



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
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:	Claus Frithjof Høyer
Dato for fastsettelse av årsregnskapet:	13.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 19.09.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	3	529 507	123 083
Sum kostnader		529 507	123 083
Driftsresultat		-529 507	-123 083
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	4	69 500 000	8 300 000
Renteinntekt fra foretak i samme konsern		79 227 830	16 967 128
Annen renteinntekt		2 384 980	825 314
Annen finansinntekt		259 366	166 725
Sum finansinntekter		151 372 176	26 259 167
Nedskrivning av andre finansielle anleggsmidler	4	132 774 028	
Rentekostnad til foretak i samme konsern		9 902 656	16 538 769
Annen rentekostnad		63 310 564	9 654 153
Sum finanskostnader		205 987 248	26 192 922
Netto finans		-54 615 072	66 245
Ordinært resultat før skattekostnad		-55 144 579	-56 838
Skattekostnad på resultat	5	13 256 813	
Ordinært resultat etter skattekostnad		-68 401 392	-56 838
Årsresultat		-68 401 392	-56 838
Årsresultat etter minoritetsinteresser		-68 401 392	-56 839
Overføringer og disponeringer			
Udekket tap	6	-32 651 252	
Avsatt til annen egenkapital	6		
Overført fra annen egenkapital	6	-35 750 140	-56 839
Sum overføringer og disponeringer		-68 401 392	-56 839



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Finansielle anleggsmidler			
Investering i datterselskap	4	520 822 164	553 596 192
Sum finansielle anleggsmidler		520 822 164	553 596 192
Sum anleggsmidler		520 822 164	553 596 192
Omløpsmidler			
Varer			
Fordringer			
Konsernbidrag	7	69 500 000	8 300 000
Andre kortsiktige fordringer	7, 8	1 044 225 681	899 520 787
Sum fordringer		1 113 725 681	907 820 787
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		74 396 114	59 372 784
Sum bankinnskudd, kontanter og lignende		74 396 114	59 372 784
Sum omløpsmidler		1 188 121 795	967 193 571
SUM EIENDELER		1 708 943 959	1 520 789 763
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	6	12 140 200	12 140 200
Overkurs	6	612 240 800	612 240 800
Annen innskutt egenkapital	6	11 774 332	11 774 332
Sum innskutt egenkapital		636 155 332	636 155 332



Balanse

Beløp i: NOK	Note	2023	2022
Opptjent egenkapital			
Annen egenkapital	6		35 750 140
Udisponert resultat			
Udekket tap	6	32 651 252	
Sum opptjent egenkapital		-32 651 252	35 750 140
Sum egenkapital		603 504 080	671 905 472
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	7	130 000 000	178 000 000
Sum annen langsiktig gjeld		130 000 000	178 000 000
Sum langsiktig gjeld		130 000 000	178 000 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner			87 490
Betalbar skatt	5	13 256 813	
Annen kortsiktig gjeld	7, 8	962 183 066	670 796 802
Sum kortsiktig gjeld		975 439 879	670 884 292
Sum gjeld		1 105 439 879	848 884 292
SUM EGENKAPITAL OG GJELD		1 708 943 959	1 520 789 764



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 718828

Enheten

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Organisasjonsform: Aksjeselskap
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Forretningsadresse: Bølerveien 60
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Brønnøysundregistrene, 19.08.2024



Organisasjonsnr: 981 389 085
PON HOLDING NORWAY AS

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Organisasjonsnr: 981 389 085
PON HOLDING NORWAY AS

BALANSE

Beløp i: NOK Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 5

Finansielle anleggsmidler

Investering i datterselskap 4 520 822 164 553 596 192

Sum finansielle anleggsmidler 520 822 164 553 596 192

Sum anleggsmidler 520 822 164 553 596 192

Omløpsmidler

Varer

Fordringer

Konsernbidrag 7 69 500 000 8 300 000

Andre kortsiktige fordringer 7, 8 1 044 225 681 899 520 787

Sum fordringer 1 113 725 681 907 820 787

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter o. l. 74 396 114 59 372 784

Sum bankinnskudd, kontanter og lignende 74 396 114 59 372 784

Sum omløpsmidler 1 188 121 795 967 193 571

SUM EIENDELER 1 708 943 959 1 520 789 763

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital 6 12 140 200 12 140 200

Overkurs 6 612 240 800 612 240 800

Annen innskutt egenkapital 6 11 774 332 11 774 332

Sum innskutt egenkapital 636 155 332 636 155 332

Opptjent egenkapital

Annen egenkapital 6 35 750 140

Udisponert resultat

Udekket tap 6 32 651 252

Sum opptjent egenkapital -32 651 252 35 750 140



Sum egenkapital		603 504 080	671 905 472
Gjeld			
Langsiktig gjeld			
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Organisasjonsnr: 981 389 085
PON HOLDING NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

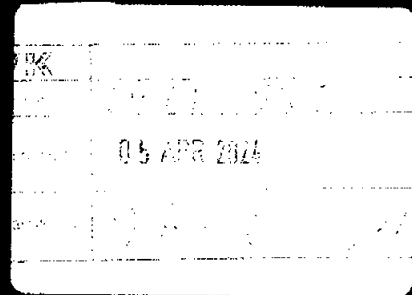
Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

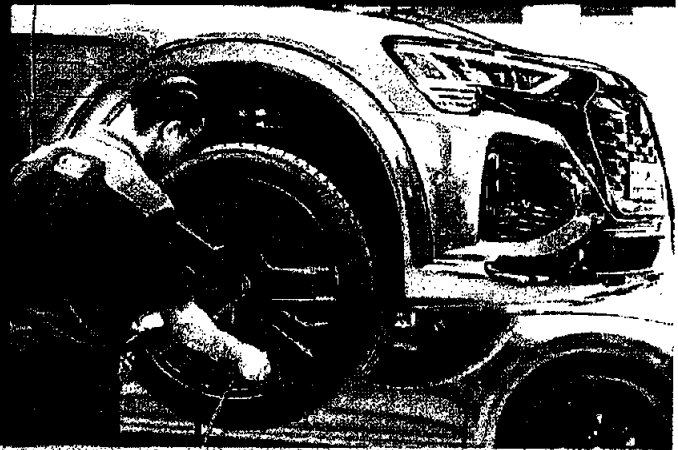


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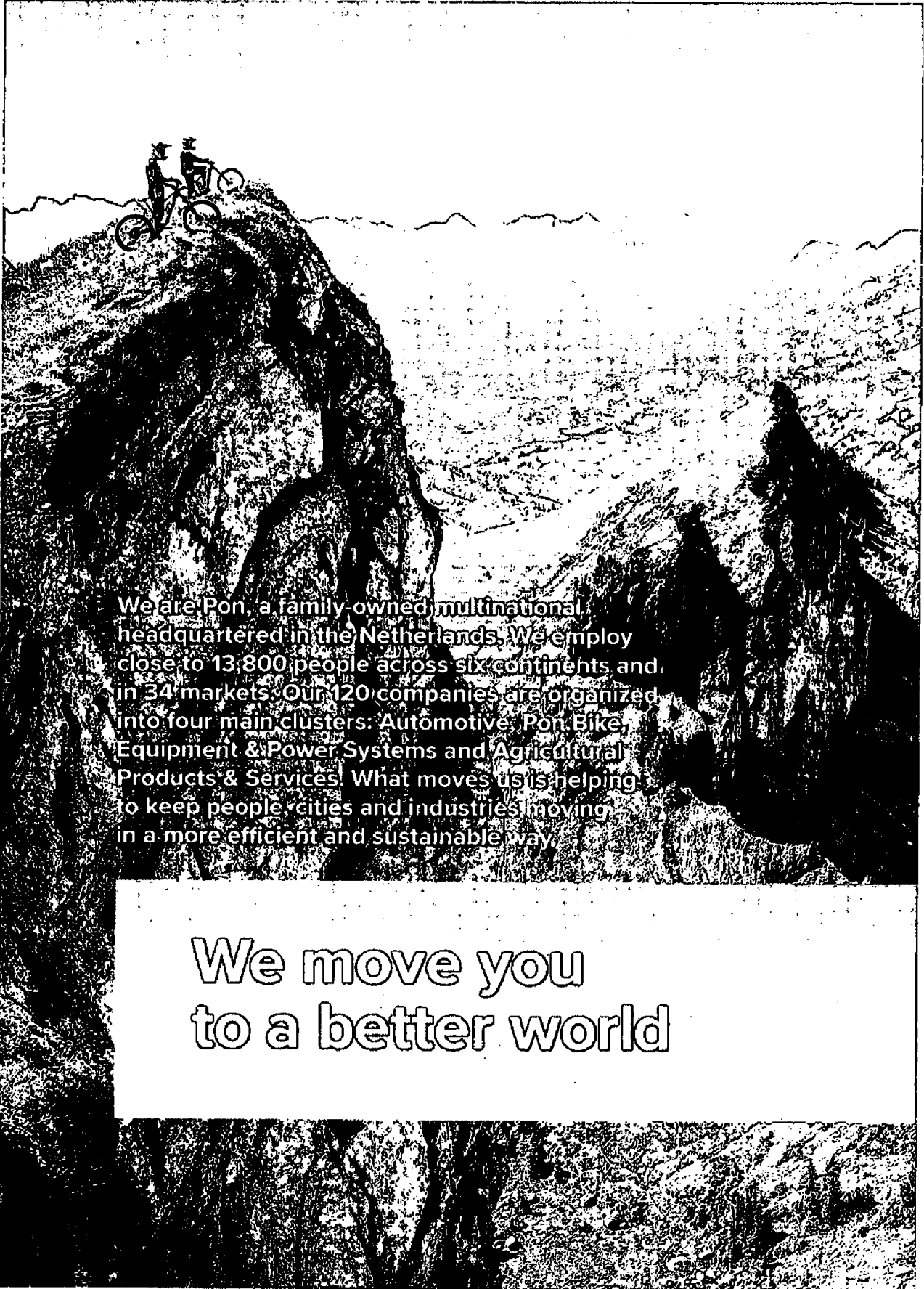


Pon Holdings B.V.

Annual Accounts 2023



We move you
to a better world



We are Pon, a family-owned multinational headquartered in the Netherlands. We employ close to 13,800 people across six continents and in 34 markets. Our 120 companies are organized into four main clusters: Automotive, Pon Bike, Equipment & Power Systems and Agricultural Products & Services. What moves us is helping to keep people, cities and industries moving in a more efficient and sustainable way.

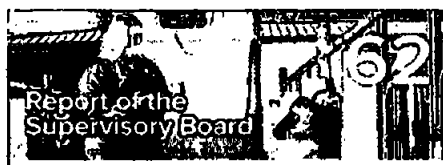
**We move you
to a better world**



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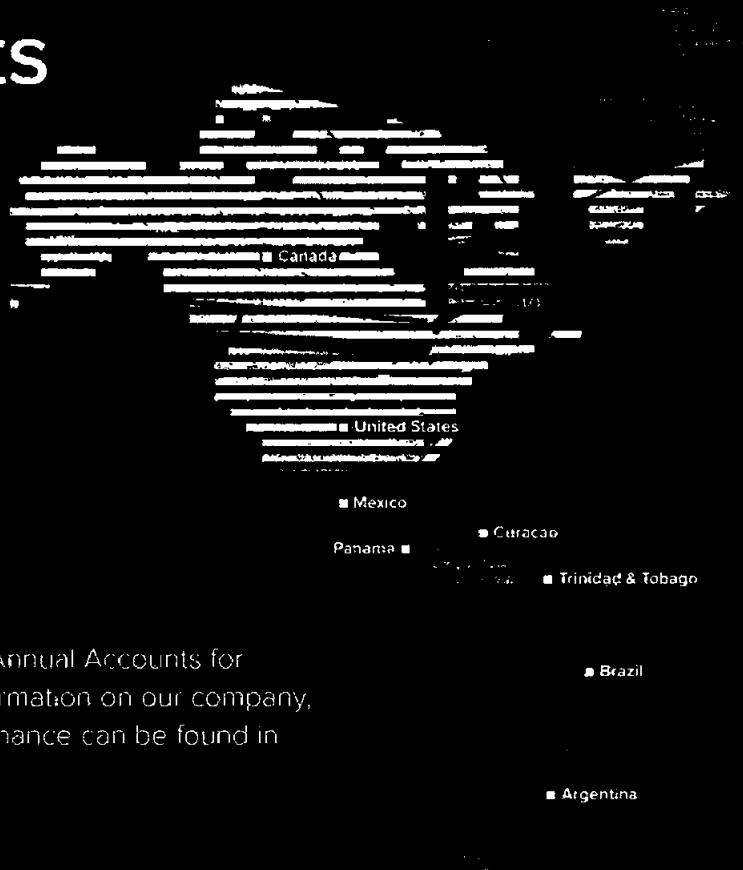
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Highlights 2023



Welcome to Pon Holdings' Annual Accounts for the year 2023. Detailed information on our company, our strategy and our performance can be found in the chapters ahead.

