23.0 million (2021: EUR 107.2 million).

35. Employee benefits and number of employees

Can be specified as follows:

| | 2022 | 2021 |
|-------------------------|---------------|---------------|
| Wages and salaries | 21,784 | 20,230 |
| Social security charges | 522 | 356 |
| Pension charges | 2,135 | 1,024 |
| | <u>24,441</u> | <u>21,610</u> |

Employee benefits are adjusted for employee specific recharges.

During the 2022 financial year, the average number of staff employed by the company, converted into full-time equivalents, amounted to 90 people (2021: 74 people), of which nil (2021: nil) were employed outside the Netherlands.

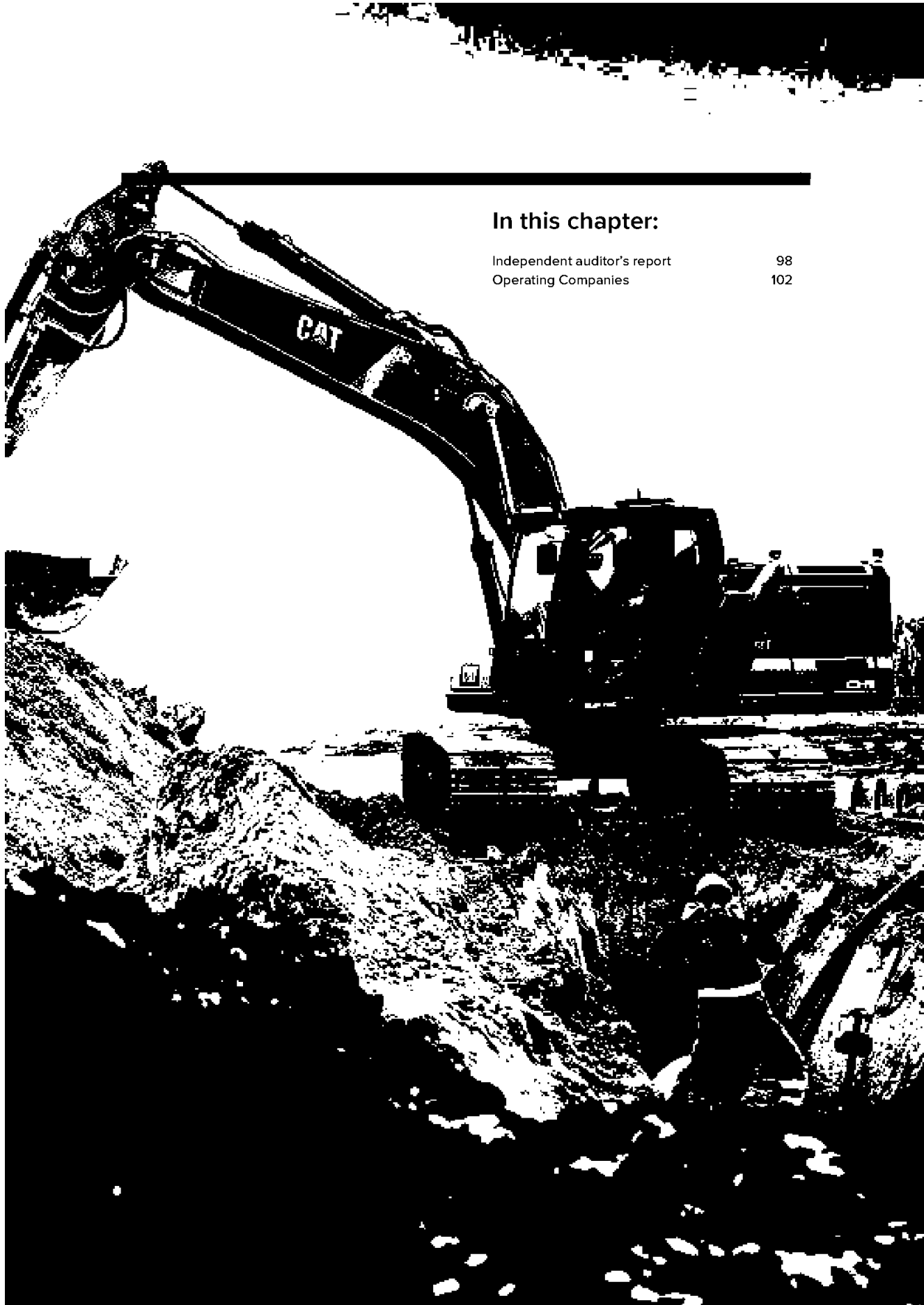
36. Subsequent events

No subsequent events.

Amsterdam, March 30, 2023

The Executive Board
A.B. Smalbraak (CEO), sole Statutory Director
B. Sprong (CFO)
C.C. Brinkman (Chief of Staff)

The Supervisory Board
F. Pon, Chair
G.H. Beens
R.F. van den Bergh
W. Dekker
P.H.M. Hofsté
M.J. Poots-Bijl



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Independent auditor's report

The independent auditor's report is set forth on the following pages.

Provisions in the Articles of Association governing the appropriation of profit

Pursuant to article 30.2 of the Articles of Association of Pon Holdings B.V., dividend shall first be declared on the cumulative preference shares (series F and G). The remainder of the profit shall be available for distribution to the Reserve Account B, which account exclusively benefits the holder of series B (ordinary) shares. The Reserve Account B is at the disposal of the General Meeting of Shareholders.



Independent auditor's report

To: the General Meeting of Shareholders of Pon Holdings B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of Pon Holdings B.V., based in Leusden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Pon Holdings B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the consolidated and company balance sheet as at 31 December 2022;
- 2 the consolidated profit and loss account and statement of comprehensive income for 2022;
- 3 the consolidated cash flow statement for 2022;
- 4 the company profit and loss account for 2022; and
- 5 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the Annual Accounts, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, internal compliance notifications and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board, Supervisory Board and other relevant functions, such as Risk, Governance & Assurance, Legal Counsel, IT and Ethics and Compliance. As part of our audit procedures, we:

- obtained an understanding of how the company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by the Executive Board and Supervisory Board and paid special attention to procedures and governance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with supervisory authorities and regulators, such as tax authorities and environmental agencies, as well as legal confirmation letters.



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In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a (indirect) material effect on the financial statements: anti-money laundering laws and regulations, trade sanctions and export controls, data privacy legislation, environmental legislation and anti-competition laws and regulations.

With support from our forensics specialists, we evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and considering the auditing standards, we identified the following presumed fraud risks that are relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as internal control measures related to journal entries and significant accounting estimates.
- We performed data analytical procedures over high-risk journal entries related to post closing entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We evaluated key estimates and judgments for bias by management, including retrospective reviews of prior years' estimates with respect to the identified accounting estimates which, amongst others, include intangible fixed assets, (deferred) tax assets and investments in other participations.
- We incorporated elements of unpredictability in our audit by performing additional analytical review activities over entities which were previously not in our scope.

Revenue recognition (a presumed risk)

Risk:

We identified a cut-off fraud risk in relation to the recognition of revenue in the incorrect period. This risk inherently includes the fraud risk that management deliberately overstates or understates revenue, as management may feel pressure to achieve planned results for the current or next year.

Responses:

- We determined and evaluated the design and implementation of process level controls as implemented by management over revenue recognition.
- We performed substantive audit procedures over the cut-off of revenues at year-end by determining the fulfillment of performance obligations (revenue recognition) by assessing the terms and conditions and vouching revenues recorded to the underlying sales transactions, agreements and supporting documentation such as delivery documents.
- We performed testing over credit notes issued after period end.
- We performed journal entry testing, specifically taking into account high risk criteria in relation to revenues and top side journal entries posted to revenue in the consolidation ledger.

We communicated our risk assessment, audit responses and results to the Executive Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.



Audit response to going concern

The Executive Board has performed its going concern assessment and has not identified any going concern risks. To assess the Executive Board's assessment, we have performed, inter alia, the following procedures:

- we considered whether the Executive Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inspected the financing agreement in terms of conditions that could lead to going concern risks, including the term of the agreement and any covenants; and
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Report on the other information included in the Annual Accounts

In addition to the financial statements and our auditor's report thereon, the Annual Accounts contain other information.

Based on the following procedures performed, we conclude that the other information:

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

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

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

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.



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Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 30 March 2023

KPMG Accountants N.V.