Revenue
(in million euros)

10,091



Net result
(in million euros)

104



EBITDA
(in million euros)

580



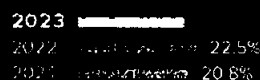
FTEs
(average number of employees)

13,784



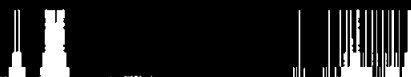
Gross margin as % of revenue¹ (in %)

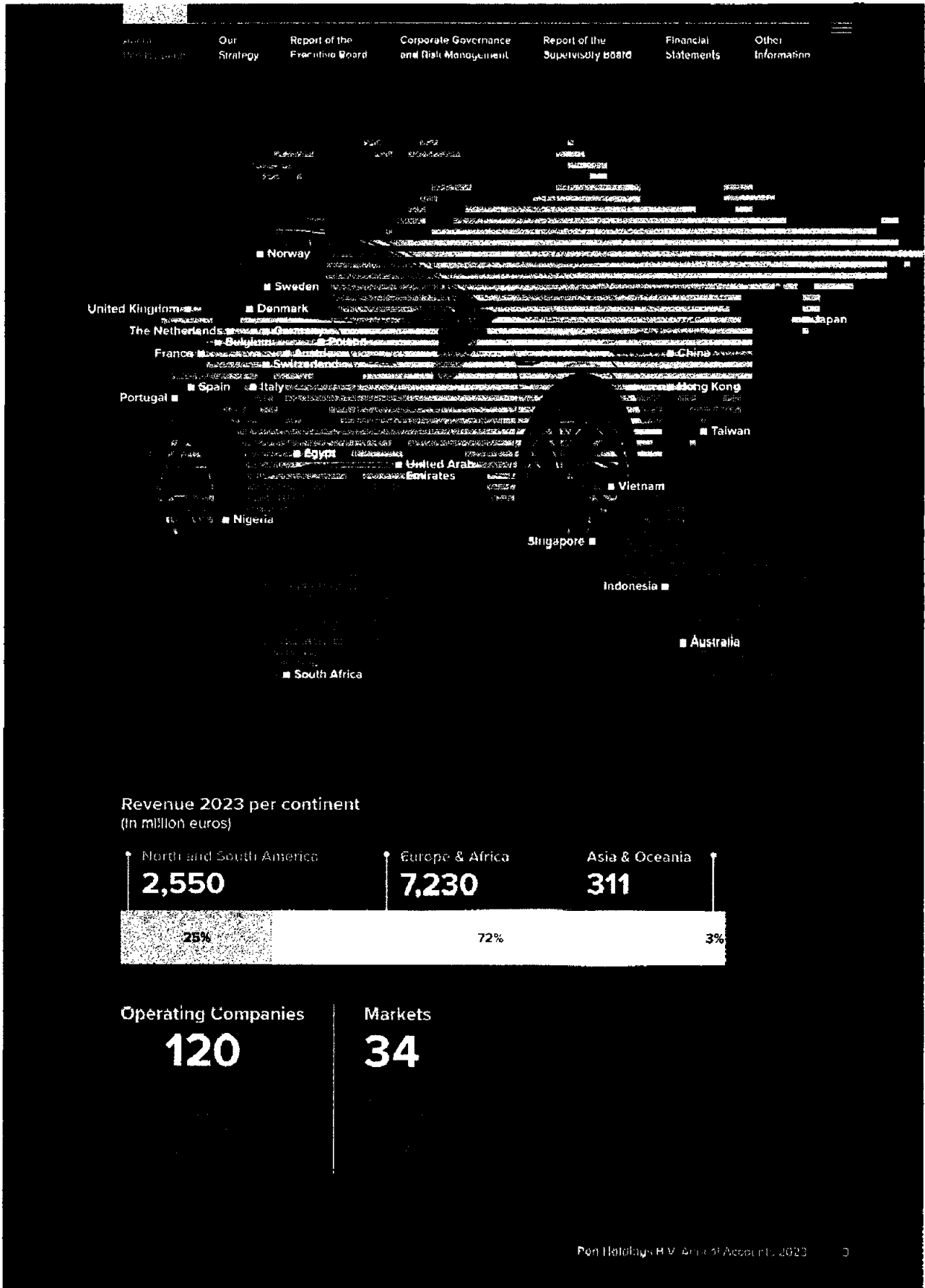
20.0%



Operating result (EBIT)
(in million euros)

270





Profile Business Clusters

Pon has organized its business in the following clusters: Automotive, Pon.Bike, Equipment & Power Systems and Agricultural Products & Services. The remaining part of the Industrial Mobility cluster was divested in 2023.



	Cluster revenue	Number FTEs
Total	6,759 ↑ 2022: 5,998	3,536 ↑ 2022: 3,284
Automotive Wholesale	3,188 ↑ 2022: 2,714	599 ↑ 2022: 568
Automotive Retail	1,265 ↑ 2022: 1,086	1,781 ↑ 2022: 1,704
Automotive Services	66 ↓ 2022: 74	40 ↓ 2022: 50
Pon Luxury & Performance Cars Europe	593 ↓ 2022: 603	266 ↑ 2022: 239
Pon Luxury & Performance Cars North America	1,641 ↑ 2022: 1,521	835 ↑ 2022: 723
Pon Luxury & Performance Cars Asia	6 2022	15 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. Luxury & Performance Cars holds a strong position in the luxury and performance car segments in the Netherlands and the US, and has a growing presence in Vietnam.



	Cluster revenue	Number FTEs
Pon.Bike	2,287 ↓ 2022: 2,404	4,439 ↓ 2022: 4,523

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 nonelectric 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 US, 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.



About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
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	Cluster revenue		Number FTEs	
	2023	2022	2023	2022
Total	1,260	1,197	2,478	2,644
Pon Equipment	596	563	958	922
Pon Power	664	585	1,520	1,475
MEC¹	—	49	—	247

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 engines, solar systems, power grids and generators, and integrates these into sustainable, dependable power grids. Power Systems has a strong position in the marine power segment, with several leading maritime power companies.

¹ MEC activities were sold during 2022

	Cluster revenue		Number FTEs	
	2023	2022	2023	2022
URUS	427	422	2,130	2,054

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 supporting the need 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.

	Cluster revenue		Number FTEs	
	2023	2022	2023	2022
Total¹	127	702	374	2,424
PVI	—	499	—	1,486
Pon Asia	127	203	374	938

¹ PVI was sold during 2022. Activities clustered under Pon Asia were sold during 2022, except for Pon Australia, which was divested at the end of 2023.

During 2023, Pon Holdings found new owners for the companies under Pon Australia. As such, the Industrial

Mobility cluster ceased to exist at the end of 2023.



Key figures 2019-2023

(in million euros, unless stated otherwise)

	2023	2022	2021	2020	2019
Revenue	10,091	10,042	8,144	7,310	7,581
Change in % in relation to previous year	0%	23%	11%	(4%)	1%
Gross margin¹	2,023	2,258	1,696	1,338	1,354
Change in % in relation to previous year	-11%	33%	27%	(1%)	1%
As % of total revenues	20.0%	22.5%	20.8%	18.3%	17.9%
EBITDA	580	1,045	559	351	429
Operating income (EBIT)	270	799	392	201	289
Change in % in relation to previous year	(66%)	104%	95%	(30%)	38%
As % of total revenues	2.7%	8.0%	4.8%	2.8%	3.8%
Results of participating interests	28	23	52	16	17
Net result	104	547	307	125	191
Cash flow from operating activities	85	(349)	478	687	153
Cash flow from investing activities	(350)	(591)	(580)	(41)	(73)
Free cash flow	(265)	(940)	(102)	646	81
Total assets	6,467	6,428	4,475	4,163	4,163
Lease & rental assets	129	147	100	46	44
Other fixed assets	2,746	2,597	1,748	1,408	1,521
Current assets	3,404	3,408	2,254	1,920	2,291
Cash and cash equivalents	189	274	373	789	307
Total liabilities & equity	6,467	6,428	4,475	4,163	4,163
Group equity	1,938	1,991	1,407	1,285	1,279
Interest bearing debt	2,278	1,991	1,103	1,200	1,341
Provisions	197	187	168	179	177
Non interest bearing debt	2,055	2,258	1,797	1,499	1,367
Financial ratios²					
Solvency	30.0%	31.0%	31.4%	30.9%	30.7%
Leverage	2.4	2.3	0.6	(0.5)	0.9
Interest coverage	5.8	8.6	14.9	9.6	8.6
Average number of employees (FTEs)	13,784	15,704	13,678	12,232	12,796

¹ Gross margin is defined as revenue less third party costs and direct personnel costs

² Solvency is defined as a proportion of group equity against total liabilities

Leverage ratio is defined as net debt for covenant purposes / adjusted EBITDA (leverage)

Interest coverage ratio is defined as EBITDA (ICR) / net finance charges





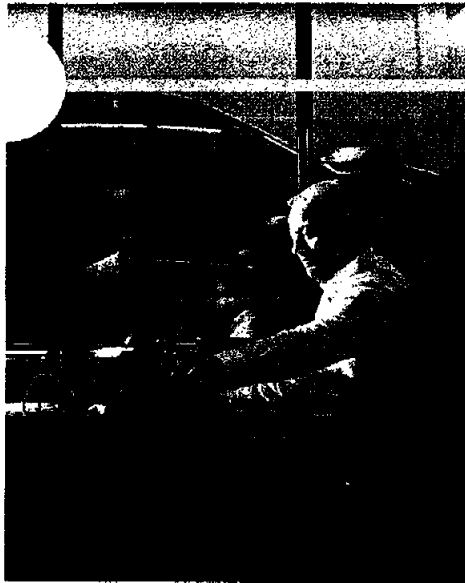
Megatrends

We are a global player in the mobility and agriculture domains. While we see continued short-term turbulence in the markets we operate in due to a variety of trends, Pon is well positioned for the long term; 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.





About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
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AI-driven business

The digital and data-driven economy continues to develop fast. New generative artificial intelligence (AI) tools allow for better and faster decision-making, more efficient content creation and previously unheard of possibilities in creative and design processes. At the same time, the physical world is increasingly connected – for example, by the Internet of Things. Companies who best adopt these new developments will be tomorrow's winners – not participating is a losing strategy.

► In a 2023 report by the World Economic Forum, AI is highlighted as a key driver of productivity growth. The report also notes that AI will create more jobs than it displaces, but that companies need to invest in reskilling and upskilling their workforce.

Push for radical decarbonization

Fighting climate change has become a global collective effort. Agriculture and mobility account for substantial parts of global emissions but are rapidly becoming more sustainable. Our business clusters have a vital role to play in the energy transition – for example, through the electrification of mobility and construction and by improving agricultural efficiency and reducing emissions.

► Transport and agriculture account for 37% of global greenhouse gas emissions, according to the American Council on Energy-Efficient Buildings (ACEEE). The ACEEE report also notes that AI can help reduce emissions by optimizing energy usage and improving operational efficiency.

► Improved genetics can dramatically improve dairy production efficiency and reduce environmental impact. For example, AI can help identify the best genetic traits for dairy cows, leading to higher milk yields and lower methane emissions.





Shift to service and flexible ownership

Consumers are increasingly signing up to subscription-based pricing models and businesses. 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.

- › Rental is already a dominant channel in heavy equipment.
- › According to Statista, the global heavy equipment rental market is expected to grow from 2023 to 2030 at a CAGR of 4.5%.



Need for genuine purpose

More than ever, customers and other stakeholders demand a clear position on their core reason for being from companies and brands. Being purpose driven, with a positive impact on society and the environment, has become key to connecting with both customers and employees.

- › 52% of consumers are willing to pay more for purpose driven brands (Statista).
- › According to McKinsey & Company, companies that integrate creativity, analytics and purpose are delivering at least two times the growth of their peers.



About Pon Holdings

Our Strategy

Report of the Executive Board

Corporate Governance and Risk Management

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Other Information

Shifting living standards and environments

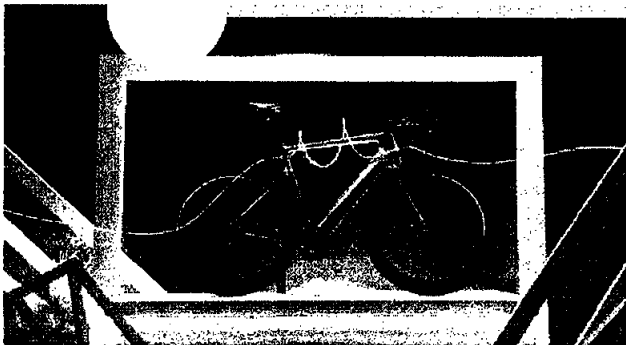
Overall living standards have improved markedly in the past decades globally. This has resulted in higher consumption across the board, in basic categories like dairy, mobility or energy, but especially in the luxury segments of the market. At the same time, EU governments are investing in more livable neighborhoods by incentivizing public mobility options and cycling, pushing back private vehicle usage.



> The EU has set a goal of increasing the share of cycling in urban transport to 15% by 2030, and has provided funding for cycling infrastructure projects through its Connecting Europe Facility program.

> The city of Amsterdam has implemented a policy to increase the share of sustainable mobility to 50% by 2030, with a focus on cycling and public transport. (City of Amsterdam, 2023)

Rising importance of brands



Strong brands continue to be winners. Many younger consumers today seek brands that are aligned with their personal goals and values. This means that brands might need to adjust what they stand for. As a house of brands, this is a key trend for Pon to act upon.

- > Strong brands can command a 30% price premium, according to Nielsen.
- > Pon brands continuously re-evaluate their position to ensure a unique long-term proposition toward their customers.

The certainty of market uncertainty



Market disruption has become more common, with armed conflicts, geopolitical tension, privacy concerns, political instability, trade wars, extreme weather, debt issues and inflation all having an impact in recent years. Consumer confidence has been affected, as a result. And as critical resources are becoming scarce, the race to secure resource access intensifies, with companies looking for vertical integration.

- > The average price of oil rose 10% in 2023, with a peak in early 2023. It rose notably in 2023.
- > By 2030, the Volkswagen Group's PowerCo intend to supply 100% of their power needs in Europe together with partners. Up to 2030, they will invest in renewable energy and energy storage.



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. We focus the way we customer and developer set-up on and is a valued and repeated partner for its customers and original equipment manufacturers (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 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 omni-channel approach, in addition to leading digital capabilities and customer experiences.

Customers



Explore opportunities

Our entrepreneurial approach to innovation leads to new products, new sales and new value-adding business models.

The result



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.



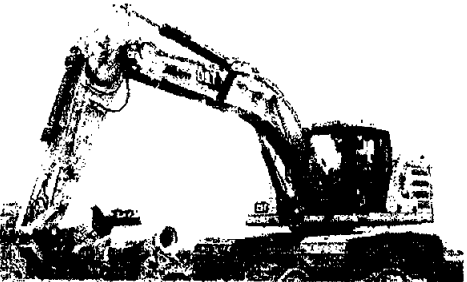
Our Activities



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



- A leading global **bicycle group**
- **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



- **Global number one** in genetics and reproductive technology
- **Supports a vital industry** in providing safe and healthy food to the world
- **Drives more sustainable production** of milk and beef
- **Market leader** in dairy information management



Corporate Social Responsibility (CSR)

As a family-owned company, we have long been committed to CSR, but we formalized our strategy from 2021. Since then, we have set up a central CSR team and developed and implemented many procedures and standards. A network of CSR ambassadors and managers across the group helps translate our corporate CSR ambitions into individual priorities for each of the Pon operating companies.

We are well on target to comply with new reporting regulations from 2025 under the EU's Corporate Sustainability Reporting Directive (CSRD).

Our CSR Pillars

Our approach to CSR is structured around three pillars: People, Planet and Progress. As part of our broader MOVE_U strategy we ensure we take CSR into account when making business and financial decisions. Among other things, we are working to reduce carbon emissions from our businesses, minimize pollution, create a fairer, more inclusive workforce and develop new sustainable products and services for our customers. In doing so, we are also supporting our equipment manufacturers, including the Volkswagen Group and Caterpillar, helping them meet their CSR objectives.

Behind our CSR strategy lies a straightforward belief – that Pon can be a force for good and, because we work in some carbon-intensive industries, including transport, agriculture and shipping, we have an immense opportunity to help these industries transition to new, more environmental-friendly technologies.

CSR Moves

For each of our pillars, we have set out clear ambitions, known as CSR Moves; these range from improving diversity & inclusion (D&I) in our workforce and working to eliminate human rights risk in our supply chains, to achieving net-zero for our own operations. These CSR Moves provide a solid, group-wide structure for our strategy but, in line with our decentralized business model, it's up to individual operating companies to set their own CSR roadmap, focusing on areas of most importance to them and their stakeholders.