J. van Delden RA

Operating Companies



Pon Automotive Wholesale

The Netherlands

- MAN Nederland Dealer B.V., Leusden
- MAN truck & bus B.V., Leusden
- Pon's Automobielhandel B.V., Leusden



Pon Luxury & Performance Cars Europe

The Netherlands

- Pon Luxury Cars B.V., Leusden



Pon Automotive Retail

The Netherlands

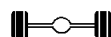
- A-Point B.V., Amsterdam
- Auto Hoogenboom B.V., Rotterdam
- Auto Muntstad B.V., Utrecht
- Huiskes-Kokkeler Automobielbedrijven B.V., Hengelo
- Pon Dealer B.V., Amersfoort
- Pon Direct Retail B.V., Leusden



Pon Luxury & Performance Cars North America

United States

- indIGO Auto Group Holdings LLC, Houston



Pon Automotive Services

The Netherlands

- IMS Group B.V., Barneveld



About
Pon Holdings

Our
Strategy

Report of the
Executive Board

Corporate Governance
and Risk Management

Report of the
Supervisory Board

Financial
Statements

Other
Information



Pon.Bike Belgium

- B2Bike B.V., Stabroek
- Bike Mobility Services Belgium B.V., Kraainem
- Gazelle België NV, Lier

Brazil

- Caloi Norte SA, São Paulo

China

- Pon Bicycle (Shenzhen) Co. Ltd., Shenzhen

Germany

- Business Bike GmbH, Neustadt
- Gazelle GmbH¹, Mönchengladbach
- Kalkhoff Werke GmbH, Emstek
- Moveo GmbH, Bad Reichenhall
- Pon Bike Performance GmbH, Mainz

Japan

- Cannondale Japan KK, Osaka

The Netherlands

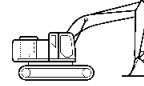
- Augusta Benelux B.V. (BBB), Leiden
- Bike Mobility Services B.V., Amsterdam
- Cycling Sports Group Europe B.V., Woudenberg
- FietsNED B.V., Oosterhout
- Koninklijke Gazelle N.V., Dieren
- Ride Out B.V., Amsterdam
- Smart Urban Mobility B.V., Amsterdam
- Union B.V., Amsterdam
- Veroletti B.V., Amsterdam

United Kingdom

- Gazelle Bikes Ltd., Harrogate
- Jungle Products Ltd., Harrogate

United States

- Cervélo U.S.A. Inc., Aliso Viego
- Cycling Sports Group Inc., Wilton
- Headlands Ventures LLC (Mike's Bikes), Novato
- Pacific Cycle Inc., Madison
- Santa Cruz Bicycles LLC, Santa Cruz

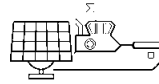


Pon Equipment Norway

- Pon Equipment AS, Oslo
- Pon Rental Norway AS, Oslo
- SITECH Norway AS, Oslo

The Netherlands

- CompactRent B.V., Beneden-Leeuwen
- Pon Equipment B.V., Amsterdam
- Pon Equipment Rental B.V., Almere
- SITECH Nederland, Someren
- Verachtert Nederland B.V., 's-Hertogenbosch



Pon Power Belgium

- Pon Energy Rental N.V., Antwerp

France

- Moteurs-Marine-Méditerranée S.A.S., Marseille

Norway

- Pon Energy Rental AS, Lier
- Pon Power AS, Oslo

The Netherlands

- Dieselpower Holland B.V., Moerdijk
- Machinefabriek Bolier B.V., Dordrecht
- MAN Rollo B.V., Zoetermeer
- Pon Energy Rental B.V., Bladel
- Pon Power B.V., Papendrecht
- Topec International B.V., Papendrecht
- Radio Holland Group B.V., Rotterdam
- Revolt B.V., Amsterdam

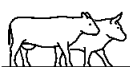
¹ Gazelle GmbH makes use of the exemption pursuant to Sec. 264 (3) and Sec. 264 b German Commercial Code (Handelsgesetzbuch, HGB) for the disclosure of financial statements or the preparation of a management report or notes to the financial statements. For this company, the consolidated financial statements of Pon Holdings B.V. are the exempting consolidated financial statements.



Pon Asia

Australia

- AVFI Pty Ltd (77%), Victoria
- Callidus Process Solutions Pty Ltd (75%), Balcatta
- Fire Protection Technologies Pty. Ltd. (75%), Balcatta
- Prochem Pipeline Products Pty Ltd (77%), Perth



URUS

Brazil

- Alta Genetics do Brasil Ltda., Parque Hileia, Uberaba

Canada

- Alta Genetics Inc., Rocky View Country, Alberta

The Netherlands

- URUS Europe B.V., Feerwerd

United States

- Alta Genetics USA, Inc., Watertown, Wisconsin
- URUS Group LP - Madison, Wisconsin

Other

The Netherlands

- Lensor B.V., Leusden
- ModiForce B.V., Leusden
- Move House of Mobility B.V., Amsterdam
- Pon IT B.V., Leusden
- Pon Logistics B.V., Leusden
- Ponooc Investment B.V., Amsterdam

Participating interests and Joint Ventures

Automotive

- Amega Groep B.V. (30%), Dordrecht
- Autobedrijf van den Udenhout B.V. (30%), 's-Hertogenbosch
- Autohaus Adelbert Moll GmbH & Co. Kg. (40%), Düsseldorf
- Collect Car B.V. (40%), Rotterdam
- Rotterdam Century Autogroep B.V. (40%), Groningen
- DFM N.V. (40%), Amersfoort
- Europcar (7%), Strassen
- Lokhiet B.V. (Auto Poppe) (40%), Goes
- Mobility Solutions and Services B.V. (60%), Amersfoort
- PGZ Holding B.V. (40%), Oirschot
- Pon Phu Thai Mobility Group Co. Ltd. (75%), Hanoi, Vietnam
- Porsche Centrum Twente B.V. (40%), Almelo
- Shuttel B.V. (41%), Amersfoort
- Vallei Auto Groep B.V. (40%), Veenendaal
- Volkswagen Pon Financial Services B.V. (40%), Amersfoort
- Wealer B.V. (30%), Heerlen

Pon.Bike

- D3 Innovation Inc. (40%), Squanish
- Porsche eBike GmbH (40%), Ottoburn

Power

- Pesa Catarinense Comércio, Importação e Exportação de Equipamentos S.A. (40%), Itajai, Brasil
- Phu Thai Marine Pte Ltd (40%), Singapore

Other participations

- Excelsior Acquisition B.V. (33.49%)
- The Hiller Companies LLC (24.43%), Delaware



Head office

Pon's head office is situated at:
Stadionplein 28
1076 CM Amsterdam
The Netherlands

P.O. Box 71062
1008 BB Amsterdam
The Netherlands

+31 (0)20 2460 900
www.pon.com
info@pon.com

Registered office and commercial register

Pon's registered office is located in Leusden, the Netherlands. The company is registered in the Trade Register of the Chamber of Commerce of the Netherlands, under number 08017970.

Colophon

Text: Pon Holdings B.V. and Kōan Group
Photography: Pon Holdings B.V.
Realization: DartGroup, Amsterdam





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Internet www.kpmg.no
Enterprise 935 174 627 MVA

Til generalforsamlingen i Pon Holding Norway AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for Pon Holding Norway AS som består av balanse per 31. desember 2022, resultatregnskap for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2022, og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlige for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

| | | | |
|---------|--------------|------------|------------|
| Oslo | Elverum | Mo i Rana | Tromsø |
| Alta | Finnsnes | Molde | Trondheim |
| Arendal | Hamar | Sandefjord | Tynset |
| Bergen | Haugesund | Stavanger | Ulsteinvik |
| Bodo | Knarvik | Stord | Ålesund |
| Drammen | Kristiansand | Straume | |

Penneo document key: YK08L-fK00Q-183NX-LF2SE-ZL1OP-5SGHO



Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Oslo, 7. juli 2023
KPMG AS

Geir Moen
Statsautorisert revisor
(elektronisk signert)

Penneo document key: YK08L-fK00Q-183NX-LF2SE-ZL10P-5SGHO



PENNEO

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Geir Moen

Statsautorisert revisor

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Årsregnskap 2022

Pon Holding Norway AS

Styrets årsberetning
Resultatregnskap
Balanse
Kontantstrøm
Noter til regnskapet
Revisors beretning