Around 70%¹ of our operating companies now have a CSR roadmap, containing goals, targets and initiatives – including many of our leading bike brands, our main automotive dealer groups and our Pon Power and Pon

Equipment businesses. With these roadmaps, we now have clear CSR programs in place across the group. At Pon Automotive in the Netherlands, for example, we'll be focusing on net-zero and minimizing pollution. Both Pon.Bike and our Equipment & Power Systems business, meanwhile, will take a broader approach, targeting CSR Moves such as diversity and human rights, as well as their carbon footprint. Given the different nature of its business, URUS adopted its own CSR strategy in 2023, based on three objectives closely linked to the UN Sustainable Development Goals (SDGs): no hunger, protect the planet and no poverty.

Progress Against our CSR Strategy

Over the past year, we have made considerable progress with each of our three pillars: we have expanded our traineeship to the US, continued the roll-out of our Safe Move program and started working with suppliers and other business partners on human rights risk. We've also continued with initiatives to reduce carbon emissions and looked to phase out harmful substances in our workshops. We have rolled out a new emissions data tool to all of our operating companies. This tool enables us to collect and analyze emissions data easily across our business, as well as aggregate the data for reporting in years to come – from 2025 onwards under the EU's CSRD.

At the same time, we realize that much of our impact comes through our work with customers and new, more sustainable, low-carbon technologies. In partnership with Caterpillar and Van Oord, for example, we have taken further steps toward having fully electric worksites. We have also been developing methanol as an alternative to diesel in shipping and, through URUS' Global Development projects, helping dairy and beef farmers in emerging countries increase productivity, strengthen food security and support better livelihoods for local communities in some of the world's poorest countries.

Please note that further information on our CSR strategy and performance is available separately in our 2023 CSR Report.

¹ By annual revenue



About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
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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 and other external partners. We have captured this "Pon DNA" within our four core values. These core values show what we stand for as a company, and how we want to relate to each other within our business. 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 with our colleagues, our business partners and our customers because we understand that performance is all about working 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 our company can and must have a positive impact on its social and natural environment.



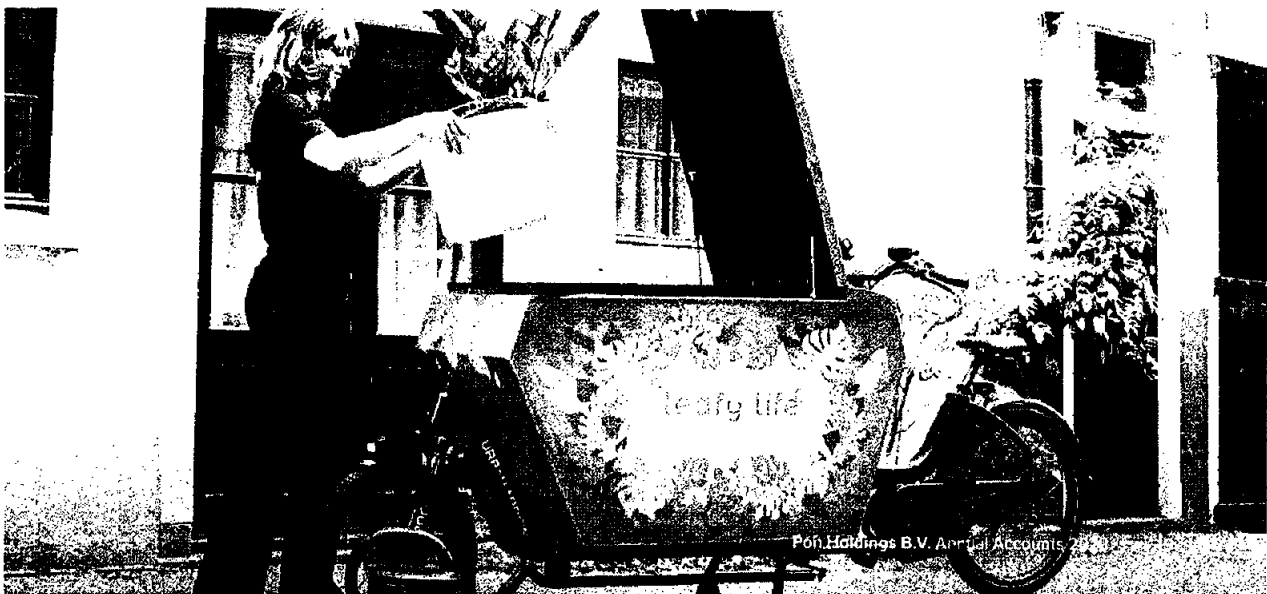
Trust to Act

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.



Pon Holdings B.V. Annual Accounts



At Pon, we attach great importance to our workforce. Employees are our most valuable asset. During 2023, we continued to invest in learning & development programs, took steps to bring our Human Resources (HR) teams closer together and worked to increase our workforce diversity. All in line with our promise 'We Move you to a Better World'.

We have a very decentralized business, with 120 operating companies around the world. Our values – Passion to Perform, Trust to Act, Care & Act Responsibly and Make It Fun – represent the foundation of our culture worldwide. In its HR strategy, Pon Holdings sets clear ambitions, but management responsibility lies with individual operating companies because they know their local businesses and markets best.

During 2023, we focused on people and culture. We revised our global People strategy. Across Pon, we have chosen three main focus areas for our HR teams: leadership & development, culture, engagement & well-being and HR organization & structure. We don't set specific targets – we leave it to operating companies to decide local priorities and objectives. Group-wide, we have a structured approach to performance reviews, talent management and succession planning.

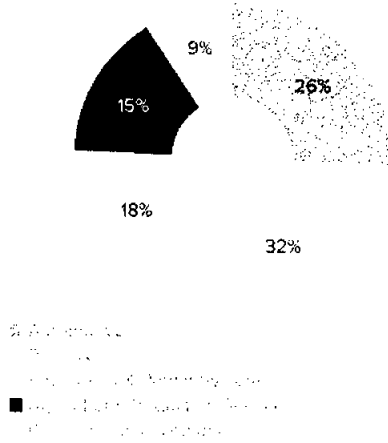
Within our decentralized business, we want our HR teams to work as one, with a common culture and values. This will enable our teams to share best practice and initiatives, as well as supporting more local management. We've made this a priority because we realize that in recent years our workforce has changed considerably. Pon has become a more diversified group, with a more international workforce. To help bring together and inspire our HR professionals, we've stepped up our quarterly HR management updates and, in October, we held our first ever US HR Summit in San Francisco.

Pon Workforce

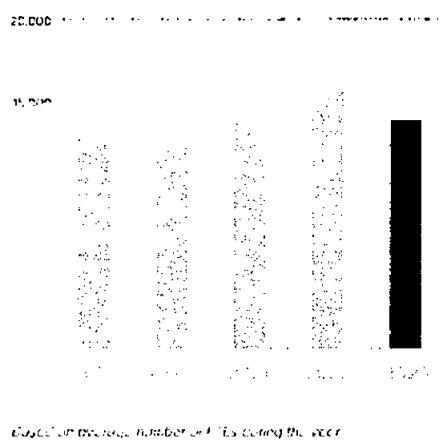
Worldwide, Pon companies employ just under 13,800 people. Almost two-thirds of our employees work for our European companies, but the workforce in the US is growing, as we have expanded activities in Automotive, Pon.Bike and Agricultural Products & Services. Over the past year, our workforce shrunk by 12%. This was due to the sale of our Industrial Mobility cluster, completed in 2023. Some staff cutbacks and a conservative approach to filling vacancies played a role as well in parts of our business.

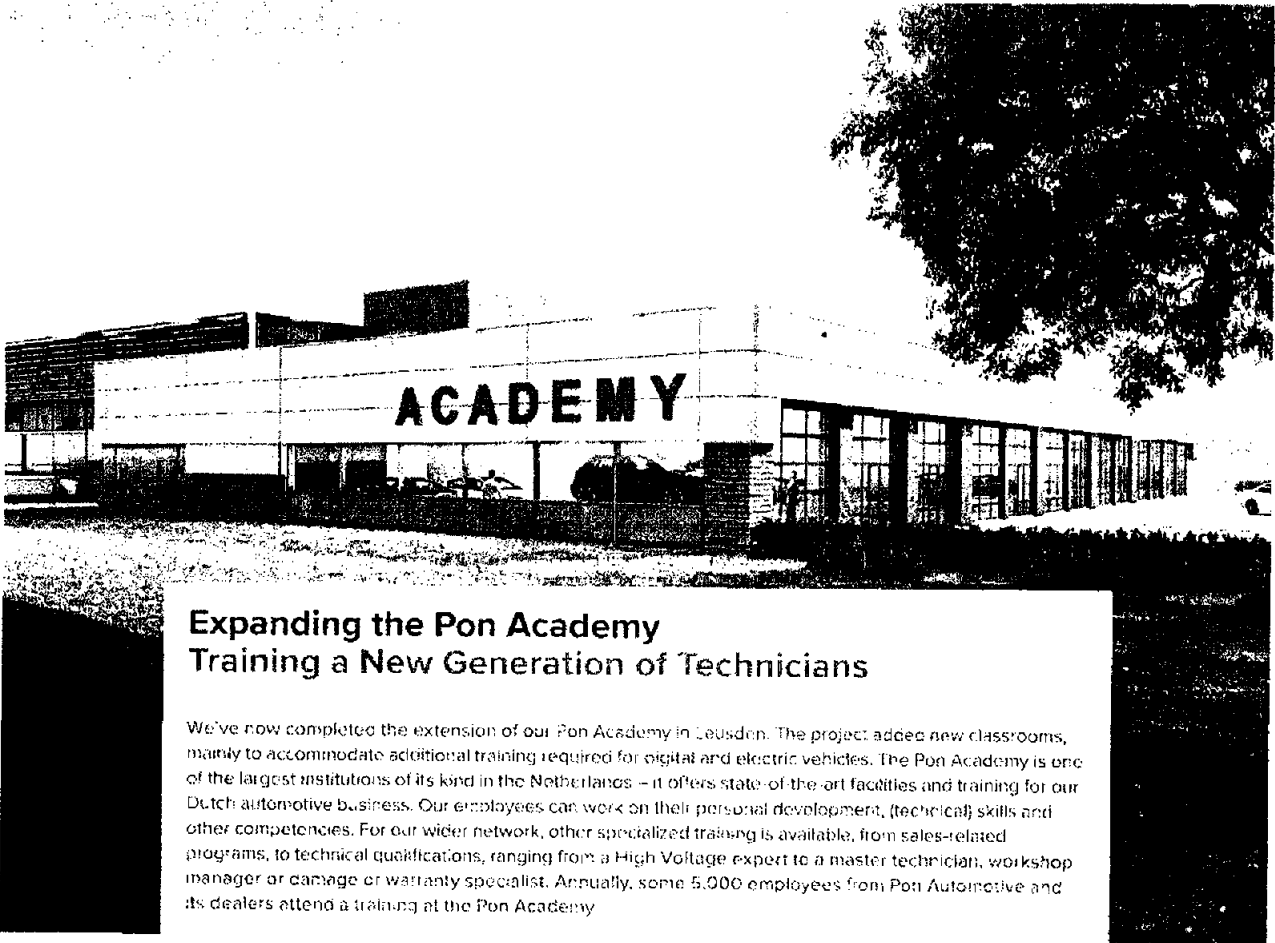


Pon Workforce 2023
(by business cluster)



Pon Workforce 2023
(total, 2019-2023)





Expanding the Pon Academy Training a New Generation of Technicians

We've now completed the extension of our Pon Academy in Leusden. The project added new classrooms, mainly to accommodate additional training required for digital and electric vehicles. The Pon Academy is one of the largest institutions of its kind in the Netherlands – it offers state-of-the-art facilities and training for our Dutch automotive business. Our employees can work on their personal development, (technical) skills and other competencies. For our wider network, other specialized training is available, from sales-related programs, to technical qualifications, ranging from a High Voltage expert to a master technician, workshop manager or damage or warranty specialist. Annually, some 5.000 employees from Pon Automotive and its dealers attend a training at the Pon Academy.

Diversity & Inclusion

Across Pon, we are looking to increase diversity and inclusion. We believe greater diversity leads to better decision-making and brings us closer to our people, customers and other stakeholders. Additionally, in our experience, it is increasingly common for younger generations to want to work for organizations that value diversity and an open-minded attitude. We realize this won't be easy. Historically, many of the industries we work in – notably automotive and heavy equipment – have been male-dominated.

Over the past year, we have given more structure to our D&I approach.¹ We've set clear areas of focus: gender diversity; ethnicity; accessibility; culture and LGBTQ+.² We are mindful of differing local markets, cultural contexts and legal landscapes throughout the Pon group. Therefore, within these areas, operating companies have set their own priorities for action, supported by our network of D&I ambassadors, in place since 2022.

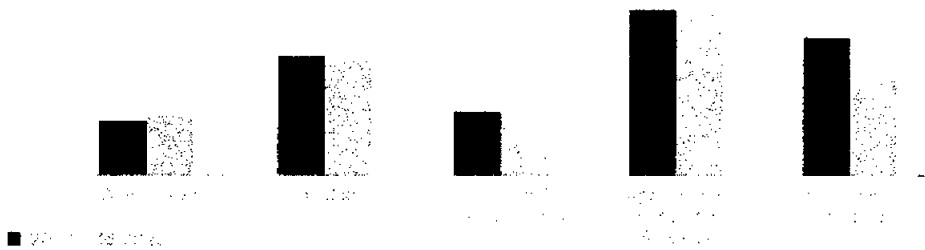
In 2023, local D&I initiatives included management training, newsletters and events to raise awareness of D&I issues and changes to make companies' HR processes fairer and more inclusive. We've provided specialist training to remove biases – our IT staff, for example, received training in digital accessibility. During the year, Pon Holdings also developed a toolkit to help operating companies make their buildings more accessible for those with physical disabilities. To celebrate, educate, activate, inspire and strengthen our internal D&I network, a first Ambassador Day was organized this year for our European ambassador network.

At the same time, we continued our D&I work with outside organizations, including Emma at Work and the Refugee Talent Hub. We're also looking to strengthen our pipeline of female talent through our Talent to the Top cross-mentoring program, increasing the number of women trainees joining Pon and supporting employee groups such as Women in Network at our Equipment & Power Systems business and GROW at Cannondale.

¹ Following appointment in 2022 of Chief of Staff Cristine Brinkman to Pon's Executive Board. As Executive Board member, Cristine is responsible for human resources and the company's approach to Corporate & Social Responsibility (CSR).

² Lesbian, gay, bisexual, transgender, queer or questioning

Gender diversity by Business Cluster (% of women)



In 2023, half our Supervisory Board members were women, as were 33% of our Executive Board. More work needs to be done at senior management level, where 14% of our higher management¹ were women, though women now represent 25% of management teams in our business clusters, up from 14% in 2022.