Org.nr.: 981 389 085



| Resultatregnskap | | | |
|---|-------------|-----------------|-------------------|
| Pon Holding Norway AS | | | |
| Driftsinntekter og driftskostnader | Note | 2022 | 2021 |
| Annen driftskostnad | 3 | 123 083 | 476 372 |
| Sum driftskostnader | | <u>123 083</u> | <u>476 372</u> |
| Driftsresultat | | <u>-123 083</u> | <u>-476 372</u> |
| Finansinntekter og finanskostnader | | | |
| Inntekt på investering i datterselskap | 4 | 8 300 000 | 57 788 533 |
| Renteinntekt fra foretak i samme konsern | | 16 967 128 | 5 505 450 |
| Annen renteinntekt | | 825 314 | 0 |
| Annen finansinntekt | | 166 725 | 0 |
| Rentekostnad til foretak i samme konsern | | 16 538 769 | 23 314 631 |
| Annen rentekostnad | | 9 654 153 | 1 042 478 |
| Annen finanskostnad | | 0 | 179 910 |
| Resultat av finansposter | | <u>66 244</u> | <u>38 756 965</u> |
| Resultat før skattekostnad | | -56 839 | 38 280 593 |
| Skattekostnad på resultat | 5 | 0 | 8 421 730 |
| Resultat | | <u>-56 839</u> | <u>29 858 863</u> |
| Årsresultat | | <u>-56 839</u> | <u>29 858 863</u> |
| Overføringer | | | |
| Avsatt til annen egenkapital | 6 | 0 | 29 858 863 |
| Overført fra annen egenkapital | 6 | 56 839 | 0 |
| Sum overføringer | | <u>-56 839</u> | <u>29 858 863</u> |



| Balanse | | | |
|--------------------------------------|-------------|----------------------|--------------------|
| Pon Holding Norway AS | | | |
| Eiendeler | Note | 2022 | 2021 |
| Anleggsmidler | | | |
| Finansielle driftsmidler | | | |
| Investeringer i datterselskap | 4 | 553 596 192 | 553 596 192 |
| Sum finansielle anleggsmidler | | 553 596 192 | 553 596 192 |
| Sum anleggsmidler | | 553 596 192 | 553 596 192 |
| Omløpsmidler | | | |
| Fordringer | | | |
| Konsernbidrag | 7 | 8 300 000 | 57 788 533 |
| Andre kortsiktige fordringer | 7, 8 | 899 520 787 | 205 481 439 |
| Sum fordringer | | 907 820 787 | 263 269 972 |
| Bankinnskudd, kontanter o.l. | | 59 372 784 | 27 631 860 |
| Sum omløpsmidler | | 967 193 572 | 290 901 833 |
| Sum eiendeler | | 1 520 789 763 | 844 498 024 |

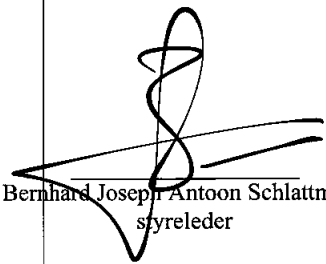


Pon Holding Norway AS

Side 3



| Balanse | | | |
|------------------------------------|------|----------------------|--------------------|
| Pon Holding Norway AS | | | |
| | Note | 2022 | 2021 |
| Egenkapital og gjeld | | | |
| Innskutt egenkapital | | | |
| Aksjekapital | 6 | 12 140 200 | 12 130 100 |
| Overkursfond | 6 | 612 240 800 | 312 250 900 |
| Innskutt annen egenkapital | 6 | 11 774 332 | 11 774 332 |
| Sum innskutt egenkapital | | 636 155 332 | 336 155 332 |
| Opptjent egenkapital | | | |
| Annen egenkapital | 6 | 35 750 140 | 35 806 979 |
| Sum opptjent egenkapital | | 35 750 140 | 35 806 979 |
| Sum egenkapital | | 671 905 472 | 371 962 311 |
| Gjeld | | | |
| Avsetning for forpliktelser | | | |
| Annen langsiktig gjeld | | | |
| Øvrig langsiktig gjeld | 7 | 178 000 000 | 378 200 000 |
| Sum annen langsiktig gjeld | | 178 000 000 | 378 200 000 |
| Kortsiktig gjeld | | | |
| Gjeld til kredittinstitusjoner | | 87 490 | 0 |
| Betalbar skatt | 5 | 0 | 8 421 730 |
| Annen kortsiktig gjeld | 7, 8 | 670 796 802 | 85 913 983 |
| Sum kortsiktig gjeld | | 670 884 292 | 94 335 713 |
| Sum gjeld | | 848 884 292 | 472 535 713 |
| Sum egenkapital og gjeld | | 1 520 789 763 | 844 498 024 |

Berger, 30.06.2023
Styret i Pon Holding Norway AS

| | | |
|---|---|--|
|  Bernhard Joseph Antoon Schlattmann styreleder |  Claus Frithjof Høyer styremedlem/daglig leder |  Ingunn Sæterbø styremedlem |
|---|---|--|

Pon Holding Norway AS Side 4



| Indirekte kontantstrøm | |
|--|--------------------|
| Pon Holding Norway AS | |
| | Note 2022 |
| Kontantstrømmer fra operasjonelle aktiviteter | |
| Resultat før skattekostnad | -56 839 |
| Periodens betalte skatt | 8 421 730 |
| Endring i andre tidsavgrensingsposter | -8 420 000 |
| Netto kontantstrøm fra operasjonelle aktiviteter | <u>-16 898 569</u> |
| Kontantstrømmer fra finansieringsaktiviteter | |
| Utbetalinger ved nedbetaling av kortsiktig gjeld | 200 200 000 |
| Netto endring norsk cashpool | -694 039 348 |
| Netto endring i kassekreditt / cashpool Bank Mendes | 585 090 308 |
| Innbetalinger av egenkapital | 300 000 000 |
| Innbetalinger av konsernbidrag | 57 788 533 |
| Netto kontantstrøm fra finansieringsaktiviteter | <u>48 639 493</u> |
| Netto endring i kontanter og kontantekvivalenter | 31 740 924 |
| Beh. av kont. og kontantekvivalenter ved per. begynnelse | 27 631 860 |
| Beh. av kont. og kontantekvivalenter ved per. slutt | <u>59 372 784</u> |



Regnskapsprinsipper

Årsregnskapet må leses i sammenheng med årsberetningen og revisjonsberetningen. Årsregnskapet er satt opp i samsvar med Regnskapslovens bestemmelser.

Årsregnskapet består av resultatregnskap, balanse og noteopplysninger, og er avlagt i samsvar med regnskapsloven av 1998 og god regnskapsskikk i for øvrige foretak i Norge gjeldende pr. 31.12.2022.

Generelle regnskapsprinsipper

Årsregnskapet er basert på de grunnleggende prinsipper om historisk kost, sammenlignbarhet, fortsatt drift, kongruens og forsiktighet. Transaksjoner regnskapsføres til verdien av vederlaget på transaksjonstidspunktet. Inntekter resultatføres når de er opptjent og kostnader sammenstilles med opptjente inntekter.

Ved anvendelse av regnskapsprinsipper og presentasjon av transaksjoner og andre forhold, legges det vekt på økonomiske realiteter, ikke bare juridisk form. Betingede tap som er sannsynlig og kvantifiserbare, kostnadsføres. Regnskapsprinsippene er utdypet nedenfor.

Valuta

Pengeposter i utenlandsk valuta vurderes iht. kursen ved regnskapsårets slutt.

Eiendeler og gjeld

Eiendeler/gjeld som knytter seg til varekretsløpet og poster som forfaller til betaling innen ett år etter balansedagen, er klassifisert som omløpsmidler/kortsiktig gjeld. Vurdering av omløpsmidler/kortsiktig gjeld skjer til laveste/høyeste verdi av anskaffelseskost og virkelig verdi. Virkelig verdi er definert som antatt fremtidig salgspris redusert med forventede salgskostnader. Andre eiendeler er klassifisert som anleggsmidler. Vurdering av anleggsmidler skjer til anskaffelseskost. Anleggsmidler som forringes avskrives. Dersom det finner sted en verdiendring som ikke er forbigående, foretas en nedskrivning av anleggsmidlet. Tilsvarende prinsipper legges normalt til grunn for gjeldsposter.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført.

Klassifisering og vurdering av omløpsmidler

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi.

Aksjer i datterselskap

Investeringer i datterselskap er vurdert etter kostmetoden ettersom konsernet samlet ikke overstiger grensen for små foretak.

Cash Pool

Pon Holding Norway AS er Cash Pool header for alle norske PON-relaterte selskaper. Cash Pool balansen mot disse selskapene anses som mellomværende. Cash Pool balansen mot Bank Mendes Gans vises som bank.



Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og konti i Cash-pool mot Bank Mendez med positiv beholdning. Konti med negativ beholdning er behandlet som kassakreditt.

Siden 2022 er første år selskapet utarbeider kontantstrøm er det ikke sammenligningstall i oppstillingen.

Konsernregnskap

Pon Holding Norway AS er morselskap i Norge. Det utarbeides ikke konsernregnskap i Norge da de norske selskapene inngår i konsernregnskapet som utarbeides av Pon Equipment & Pon Power B.V. Konsernregnskapet er tilgjengelig på deres kontor i Rondebeltweg 31, 1329 BN Almere, Nederland. Se også note 2 for oversikt over hvilke selskap som inngår i det norske konsernet.

Note 2 - Lønn

Selskapet har ingen ansatte. Det er ikke utbetalt styrehonorar.