Salaries and Benefits

Across the group, we are committed to paying fair wages. Operating companies are responsible for setting salaries. When doing so, companies take into account living costs, personal performance and local market conditions. In 2023, we paid a total of €1 billion in salaries, benefits and pension contributions. During the year, we continued our focus on recruitment and retention, positioning Pon as an employer of choice and cooperating closely with schools, colleges and academies to encourage a new generation, particularly of mechanics and technicians.

Learning & Development

Across the Pon group, we offer extensive training and development programs, providing employees with opportunities for career advancement and to learn new skills. These programs include traineeships, mentoring and our winter and summer labs. In the Netherlands, our Pon Learning platform gives employees access to a catalog of training and development courses. Just over 70% of our Dutch employees are active users of the platform. Outside the Netherlands, our clusters and businesses deploy other means of development opportunities too. US-based indiGO operates a dedicated learning platform, as do Cannondale and Pacific Cycle. URUS coordinates e-learning and in-person training through the URUS University, offering various training modules – either mandatory or optional for employees

Like other companies, we are in a battle for talent – it's vital that we offer learning & development to employees, particularly given current skills shortages in data & digital, among salespeople, as well as mechanics and engineers. Excluding the Agricultural Products & Services cluster, around half of Pon employees are mechanics.

Over the past year, we've redesigned our Advanced Managers Program and launched a new Young Professionals Program, called Start to Move. We've also made our Future Leaders Program more international. Based on the success of our management traineeship program in the Netherlands, we set up a tailored management traineeship to attract local talent for our US operating companies, extended the Pon Academy in the Netherlands and launched a new artificial intelligence PhD program, in cooperation with Vrije Universiteit (VU) Amsterdam.

Alongside hands-on classroom training, we also offer online courses and make sure these are accessible by mobile for employees working on the shop floor.

Health and Safety

To Pon companies, health and safety is of paramount importance. Our first priority is to make sure all our workers return home safely at the end of their shifts. We set minimum safety standards for both employees and business partners – and provide regular training to all staff. Health and safety is also integrated into our CSR strategy (see page 14).

In 2023, we continued to roll-out our global Safe Move program, designed to improve our performance and reinforce the importance of constant vigilance on safety issues. Safe Move is supported by a Safe Move Safety Statement, signed by members of our Executive Board.

¹ (Senior) Vice Presidents, (Managing) Directors, General Managers



Safety rules apply to all staff. If they see a risk, employees are empowered to stop their work and take appropriate measures, resuming work only once it's safe to do so. We also have robust reporting procedures; employees must notify supervisors and managers of all incidents or unsafe working conditions. Across our businesses, we have a zero-tolerance approach to accidents.

In 2023, we had no fatalities at our facilities. At the same time, we extended our incident reporting. Both URUS and indiGO Auto Group were included in scope for the first time. We also redefined recordable incidents to include all "medical treatments."

Consequently, figures for incidents in 2023 were higher compared with the previous year.

Incidents recorded in 2023

	2023	2022
Fatalities	0	0
Recordable incidents	186	70

*Figures for 2022 include Automotive Netherlands, Pon Bike and Equipment & Power Systems only
Figures for 2023 now state all medical treatments and additionally include Agricultural Products & Services, Luxury & Performance Cars in the US (indiGO Auto Group) and Dare1 Sports (part of Pon Bike)*

Alongside safety, we also take measures to help protect our employees' health. In the Netherlands, our Pon Fit program, for example, emphasizes the importance of exercise, a healthy lifestyle and a reasonable balance between work and home life. As part of Pon Fit, employees are offered regular check-ups, sports and physical exercise, as well as

access to financial advice and support for addiction or mental health issues. During 2023, we also launched campaigns to raise awareness of skin cancer, the importance of oral health and getting a good night's sleep. Preparations are in place to roll-out Pon Fit beyond our Dutch operations from 2024. We are also continuing to monitor the spread of COVID-19.



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

We continue to invest in optimizing our 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.

Pon has its own Code of Conduct, which was updated in 2023, improving readability, emphasizing the topic of anti-bullying and harassment and to reflect our ambitions related to CSR. 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.

Additionally, Pon's Ethics & Compliance policies are regularly revised, updated and supplemented. An online compliance program with dedicated e-learning courses is in place for all employees worldwide. The goal of this program is to bring compliance to the hearts and minds of all employees. It ensures they are aware of the importance of acting in an ethical and compliant manner, as well as understanding what this means for them individually.

In 2023, around 7,500 employees completed the Code of Conduct training, which is mandatory for new employees. An e-learning Competition Law & Honest Business Conduct course has been made mandatory for employees with commercial, marketing or general management responsibilities, with 1,450 colleagues completing this training during the year. Throughout 2023, the Ethics & Compliance team organized in-person training in competition law and dawn raids.

In addition to the e-learning courses, key elements of our awareness program include bi-monthly newsletters on Ethics & Compliance topics, risk mitigating activities, export control, competition law and fraud prevention. In 2023, particular attention was paid to competition law, sanctions, trade restrictions and anti-bribery & corruption. All necessary information is shared on the Pon Intranet, which is continually updated.





Report of the Executive Board

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For Pon, 2023 was a year of contrasts. We delivered strong revenue of over €10 billion for a second straight year with overall solid results, helped by deliveries during the first six months against order backlogs. In the Netherlands, Automotive Wholesale & Retail enjoyed near-record sales in 2023 and Equipment & Power Systems benefitted from the continuing energy transition and strong demand from data centers.

The second half of the year, however, proved challenging, with new car orders in the Dutch market slowing down and a severe correction in the global bike industry.

During the year, supply chains returned to normal after suffering significant disruption during COVID-19. As suppliers were able to fulfill their backorders faster than expected, inventories increased across our main industries. At Pon.Bike and PEPP, in particular, this led to exceptionally high net working capital, ultimately putting pressure on both prices and margins. In combination with the steep rise in interest rates, our funding costs increased significantly. Nevertheless, we were able to use Pon's solid financial reputation, strong balance sheet and diversified business to fulfill our financing needs throughout the year.

Meanwhile, our Agricultural Products & Services business faced challenges of its own, with no sign yet of a sustained recovery in Brazil's beef market and lower milk prices reducing profit for US dairy farmers.

As expected, Pon's operating income was lower than in 2022, mainly as a result of the one-off proceeds from the divestment of our Industrial Mobility cluster in 2022, as well as tighter margins in some of our businesses and an increase in expenses from the effects of inflation and rising personnel costs.

To contain costs, we took several measures during the year, particularly in Pon.Bike and Automotive, installing OPEX programs and putting hirings on hold. Despite the strong performance of our Dutch Automotive Wholesale & Retail business in 2023, we are adjusting to a continuously transforming and possibly smaller market for new cars over the longer term.

Long-term Growth

Looking ahead, we expect this period of adjustment to continue into the first half of 2024. It will take time to work through current stocks, with interest rates still high and economic and political uncertainty around the world.

Going into the new year, we will focus on keeping costs down, reducing inventories where possible to improve cash flow, while at the same time preparing ourselves for an upturn – particularly in the bike market.

Over the past year, we have continued to invest in the long-term growth of our businesses: we have deepened our relations with the Volkswagen Group, we became the official importer for Audi in Vietnam, and signed a partnership to jointly grow our bike leasing business in Europe and the US.



During 2023, we also expanded our US luxury car dealerships and continued construction of our new bike factory in Lithuania. In the US, our Agricultural Products & Services business bought a majority stake in Leachman – a move that will strengthen URUS' position as a leader in both the US and global beef industries.

We also worked with partners on new zero-exhaust emission earthmovers and developed our data analytics and artificial intelligence capabilities, which will generate new insights into how we manage our business and supply chains – and which is transforming Pon into a data-driven company.

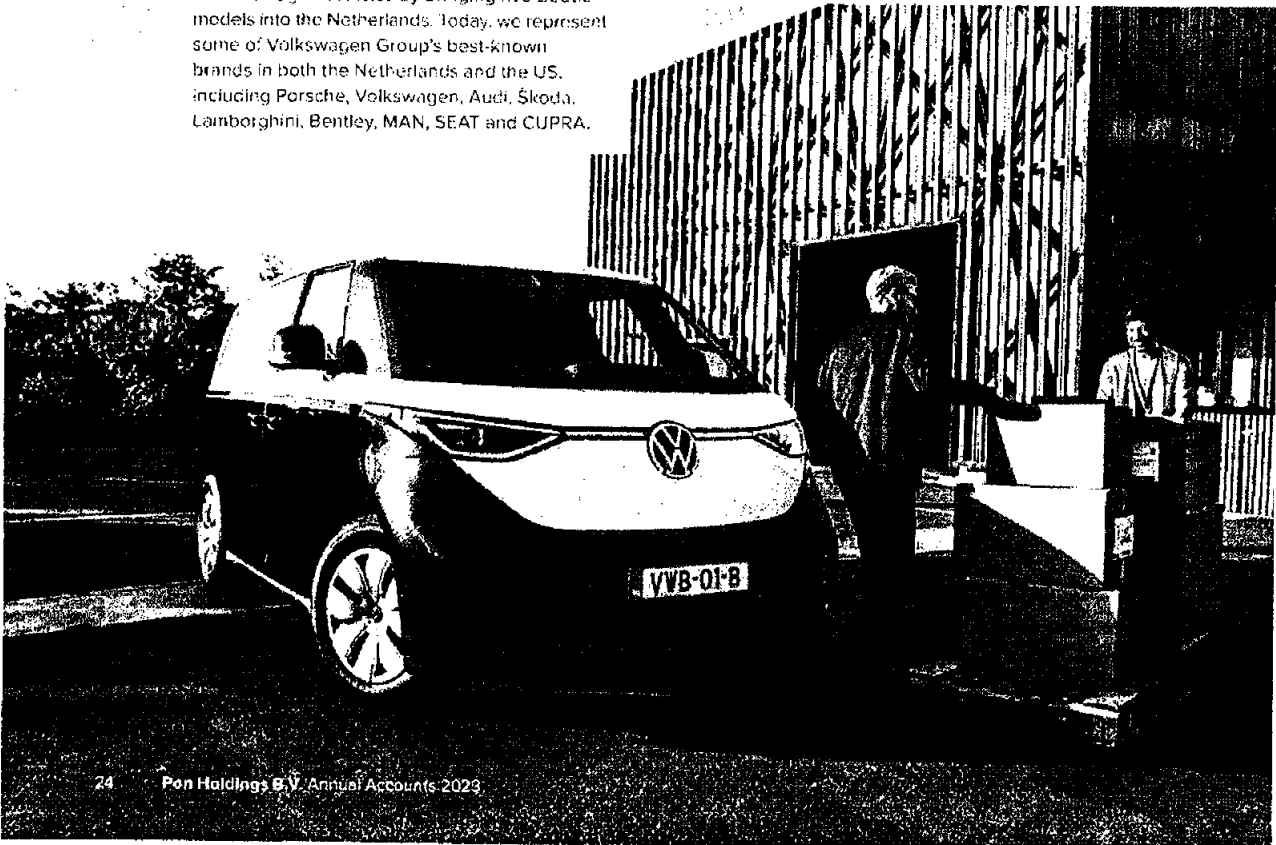
We have pursued our sustainability agenda. Detailed roadmaps are now in place at most of our businesses. Many projects were initiated, supported by our network of CSR ambassadors, underlining the progress being made. As a family-owned company, we continue investing in and empowering our people. We are confident we are on a path to becoming a more diverse, inclusive, and therefore stronger company, thanks in no small part to our many passionate, local D&I ambassadors.

Overall, we remain confident in the long-term growth prospects of our company. The sale of Industrial Mobility, which started in 2022 and was completed in 2023, has given us a greater strategic focus. We're well positioned to support changes currently underway in society: the transition to cleaner forms of energy; to a flexible approach to transport and mobility; and more sustainable agriculture to feed a growing global population.

Industrial Mobility

Building on our Partnership with the Volkswagen Group

We have been working together with the Volkswagen Group for more than 75 years. Our partnership is still going strong and still evolving. In 2023, Pon took over as the official importer of Audi in Vietnam. We also agreed a new alliance with Volkswagen Financial Services (VWFS) to help grow our bike leasing business in Europe and the US. And, alongside the Volkswagen Group, we're busy developing Europcar into Europe's leading mobility platform. By becoming one of Volkswagen Group's key innovation partners, we're building on a relationship that goes back to 1947 when Ben Pon Sr. became the world's first importer of Volkswagen vehicles by bringing five Beetle models into the Netherlands. Today, we represent some of Volkswagen Group's best-known brands in both the Netherlands and the US, including Porsche, Volkswagen, Audi, Škoda, Lamborghini, Bentley, MAN, SEAT and CUPRA.



Business Clusters

In total, we have 120 operating companies across four business clusters: **Automotive, Pon.Bike, Equipment & Power Systems and Agricultural Products & Services.** We delegate responsibility to company leaders to manage their own businesses, helping them maintain strong links with their local markets and customers, while benefiting from the Pon group's expertise and strong financial position.

Automotive

We're active in the Netherlands, the US and Vietnam.

Pon is the Netherlands' leading automotive company. Over one in five new cars delivered in the country is a Pon car. Our business is rooted in a long-standing partnership with the Volkswagen Group.



We are official importer for the Volkswagen Group volume brands into the Netherlands, including Volkswagen, Audi, Škoda, SEAT, CUPRA, Volkswagen Commercial Vehicles and MAN trucks and buses. In the Netherlands, we also represent the group's luxury brands: Porsche, Bentley, Bugatti, and Lamborghini,

as well as Rimac, the Croatian electric sports car brand. Our Luxury & Performance Cars business also has a strong position in the US, with dealerships for Porsche, Lamborghini and Bentley, as well as Rolls-Royce, Ferrari, Aston Martin, Jaguar, Land Rover, Audi, Volkswagen, BMW, McLaren and Rimac.



Revenue for Automotive
(in million euros)

	2023	2022
Wholesale	3,188	2,714
Retail	1,265	1,086
Services	66	74
Luxury & Performance Cars:		
• Europe	593	603
• North America	1,641	1,521
• Asia ¹	6	-
Total	6,759	5,998

¹ Pon became Audi importer in Vietnam as of December 2023

Automotive Wholesale, Retail and Services

In the Netherlands, our wholesale companies focus on importing and marketing Volkswagen Group's passenger cars and light commercial vehicles (LCVs). Through MAN Truck & Bus, we are among the country's top five sellers of new and pre-owned trucks. To sell our vehicles, we operate through an extensive network of dealerships. These include Dealer Group Pon, consisting of the Muntstad, Pon Dealer, Auto Hoogenboom, A-Point and Huiskes-Kokkeler dealer groups. We also have minority stakes in other dealerships.¹

We provide additional services, including spare parts and accessories, maintenance and damage repair,

as well as leasing and financing through Volkswagen Pon Financial Services (VWPFS). Alongside wholesale and retail, we also have an Automotive Services business, which includes our minority stake in Europcar.