Note 7 Revisjonshonorar

Kostnadsført honorar til revisor i 2022 fordeler seg som følger:

| | |
|--------------------|----------------|
| Lovpålagt revisjon | 131 913 |
| Skatterådgivning | 0 |
| Totalt | 131 913 |

Honorar til revisor er oppgitt inkl. mva. Beløpet inngår i posten Annen driftskostnad.

Note 4 Datterselskaper

| Datterselskap | Forretning skontor | Eierandel | EK 31.12.2022 | Resultat 2022 | Kostpris |
|----------------------|--------------------|-----------|--------------------|-------------------|--------------------|
| Pon Equipment AS | Skedsmo | 100 % | 165 418 000 | -47 341 000 | 271 928 223 |
| Pon Rental Norway AS | Skedsmo | 100 % | 33 941 000 | 12 566 000 | 25 020 000 |
| Pon Power AS | Skedsmo | 100 % | 116 465 000 | 6 287 000 | 178 364 000 |
| Sitech Norway AS | Lier | 100 % | 5 696 121 | 610 413 | 5 000 000 |
| Pon Energy Rental AS | Lier | 100 % | 106 430 543 | 21 334 732 | 73 283 269 |
| Sum | | | 427 950 664 | -6 542 855 | 553 595 492 |



Note 5 Skatt

| Årets skattekostnad | 2022 | 2021 |
|--|----------------|-------------------|
| Resultatført skatt på ordinært resultat: | | |
| Betalbar skatt | 0 | 8 421 730 |
| Endring i utsatt skattefordel | 0 | 0 |
| Skattekostnad ordinært resultat | 0 | 8 421 730 |
| Skattepliktig inntekt: | | |
| Resultat før skatt | -56 839 | 38 280 593 |
| Permanente forskjeller | 42 600 | 0 |
| Skattepliktig inntekt | -14 239 | 38 280 593 |
| Betalbar skatt i balansen: | | |
| Betalbar skatt på årets resultat | -1 826 000 | -4 291 747 |
| Betalbar skatt på mottatt konsernbidrag | 1 826 000 | 12 713 477 |
| Sum betalbar skatt i balansen | 0 | 8 421 730 |
| Beregning av effektiv skattesats | | |
| Resultat før skatt | -56 839 | 38 280 593 |
| Beregnet skatt av resultat før skatt | -12 505 | 8 421 730 |
| Skatteeffekt av permanente forskjeller | 9 372 | 0 |
| Sum | -3 133 | 8 421 730 |
| Effektiv skattesats | 5,5 % | 22,0 % |

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

| | 2022 | 2021 | Endring |
|---|--------------|--------------|----------|
| Akkumulert fremførbart underskudd | -14 239 | 0 | 14 239 |
| Avskåret rentefradrag | -102 052 059 | -102 052 059 | 0 |
| Inngår ikke i beregningen av utsatt skatt | 102 066 298 | 102 052 059 | -14 239 |
| Utsatt skattefordel (22 %) | 0 | 0 | 0 |

I henhold til god regnskapsskikk balanseføres ikke utsatt skattefordel.

Note 6 Egenkapital

| | Aksjekapital | Overkurs | Innskutt EK | Annen EK | Sum EK |
|-----------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Pr 01.01.2022 | 12 130 100 | 312 250 900 | 11 774 332 | 35 806 979 | 371 962 311 |
| Tilført ved nyemisjon | 10 100 | 299 989 900 | | 0 | 300 000 000 |
| Årets resultat | | | | -56 839 | -56 839 |
| Pr 31.12.2022 | 12 140 200 | 612 240 800 | 11 774 332 | 35 750 140 | 671 905 472 |



Aksjekapitalen pr. 31.12.2022 er kr 12 140 200, fordelt på 10 100 aksjer.
Alle pålydende kr 1 202. Alle aksjene har lik stemmerett. Aksjene eies 100 % av
Pon Equipment and Pon Power B.V., Rondebeltweg 41, 1329 BP Almere, the Netherlands.

Kapitalforhøyelse ble registrert i Foretaksregisteret 10.08.2022.

Selskapet har mottatt følgende konsernbidrag i 2022:

| | |
|------------------------|------------------|
| Pon Energyst Rental AS | 8 300 000 |
| Totalt | 8 300 000 |

Note 7 Mellomværende med selskap i samme konsern

| | 2022 | 2021 |
|-------------------------|--------------------|--------------------|
| Fordringer | | |
| Konsernbidrag, fordring | 8 300 000 | 57 788 533 |
| Kortsiktige fordringer | 899 520 787 | 205 481 439 |
| Sum | 907 820 787 | 263 269 972 |
| Gjeld | | |
| Annen kortsiktig gjeld | 670 796 802 | 81 718 713 |
| Øvrig langsiktig gjeld | 178 000 000 | 378 200 000 |
| Sum | 848 796 802 | 459 918 713 |

Fordring og gjeld i konsernkontoordning er klassifisert under kortsiktige fordringer og annen kortsiktig gjeld.



Note 8 Cashpool

Selskapet står som Cash Pool header for de norske Pon-selskapene.
Cash Pool-banken er Bank Mendes Gans.

Innestående/gjeld (-) i Bank Mendes Gans pr. 31.12:

| | 2022 | 2021 |
|------------------|---------------------|--------------------|
| NOK | -630 239 409 | -58 932 018 |
| EUR | 19 893 828 | 24 814 101 |
| USD | 23 563 442 | -4 691 541 |
| Cash Pool | -586 782 138 | -38 809 457 |

Øvrige selskapers krav på (-) og gjeld til konsernkonto pr. 31.12:

| | | |
|------------------|--------------------|--------------------|
| NOK | 899 520 787 | 201 286 169 |
| EUR | -15 949 897 | -22 170 425 |
| USD | -24 607 496 | 4 195 270 |
| Cash Pool | 858 963 395 | 183 311 014 |



Årsberetning 2022

Selskap: Pon Holding Norway AS
Forretningskontor: Bølerveien 60, 2020 SKEDSMOKORSET

Selskapets virksomhet

Pon Holding Norway AS er 100% eier av selskapene Pon Equipment AS, Pon Power AS, Pon Rental Norway AS, Pon Energy Rental AS og SITECH Norway AS.

Virksomhetens mål er kun å fungere som eier for datterselskaper som har aktivitet i Norge. Det er med andre ord ingen operasjonell drift i dette aksjeselskapet.

Nøkkeltall

Rentekostnader i virksomheten relaterer seg til lån som er etablert for å kjøpe datterselskaper samt renter til Pon Holdings BVs konsernkontosystem (cash pool). Inntekt fra investering i datterselskaper er konsernbidrag mottatt fra datterselskapet Pon Energy Rental AS. Resultat etter konsernbidrag og skatt i 2022 ble -57 TNOK (29.859 TNOK i 2021).

Egenkapitalandelen pr. 31.12.2022 var 44,2% (44,1% pr. 31.12.2021).

FoU

Selskapet har ingen forsknings- og utviklingsaktiviteter.

Sentrale risikoer

Den mest sentrale usikkerhetsfaktoren som virksomheten står ovenfor, er at verdien på de underliggende selskaper skal forringes i forhold til kostpris.

Fortsatt drift

Årsoppgjøret er avlagt under forutsetning om fortsatt drift.

Konsernbidrag/utbytte

Det er i 2022 mottatt konsernbidrag med skattemessig virkning på 8.300 TNOK fra datterselskapet Pon Energy Rental AS.

Fremtidig utvikling

Etter styrets oppfatning er selskapets økonomiske og finansielle stilling god.

Arbeidsmiljø og personale

Selskapet har ingen ansatte.

Likestilling

Selskapet er bevisst på de samfunnsmessige forventningene om tiltak for å fremme likestilling i virksomheten og styret og har som målsetting, så langt det er mulig, å innfri samfunnets forventning på dette området.

Forsikring av styrets og daglig leders ansvar

PON Holdings B.V. har tegnet en styreansvarsforsikring for gruppen inkludert datterselskaper eiet mer enn 50%. Forsikringen dekker advokatkostnader og personlig ansvar for



styremedlemmer og daglig leder, som måtte oppstå som følge av krav mot dem, mens de har sittet i et styre og/eller som daglig leder. Forsikringen fornyes årlig.

Miljørapportering

Selskapets virksomhet er ikke regulert av konsesjoner eller pålegg, og det forekommer ingen forurensing av det ytre miljø.

Årsresultat og disponeringer

Styret foreslår at årets resultat, -57 TNOK, overføres fra annen egenkapital.

Oslo, 30. Juni 2023

Claus Frithjof Høyer

Styremedlem/daglig
leder

Bernhard Joseph Antoon
Schlattmann

Styrets leder

Ingunn Sæterbø

Styremedlem