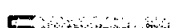
We are joint owners of car-sharing platform Greenwheels, active in over 170 cities across the Netherlands, and operate a range of new smart mobility services.

In January 2024, we sold our trailer parts business IMS Group – formerly part of Automotive Services – to SAF Holland.

Market Developments

In the Netherlands, our sales of passenger cars increased in 2023, due to a large extent to deliveries from order backlogs, particularly during the first half of the year. Toward the end of 2023, the market showed signs of weakening – a result of overall lower demand, stemming from high car prices in recent years, the cost of living and growing economic uncertainty, made worse by rising interest rates. During the year, European carmakers continued to face competition from Chinese EV manufacturers.

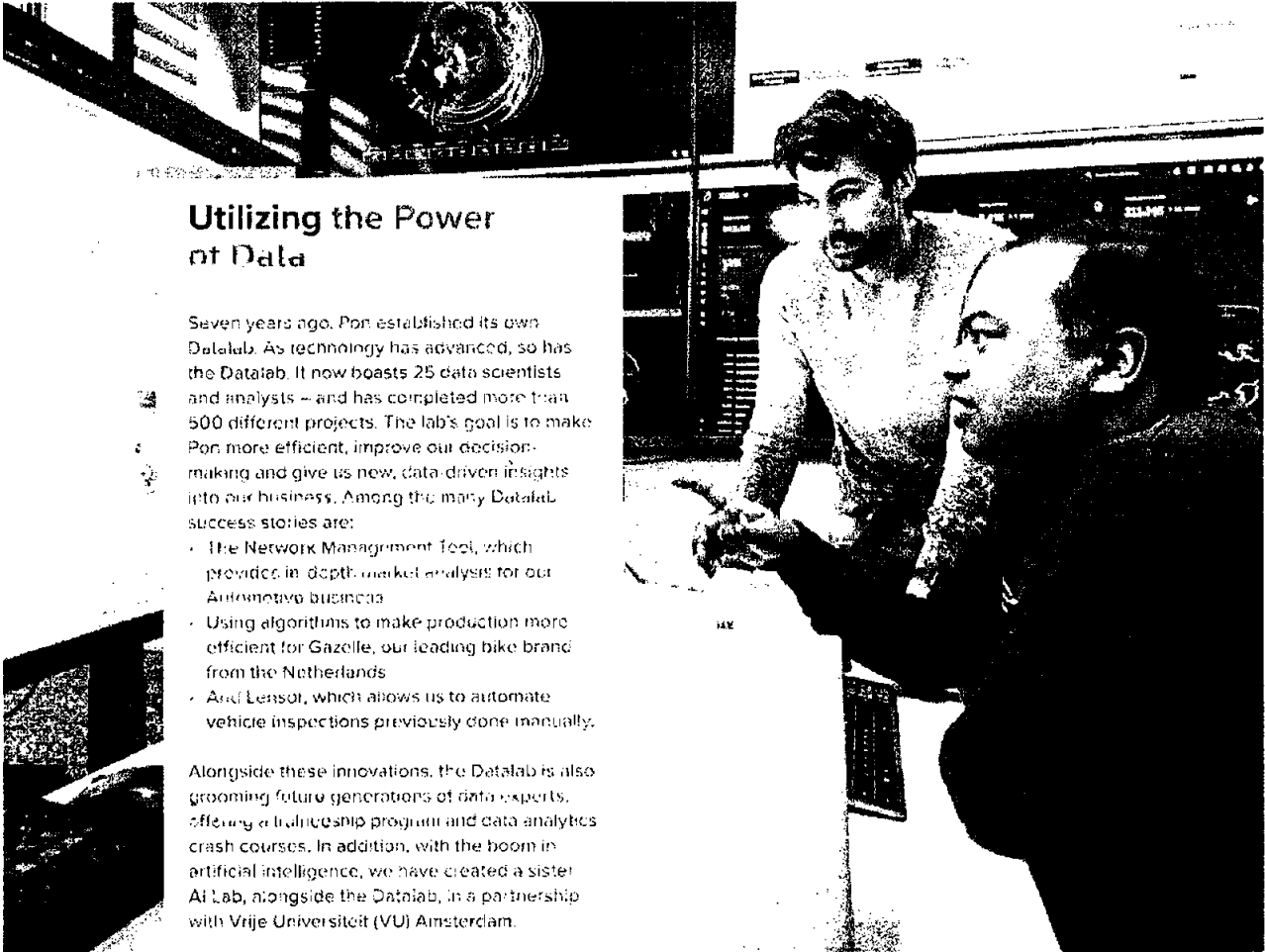
Supply constraints and temporary production stoppages at manufacturers had led to a build-up of unfilled orders during 2022 and higher inventories at both OEMs and dealers. Figures from the European Automobile Manufacturers' Association (ACEA) show passenger car registrations in the Netherlands totaled nearly 370,000 in 2023 – an increase of 18.5% compared with the previous year, but well below average annual sales recorded before the recent COVID-19 pandemic.



New Dealer System will Save Costs – and Improve Customer Experience

In 2023, our Luxury & Performance Cars business in the US started implementing a new, more advanced dealer management system. The new system, known as Tekion, should help us to become more efficient, improve customer experience and provide dealers with access to real-time, ready-to-use data. We're rolling out Tekion in stages, beginning with Porsche Sugarland toward the end of 2023 and North Houston in early 2024.

¹ Including the newly-merged Maas-de Koning dealership, formed in 2023 through the merger of two previous dealerships Maas Autagroep and M. de Koning. Maas-de Koning has 17 branches and showrooms across central Netherlands



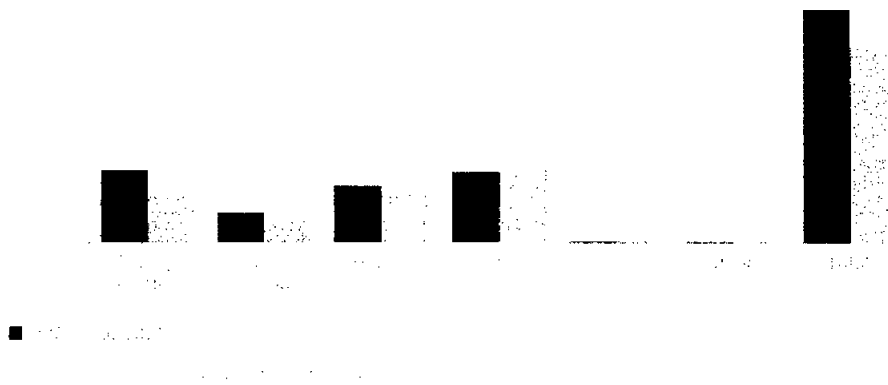
Utilizing the Power of Data

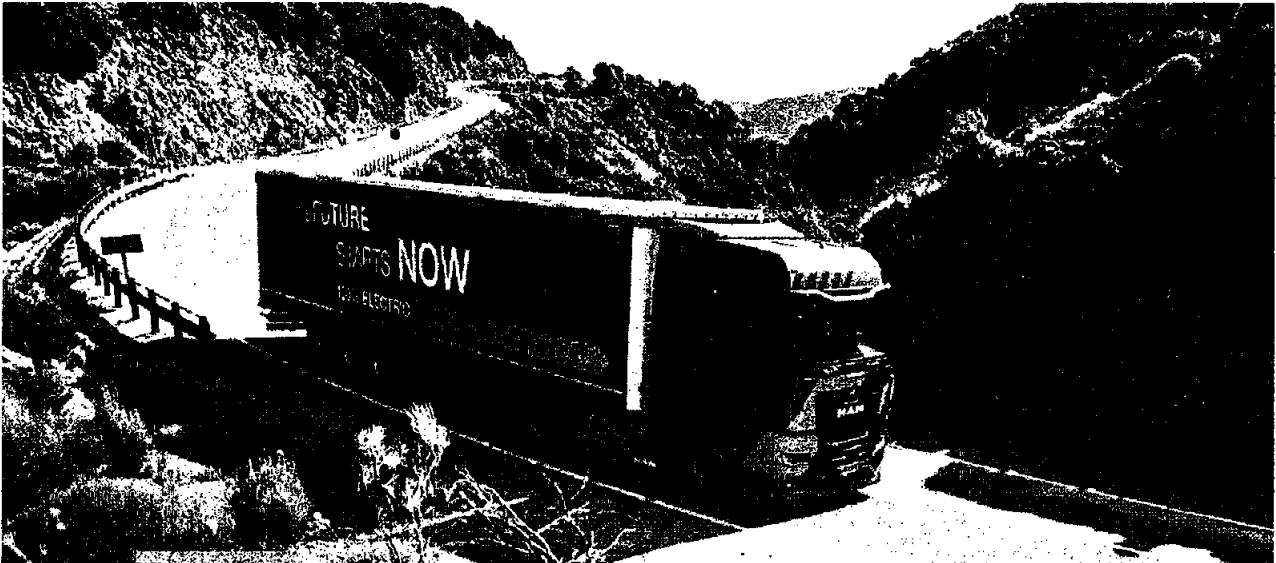
Seven years ago, Pon established its own DataLab. As technology has advanced, so has the DataLab. It now boasts 25 data scientists and analysts – and has completed more than 500 different projects. The lab's goal is to make Pon more efficient, improve our decision-making and give us new, data-driven insights into our business. Among the many DataLab success stories are:

- The Network Management Tool, which provides in-depth market analysis for our Automotive business
- Using algorithms to make production more efficient for Gazelle, our leading bike brand from the Netherlands
- And Lensol, which allows us to automate vehicle inspections previously done manually.

Alongside these innovations, the DataLab is also grooming future generations of data experts, offering a traineeship program and data analytics crash courses. In addition, with the boom in artificial intelligence, we have created a sister AI Lab, alongside the DataLab, in a partnership with Vrije Universiteit (VU) Amsterdam.

Registrations in the Netherlands by drivetrain





Driving Forward Sustainability in our Dutch Automotive Operation

Our Dutch automotive business has been actively working on sustainability for many years. On an importer level, we have been using green electricity since 2016 – 50% of which we produce ourselves. Almost 10,000 solar panels cover the roofs of our main campus in Leusden. Since 2017, biogas has been used to heat the buildings. We continuously focus on reducing gas usage and actively promote the use of electric or hybrid company cars. From 2024, trucks used to transport spare parts and new cars to dealerships will use 40% HVO (biodiesel), up from 30% last year. A second and third electric truck will be added to our fleet by the end of 2024. All our dealers have enrolled in Volkswagen AG's GoToZero Retail program, aimed at reducing CO₂ emissions across the entire Dutch dealer network.

New car prices in the Netherlands remained high, due largely to taxation. Consequently, consumers turned to pre-owned cars or sought more flexible options through private lease, for example.

Volkswagen Group ceased production of its 'A00' category models – equivalent to smaller, city cars – during the year. As around half of Dutch new car sales are below the €40,000 price point, Pon had to adjust during the year to this disadvantage.

Meanwhile, demand for LCVs was very strong (+17% market growth vs 2022), and is expected to boom in 2024 ahead of the introduction of the BPM¹ registration tax on combustion-engine commercial vehicles, due to come into effect in 2025. Pon deliveries of LCVs rose by 29%, with the Volkswagen Group able to increase production substantially during the year. The heavy truck market, meanwhile, also performed well, with sales up 21% year-on-year, thanks to improvements in supply and continued strong demand. The bus market grew by an exceptional 65%.

Overall, Pon's share of the Dutch passenger car market – combining all Volkswagen Group brands – rose to close to 22% in 2023, up from just under 21% the previous year.

Deliveries of electric vehicles rose; together, battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) accounted for almost 44% of the Dutch market. Toward the end of 2023, however, BEVs began to lose share of new orders, mainly because of a decrease in government subsidies for electric cars. Overall, prices for BEVs declined due to increased competition on pricing, putting further pressure on margins for manufacturers.

Plug-in hybrids were the year's big winners, with sales up more than 35% from 2022. Sales of gas and diesel cars meanwhile continued to decline slowly. With more electric vehicles in circulation, average carbon emissions for all newly delivered passenger cars in the Netherlands came down by a further 15% in 2023.²

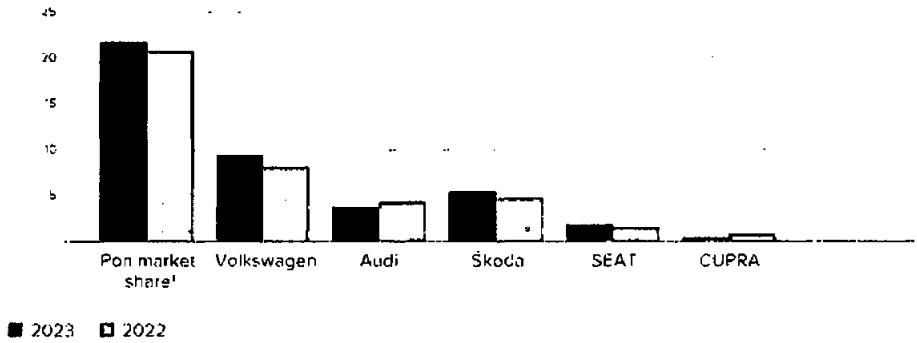
¹ *Belasting van Personenauto's en Motorrijwielen, or tax on personal cars and motorcycles. Until 2025 LCVs are exempt from this tax.*

² *Figures show all newly delivered passenger cars in the Netherlands emitted an average of 75 grams of CO₂ per kilometer in 2023, down from 88 grams the year before. (Source: RAI Data Center)*



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Market shares in the Netherlands (newly delivered passenger cars)



¹ Includes leasing and other non-vehicle units. Source: BAKD.nl.com

Operating Performance

Our Automotive Wholesale, Retail & Services business had a record year in 2023, despite the challenging market environment. Revenues were up 17%, thanks to deliveries against our order backlog from 2022. With higher revenues, operating earnings – as measured by EBITA¹ – were also up, though rising costs and increased competition put margins under pressure. Employee expenses increased – a reflection

of the current tight labor market, inflation and the subsequent adjustment in Collective Labor Agreements. Costs also rose because of higher interest rates, particularly given levels of stock held during the year.

Even so, Volkswagen, Audi and Škoda – our three leading brands – all reported an increase in EBITA, as did our Volkswagen commercial vans business.

¹ Earnings before interest, tax and amortization.



Developing the Agency Model at CUPRA

During 2023, we began a new phase in developing an agency model at Cupra, Volkswagen's direct sales brand. Three dealers have now signed up as an agent. Our plan is to extend this to another five during the course of 2024. We believe using an agency model could bring benefits, like lower costs and an improved customer journey. It's our aim to learn with CUPRA. But we remain cautious and act in close alignment with our current dealer partners.





market leader for the 73rd straight year. Our parts business also performed well, helped by an aging car population in the Netherlands and rising prices for spare parts; parts and accessories are becoming an increasingly important contributor to earnings from Automotive. At MAN Truck & Bus, we are reaping the benefits of an organizational rebuild conducted over the last few years. MAN Netherlands was awarded the title 'Importer of the Year' by our OEM. Financially, MAN had another successful year as profits remained stable after almost doubling in 2022, supported by continued strong orders

Given current difficult market conditions, with increased competition and low order intake, we launched our Fit for Future program in 2023 across our Automotive business. The program is aimed at simplifying our operations, in line with our wider MOVE_U strategy, as well as improving efficiency and identifying new opportunities for business. Fit for Future will also help us adapt to a continuously

transforming and possibly smaller new car market in the Netherlands in the years ahead.

As in 2022, our workshops remained fully booked throughout the year – a result of continued strong demand, increased purchases of pre-owned cars and an industry-wide shortage of skilled mechanics and technicians. Wait times for maintenance averaged 6-9 weeks. At the same time, we have also concentrated sales efforts on buyers loyal to our workshops – in effect increasing demand for maintenance and repair work. During 2023, we organized a recruitment campaign, looking for new mechanics to work in our dealerships.

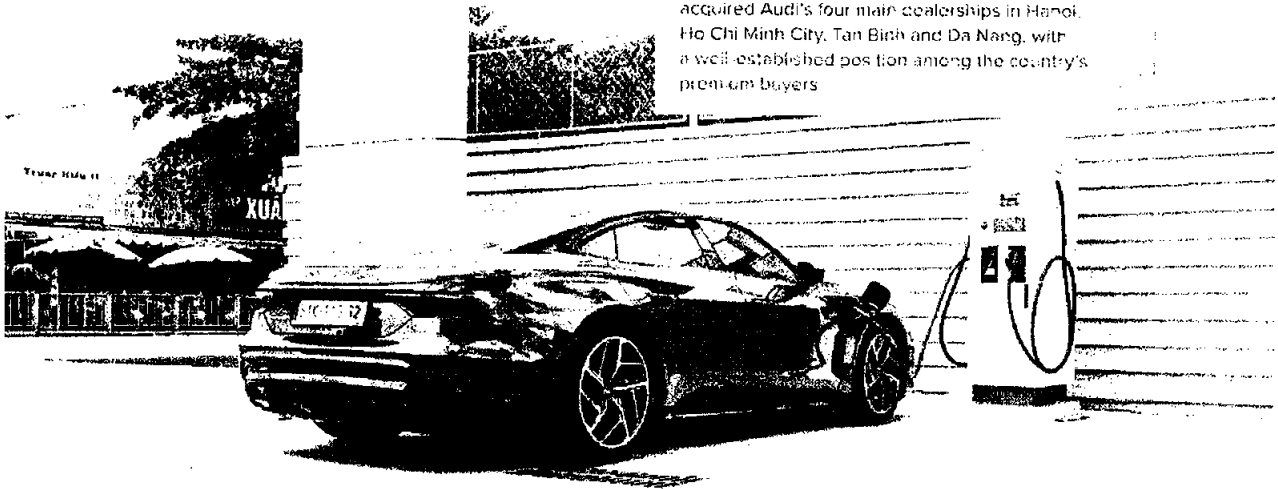
Luxury and Performance Cars

Pon Luxury & Performance Cars represents high-end automotive brands. In the Netherlands, these include Porsche, Bentley and Lamborghini. Pon's relationship with Porsche – our main brand – goes back almost

© Audi 2023

Pon Becomes Official Representative for Audi in Vietnam

We have been active in Vietnam now for more than a decade, first with marine engines. Then, in 2020, we became official importer for Jaguar Land Rover as part of a joint venture with Phu Thai Mobility Group. Time had come for the next step – with Audi, we'll be able to use the experience we've already acquired in marketing luxury brands in Vietnam as a platform for further growth in what is one of Southeast Asia's fastest-growing economies. We'll also deepen our partnership with Audi and the wider Volkswagen Group. We have also acquired Audi's four main dealerships in Hanoi, Ho Chi Minh City, Tan Binh and Da Nang, with a well-established position among the country's premium buyers





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75 years; we have four dedicated Porsche centers owned by the Pon Porsche Dealer Group in Amsterdam, Leusden, Rotterdam and Groningen, as well as minority stakes in Porsche dealerships in Eindhoven, Maastricht and Twente. Besides Porsche, we also operate two Bentley and Lamborghini dealerships in Rotterdam and Leusden, and a separate

Bugatti dealership in Leusden. We also have a minority interest in Bentley Maastricht.

In the US, we operate through indiGO Auto Group, which represents not only Volkswagen Group luxury brands, but also Aston Martin, BMW, Rolls-Royce, Jaguar, Land Rover, McLaren and Ferrari. indiGO has dealerships across Texas, California and Missouri.

indiGO Auto Group dealerships across the US

Texas:

Houston Porsche, Rolls-Royce, Lamborghini, McLaren
Sugarland Porsche

Missouri:

St. Louis Porsche, Ferrari

California:

Marin County Porsche, Volkswagen, Audi
Redwood City Ferrari
Riverside Jaguar-Land Rover
Rancho Mirage/Palm Springs Porsche, BMW, Rolls-Royce, McLaren, Lamborghini, Bentley, Jaguar-Land Rover, Aston Martin, Audi, Rimac
San Francisco Porsche

In Vietnam, we are the official importers for Jaguar and Land Rover through our joint venture Pon Phu Thai Mobility Group, with dealerships in both Hanoi and Ho Chi Minh City. In 2023, we further expanded our business in Vietnam, taking over as official importer and retailer for the Audi brand.

Market Developments

During 2023, we saw continued strong demand, leading to higher revenues – though markets showed signs of “normalizing” after an exceptional 2022 in both the US and the Netherlands. Demand for new cars held up, despite more difficult economic conditions, helped by increased sales of Porsche, which enjoyed a record year in North America. In the US, Lamborghini and Ferrari are sold out for the next two years.

In both our main markets, we saw a shift away from electric vehicles and toward hybrid. In the US, this was due to the rising cost of ownership and a lack of charging infrastructure. The latest plug-in hybrid technology has lowered CO₂ emissions substantially and, with that, CO₂-based taxation in the Netherlands. This has made the PHEV an attractive alternative to BEVs, where company car taxation has become less favorable over the past year. Slowing BEV sales resulted in higher stock levels, costly at a time of rising interest rates.

Overall, supplies of cars and parts improved after the shortages seen in 2022, though software problems during the year hampered deliveries of some models, most notably the Porsche Cayenne. Prices remained stable in the US, but showed signs of weakening in the Netherlands, particularly for pre-owned cars, with the increase in stock levels and rising interest rates.

Operating Performance

Luxury & Performance Cars reported higher revenues in 2023 thanks in part to higher volume sales.

As with our Automotive Wholesale, Retail and Services business, operating earnings were lower because of a rise in expenses, due in part to higher interest rates, but also increasing headcount and the cost of opening new US dealerships.

With pressure on margins, we focused more on our fixed operations in both the US and the Netherlands – workshops, finance & insurance and sales of pre-owned cars – where we have greater management control. In the US, we started to roll out a new, more effective dealership management system (see page 26), while in the Netherlands we took additional measures to improve profitability through targeted price increases, lower costs and a closer monitoring of margins.



Pon Automotive Strategy

During 2023, we continued to expand our US operations, opening new Porsche dealerships in San Francisco and Sugarland, Texas. One more Porsche dealership will be added in 2024 – at Little Rock, Arkansas.

At the same time, we invested in increasing our workshop capacity. In the Netherlands, we added new bays to our workshops in Amsterdam, Maastricht and Twente. We're also planning to fully refurbish our Leidschen workshop, beginning in 2025. In the US, we will open a new customer facing satellite for Porsche in Chesterfield, Missouri, and we began work on expanding our Houston service center for Lamborghini, Rolls Royce and McLaren. Both projects are scheduled to be completed by Q3 2024.

We're also in negotiations to lease a new facility in Marin County, California, which will provide additional service capacity for both Porsche and Audi. We're acutely aware of current skills shortages affecting our workshops, especially among technicians. During 2023, we expanded our traineeships for new mechanics in both the US and the Netherlands.

At Pon Automotive, we want to maintain our leadership in innovation and further strengthen our retail business. At the same time, we will ensure our operations remain lean and flexible. To do this, we're investing in making our internal processes more efficient, simplifying our IT systems, improving the flow of market data to management and investing in new workshop capacity to meet customer demand.

In the Netherlands, we will concentrate on our Fit for Future program to bring our wholesale businesses into line with the rapidly transforming car market. Alongside that, we'll look to develop short-term leasing propositions to meet customer demand for greater flexibility. As part of our Driving Innovation approach, we'll also work to further explore financial services and plot an agency approach with CUPRA.

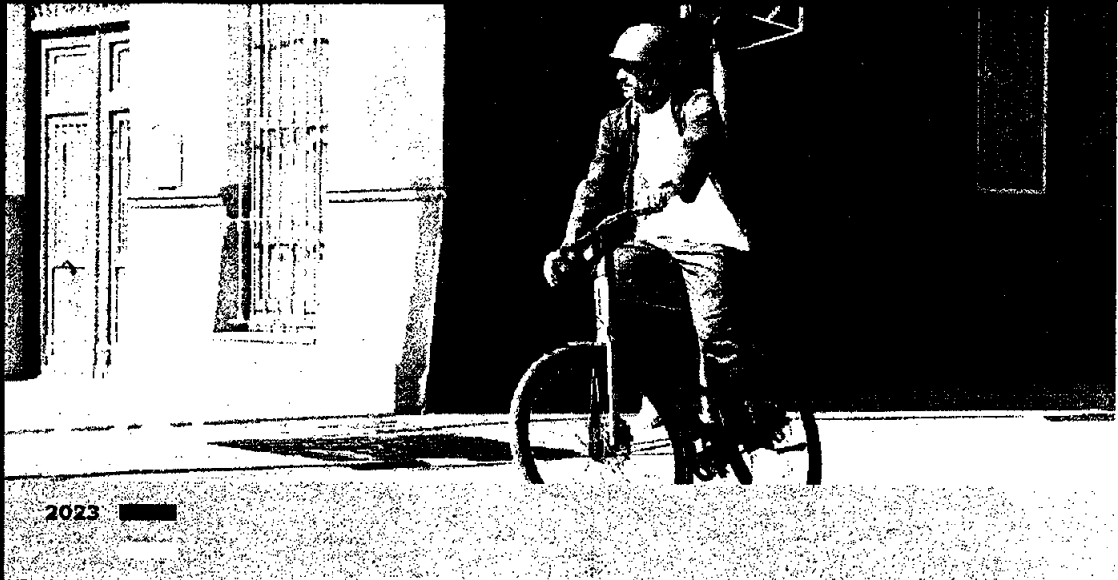
In the US, our luxury and performance cars business continues to put emphasis on volume sales, as well as further expanding its network of dealerships. We already have new dealership projects in place for 2024 and 2025 across California, Texas, Missouri and Arkansas. Meanwhile, our agreement with Audi will lay foundations for strong future growth in Vietnam. To support sales, we are also continuing with customer activation through our INDIGO Performance and Experience Center and at set-piece events like the annual Monterey Car Week – an approach that has proved successful in recent years.



Pon.Bike

The world's leading bicycle family

Pon.Bike is one of the world's leading bicycle companies. In 2023, we delivered more than 2.6 million bikes. We are active in assembly, retail, parts & accessories and leasing.



Pon.Bike has some of the most iconic brands in cycling, including Gazelle, Cannondale, Kalkhoff, Schwinn, Caloi, Cervélo, Urban Arrow, FOCUS, Santa Cruz, GT, Motocelli, Juliana, OneUp, Reserve Wheels, BBB, Nibbi and Union. Through these brands, we are able to offer a full range of premium, city, road, mountain and cargo bikes. Pon.Bike is at the forefront of the e-bike revolution; almost 50% of the bikes we sold through independent bike dealers in 2023 were e-bikes.

Pon.Bike operates mainly in Europe and the Americas, but our brands are sold worldwide through independent bicycle dealers (IBD), retailers like Walmart and Dick's Sporting Goods, as well as online. Our bikes for the IBD network are assembled at Pon.Bike factories in the Netherlands, Germany, Brazil and the US. By outsourcing when necessary, we're able to operate our own factories at close to full capacity.



Revenue for Pon.Bike
(in million euros)

	2023	2022
Pon.Bike	2,287	2,404

We see leasing as a growth business for Pon.Bike. Bike Mobility Services – 49%-owned by Volkswagen Financial Services (VWFS) from March 2024 – includes Lease a Bike and B2Bike. In addition, our activities in this area include Moveo and FietsNED, the latter providing 24/7 roadside assistance to

retail and business customers. Swapfiets, our bike subscription service, has around 280,000 users across Europe. Through BBB Cycling, we also sell bikewear, tools, spare parts and accessories in more than forty countries worldwide.

Bicycles

	Europe	Americas
Full Line	Cannondale	Cannondale
Comfort	Gazelle, Kalkhoff	Schwinn, Gazelle
Road	FOCUS, Cervélo	Cervélo, Caloi
Urban	Veloretti, Union	
Mountain and BMX	FOCUS, Santa Cruz	Santa Cruz, Mongoose, Caloi, Juliana, GT
Cargo	Urban Arrow, Gazelle	Urban Arrow

	Services	Parts & Accessories	Retail
Europe	Lease a Bike, BusinessBike, B2Bike, Moveo, FietsNED, Swapfiets ¹	BBB Cycling, Nimbi, Reserve Wheels	RideOut
Americas		Reserve Wheels, OneUp Components	Mike's Bikes

¹ Part of Ponooc

The chart above shows Pon Bike brands by location. Categories include both pedal and e-bikes. During 2023, we discontinued two brands: our KidTrax (parts & accessories) and Charge e-bikes. We added high-end cycling shoe brand Nimbi (see below)

Pon.Bike Adds Super-Lightweight Racing Shoes Nimbi to Portfolio

In July we acquired premium Italian cycling shoe brand Nimbi. Founded four years ago, Nimbi is famed for making high-performance, lightweight carbon fiber shoes for the most demanding customers, including pro-cycling teams. Recently, Nimbi shoes have been worn by winners of the Giro d'Italia, la Vuelta and the Tour de France.



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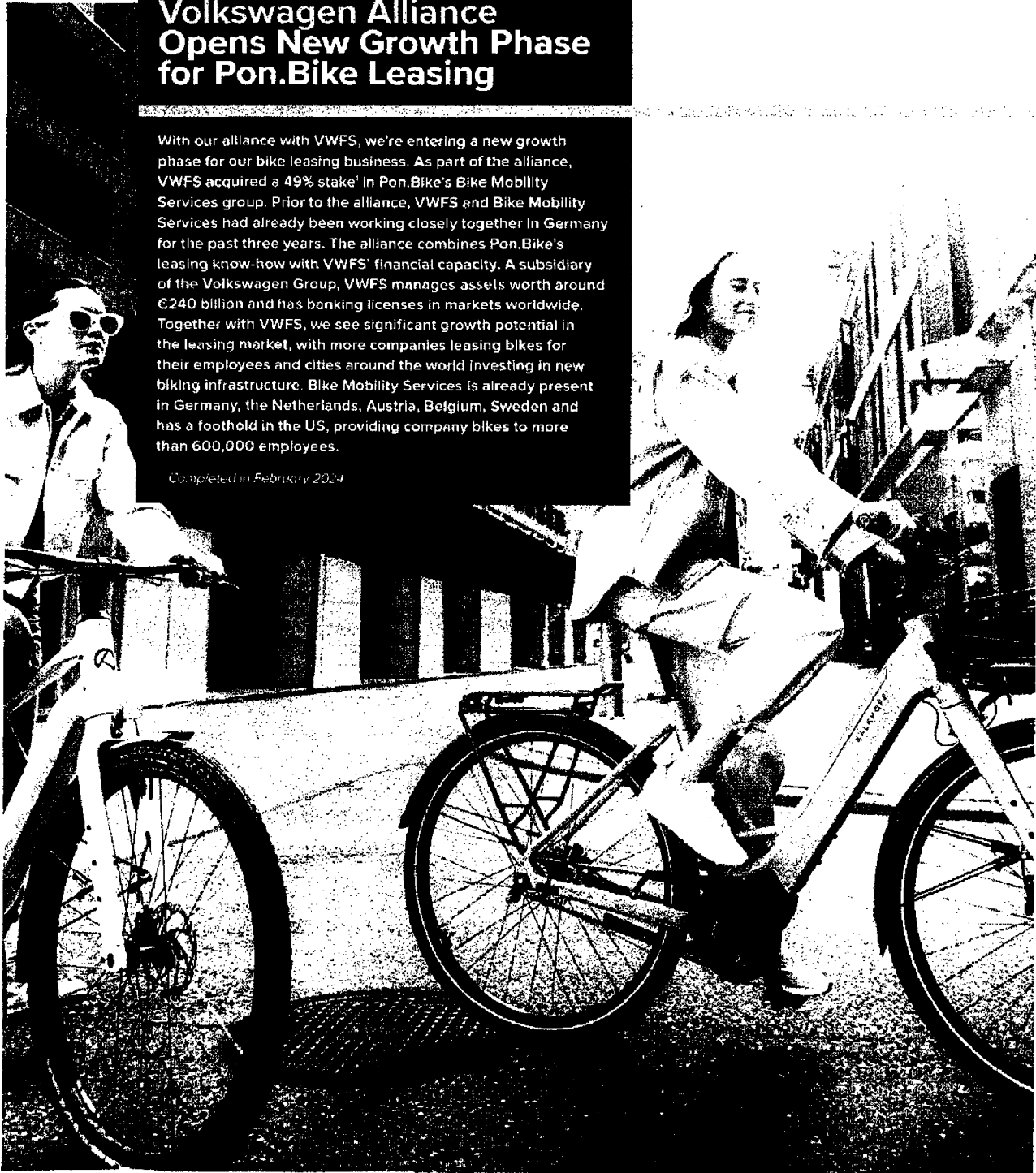
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Volkswagen Alliance Opens New Growth Phase for Pon.Bike Leasing

With our alliance with VWFS, we're entering a new growth phase for our bike leasing business. As part of the alliance, VWFS acquired a 49% stake in Pon.Bike's Bike Mobility Services group. Prior to the alliance, VWFS and Bike Mobility Services had already been working closely together in Germany for the past three years. The alliance combines Pon.Bike's leasing know-how with VWFS' financial capacity. A subsidiary of the Volkswagen Group, VWFS manages assets worth around €240 billion and has banking licenses in markets worldwide. Together with VWFS, we see significant growth potential in the leasing market, with more companies leasing bikes for their employees and cities around the world investing in new biking infrastructure. Bike Mobility Services is already present in Germany, the Netherlands, Austria, Belgium, Sweden and has a foothold in the US, providing company bikes to more than 600,000 employees.

Completed in February 2024





Market Developments

After two years of strong growth, the bike market saw a sharp correction in the second half of 2023 – the result of lower consumer confidence and overordering, during (post-)COVID-related supply chain disruptions, leading to sharply increased stock levels at both dealers and manufacturers.

OEMs, IBDs and other retailers had placed significant orders during the COVID-19 pandemic, while severe supply restrictions hampered the industry. With supply chains getting back to normal, stocks quickly built up, putting severe pressure on prices for new bicycles. By the end of 2023, average discounts in Europe and the US exceeded 15%; in the US, around one in five models was being sold at a discount.

By the end of 2023, inventories had started to decline among dealers, but manufacturers were still carrying significant stock – in some cases, more than twelve months. In these circumstances, we don't expect the market to recover fully until at least the second half of 2024. In the meantime, falling prices have resulted in restructuring across the industry, with some dealers and competing manufacturers facing considerable financial difficulties. Private equity investors, meanwhile, have largely withdrawn from the market.

Bike sales across Europe and the US decreased in 2023. But despite this downturn, we remain confident the bikes market will resume its long-term growth trend, especially as governments and companies continue to encourage cycling for health reasons and as a way of meeting climate goals.

Operating Performance

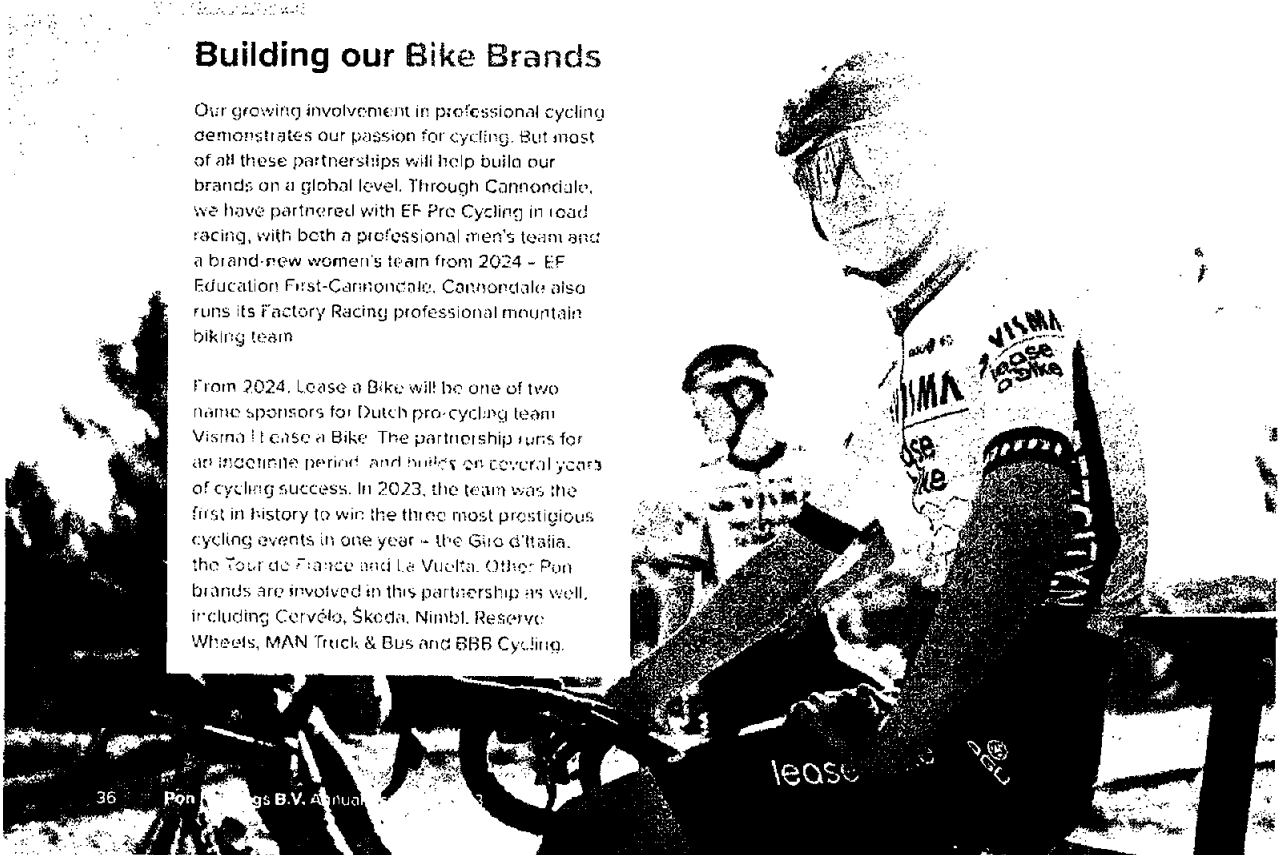
Pon Bike had a tough year, but we were able to weather difficult market conditions thanks to Pon Holdings' strong balance sheet, efforts to reduce operating expenses and continued growth in our leasing business. Revenue totaled €2.3 billion, down just 5% thanks to our strong brands and sales from our 2022 order backlog during the first half of the year. Margins nevertheless came under pressure because of increased discounts on new bikes, inflation and rising interest rates, resulting in a 45% decrease in our 2023 operating earnings.

During the year, our teams worked hard to limit the effect of lower margins – by cutting back expenses where possible and putting some new investments and hiring on hold. We managed to keep our stock levels below those of many of our competitors. We put considerable effort into further strengthening our management controls, standardizing more of

Building our Bike Brands

Our growing involvement in professional cycling demonstrates our passion for cycling. But most of all these partnerships will help build our brands on a global level. Through Cannondale, we have partnered with EF Pro Cycling in road racing, with both a professional men's team and a brand-new women's team from 2024 – EF Education First-Cannondale. Cannondale also runs its Factory Racing professional mountain biking team.

From 2024, Lease a Bike will be one of two name sponsors for Dutch pro-cycling team Visma | Lease a Bike. The partnership runs for an indefinite period and builds on several years of cycling success. In 2023, the team was the first in history to win the three most prestigious cycling events in one year – the Giro d'Italia, the Tour de France and La Vuelta. Other Pon brands are involved in this partnership as well, including Cervélo, Škoda, Nimpl, Reserve Wheels, MAN Truck & Bus and BBB Cycling.





Pon.Bike Strategy

Pon.Bike is well positioned to benefit from longer-term growth trends in the bike market as governments and companies encourage cycling as a way to combat climate change and support healthier lifestyles. That stems from having strong, diversified brands in both pedal and e-bikes – and control over assembly, which we will add to with the opening of our new factory in Lithuania, scheduled for mid-2024. Since the acquisition of Dorel Sports in 2022, we have a truly global footprint. We will continue to leverage European brands to increase business in the US, and vice versa.

Over the past year, we've invested in improving management control, and maintained strong relations with suppliers and other business partners. Both will stand us in good stead as the bike market works through its current period of adjustment. The popularity of the e-bike will continue, and we see bike leasing as an important area of future growth. As with automotive, customers are seeking greater flexibility. Through our new partnership with VWFS, we'll look to expand Bike Mobility Services, and strengthen ties between BMS and our leading brands.

our internal processes, improving forecasting for our supply chain and stock levels, and maintaining strong relations with key suppliers and other business partners. Overall, these changes significantly improved the predictability of our business.

During the year, our Cervelo and Santa Cruz facility in Mainz, Germany, had its first full year of production – while our new factory at Kedarnagar, Lithuania, remained on track for completion as scheduled by June 2024.

We signed a landmark leasing alliance with Volkswagen Financial Services (VWFS) starting in March 2024, providing a platform for future growth in our Bike Mobility Services business. And we continued to invest in product development, with the release of many new models across our various brands.

Equipment & Power Systems

Supplying equipment and power solutions in The Netherlands and Norway

Our Equipment & Power Systems cluster consists of two businesses: Pon Equipment and Pon Power (PEPP). Together, these businesses supply equipment and power solutions to hundreds of companies operating in the power, shipping, mining, transport, civil engineering and construction industries.



With its expertise in power generation, PEPP plays a crucial role in the current energy transition.

Pon Equipment manages our Caterpillar dealerships in two markets – Norway and the Netherlands. Our relationship with Caterpillar goes back nearly a century to our first Dutch dealership, established in 1926. PEPP is an important Caterpillar dealer outside the US. Pon Equipment operates in six main sectors: building, infrastructure, mining, waste & recycling, port & bulk and equipment rental, providing everything from Caterpillar excavators and wheel loaders to bulldozers.

Among our Pon Equipment operating companies, we have specialist suppliers, including:

- Verachtert (specializing in attachments for earthmoving machinery)
- SITECH (precision Trimble lasers and GPS control systems)
- Komptech (waste processing and recycling machinery)
- Compact Rent (small-scale earthmoving equipment)



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Revenue for Equipment & Power Systems (in million euros)

	2023	2022
Pon Equipment	596	563
Pon Power	664	585
Others	-	49
Total	1,260	1,197

Meanwhile, Pon Power focuses on sales and support for Caterpillar engines. We operate in marine and shipping, providing integrated power systems for industry, and heat & power systems for the Dutch horticultural sector. In addition, we supply back-up power to vital infrastructure, such as hospitals and data centers. Through Pon Energy Rental, we also rent out power, cooling and heating equipment.

Pon Power also acts as official representative for MaK diesel engines, generator sets and spare parts through Bolier in the Benelux and Moteurs Marine Méditerranée in France and French-speaking North Africa.

Other operating companies include power engineering group Topec International, MAN Rollo and Radio Holland, which specializes in maritime navigation and communications equipment, selling worldwide. In addition, we have minority stakes in two other Caterpillar dealerships outside Europe to support our marine sector customers: Phu Thai Marine in Vietnam and PESA Caterpillar-Maritimo in southern Brazil.

To focus more on the current trend towards cleaner, more sustainable fuels, we decided to sell our former Diesel Power Holland business, specializing in buying, selling and overhauling second-hand diesel engines and generators.

Market Developments

At Pon Equipment, we saw a significant build-up of inventory during the year. Supply constraints in 2022 in the wake of the COVID-19 pandemic had led to an order backlog. As these constraints eased in 2023, deliveries were made against orders that had been delayed in some cases by up to a year. New equipment requires workshop throughput time for customization to specific customer needs, which, combined with new orders, led to an increase in stocks, putting pressure on working capital, particularly in Norway where we generally have larger, more valuable machines and equipment.

In some sectors – especially the housing market – demand was adversely affected by slowing economic growth, inflation and rising interest rates, as well as

Key Developments

Demand from Data Centers Booms in Norway

Over the past year, we have seen a continued boom in data centers in Norway. Tech companies are attracted partly because of the country's abundance of clean, affordable hydropower. Added to that is the recent expansion in undersea fiber optic cables connecting Norway with the rest of Europe – these cables are vital in moving vast quantities of data over long distances. Relatively low temperatures also mean companies spend less on cooling their centers.

In 2023, we scaled up our data centers business to meet this boom in demand, mainly for gensets – a combination of an engine and electrical generator used to provide back-up power. Competition is growing, but we have clear expertise and a strong position in the Norwegian market. The sector is also set for further growth: TikTok – the latest global tech company to build in Norway – is due to bring its new data center in the Hamar region, eastern Norway, online by mid-2024. Meanwhile, building applications have been made for new centers near both Stavanger and Oslo, and construction has started on data cables linking Norway with Japan and North America. According to the Norwegian Datacenter Industry, investments in the sector are likely to total an annual NOK 20-30 billion over the next few years¹.

¹ *Forecast to Q1 2024: 2.7 billion. Source: Norwegian Datacenter Industry: the data center industry in Norway 2023, 10x4 (January 2024)*

political uncertainty in the Netherlands in the run-up to the November elections. Meanwhile, a weakening krone pushed up import prices for our Norwegian customers. During the year, the krone lost approximately 7% of its value against the euro.

Elsewhere, demand held up well – in infrastructure and civil construction in Norway largely because of continued government investment, in waste & recycling, and in our bulk handling business thanks to increased imports of coal through Rotterdam as Germany moved to reduce its reliance on Russian gas. We also saw strong demand for rebuilds, with customers looking to upgrade old engines and switch to more energy-efficient machinery.

At Pon Power, we continued to benefit from the energy transition, with companies looking for cleaner, renewable sources of power, in part to meet regulations as well as their own climate targets. Across different sectors, we continued to see customers switch, where possible, to alternatives such as biofuels, electrification and battery storage – willing, in some cases, to pay a premium to do so.

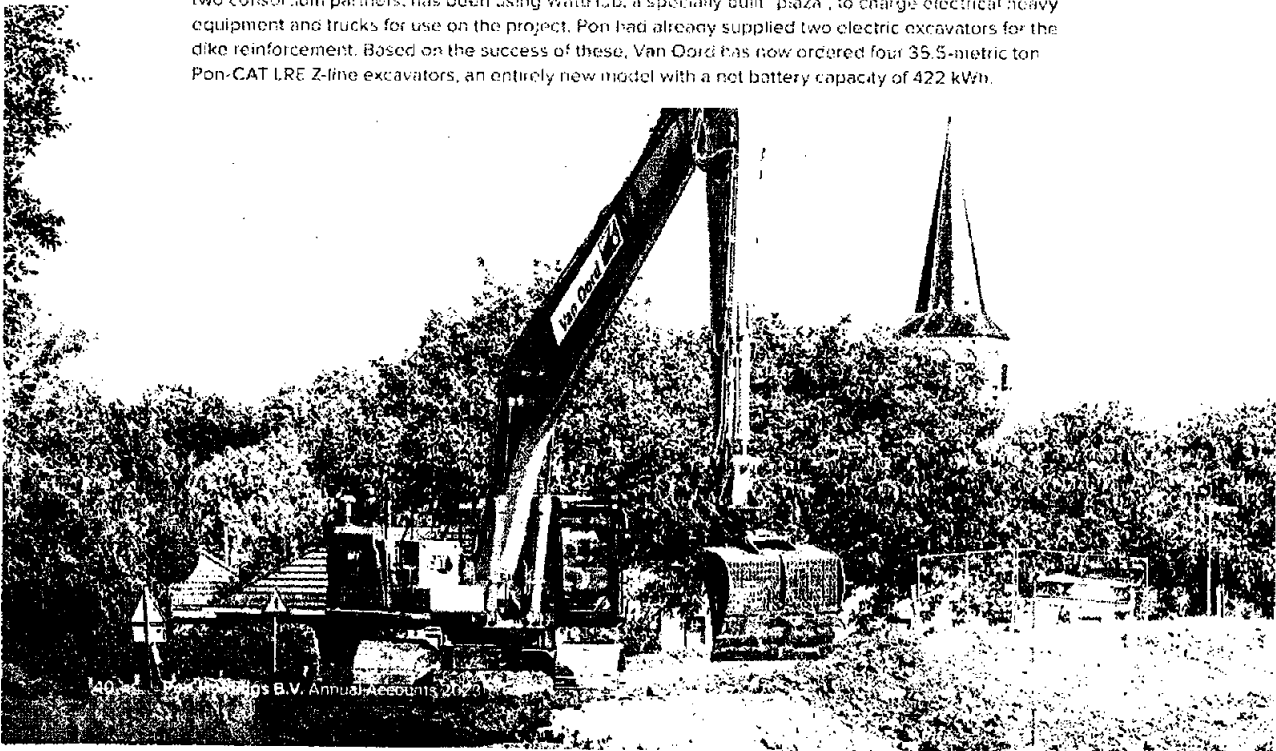
Meanwhile, grid congestion in the Netherlands added to demand for microgrids, able to operate independently of the national network, based on multiple power sources like solar power, wind power, batteries and generators. During the year, overcrowded power grids continued to hinder new investment, particularly in the country's construction sector. In Norway, we saw a boom in demand from

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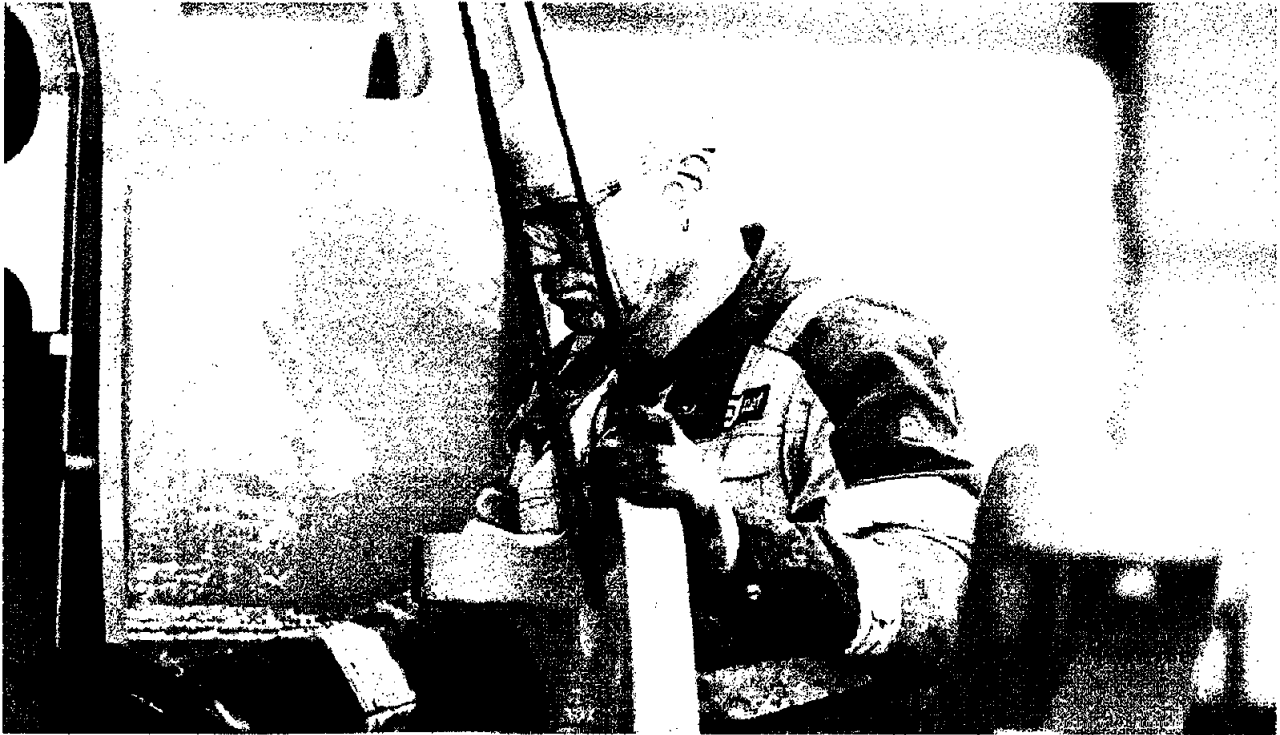
Developing Zero-Emission Earthmovers

In May, we signed a three-way partnership with Caterpillar and Dutch marine engineering group Van Oord to develop new zero-exhaust emission earthmoving equipment. The partnership's ultimate goal is to reduce the contribution of the construction industry to climate change, by using emission-free construction equipment in the most optimal way. According to the UN, construction currently accounts for more than a third of global carbon emissions. Much of that derives from materials such as concrete and steel, but it also comes from the use of diesel in heavy earthmovers on building sites. The partnership underlines Pon's role as a frontrunner in clean energy for the construction sector. We're also working directly with Caterpillar on pilot projects in this area in both the Netherlands and Norway.

Van Oord is currently working on reinforcing the Tiel-Waardenburg river dike, part of the Netherlands' extensive flood defenses. The dike borders a protected nature area – and Van Oord, along with its two consortium partners, has been using WattHub, a specially built "plaza", to charge electrical heavy equipment and trucks for use on the project. Pon had already supplied two electric excavators for the dike reinforcement. Based on the success of these, Van Oord has now ordered four 35.5-metric ton Pon-CAT LRE Z-line excavators, an entirely new model with a net battery capacity of 422 kWh.



40.000.000.000.000 B.V. Annual Accounts 2023



data centers, fueled by increased use of artificial intelligence and new investments from international technology companies.

In 2023, we continued with product innovation across our Equipment & Power Systems cluster. During the year, for example, Caterpillar began development of a kit to help marine customers retrofit engines to use methanol as a fuel. We have already been working closely with Caterpillar on a hybrid engine – part methanol, part diesel. A pilot version of this engine should be ready for delivery to Damen Shipyards in 2024. Along with Caterpillar, we are also developing “repowering” options for Pon Equipment customers – in effect, installing new, often cleaner, technology in older machines.

Operating Performance

Revenues from Equipment & Power Systems increased 5% in 2023 thanks to sales from our equipment order backlog, the continuing energy transition and strong demand from data centers.

In Norway, revenues were also boosted by large power generation projects and fleet deals, while our marine business recovered after a weaker 2022, with growing demand from wind farms and agricultural vessels, as well as a turnaround at Radio Holland following recent reorganization measures.

Margins improved in 2023 despite increasing cost levels, coming from inflation, rising energy prices, additional hiring and the cost of implementing NAXT, our new Enterprise Resource Planning (ERP) system. During the year, we kept tight control of operating expenses; this will continue into 2024.



Net working capital increased sharply in 2023 – a consequence of higher stock levels as previously ordered new equipment and parts were delivered by our OEM – as well as revenue growth. At the beginning of the year, we received large deliveries of equipment from Caterpillar, delayed from 2022 because of COVID-19 restrictions and parts shortages. During the year, we took measures to reduce our working capital needs; these included scaling back on baseline orders where possible, speeding up our delivery and invoicing processes, and actively selling used equipment to reduce stock. We also tightened up the sign-off procedure for orders on uncommitted stock.

Equipment & Power Systems Strategy

Our strategy is built around four areas: the energy transition, digitalization, rental, and operational excellence. Working in these areas helps PEP respond effectively to major trends shaping our equipment and power services business, not least the increased use of new technologies, the need to tackle climate change and the trend from ownership to "usership."

Internally, we are working to become more cost-efficient – and more data-driven in our decision-making. To do this, we're expanding our digital capacity, and we'll benefit from the completion of NAXT to reduce expenses and improve efficiency. As part of our strategy, we have set clear goals through to 2026 to increase our sales and operating earnings, reduce net working capital and further strengthen customer loyalty – the backbone of future growth in our business. At the same time, we will look to capitalize on growth areas: rebuilds data centers in Norway and demand for microgrids in the Netherlands, likely to grow because of current network congestion. In addition, we believe the energy transition will continue to open up opportunities to innovation, as we've seen already with our work on methanol and zero exhaust-emission earthmovers in construction.

Operational Excellence

NAXT System will Make us more Efficient and Lower Costs

During 2023, we completed the roll-out of NAXT, our new integrated, Microsoft-based resource planning system. We believe NAXT will help improve efficiency and lower operating costs. The new system covers everything from order processing and sales to customer relations management; it also updates automatically – and allows us to bring in new Caterpillar applications, which weren't compatible with our former system. The final stage of the roll-out came in May 2023 when NAXT went live at Pon Power in the Netherlands. We're now focused on bedding in the new system, and using NAXT to further strengthen interactions with our customers.

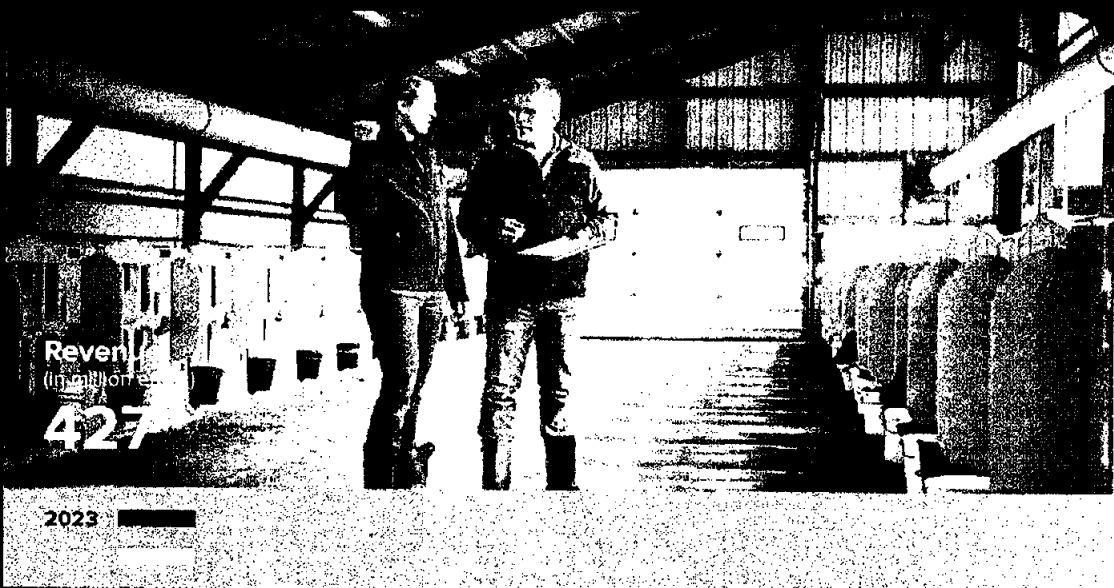




Agricultural Products & Services

World leader in cattle genetics and more

Agricultural Products & Services comprises URUS and its operating companies. It's our newest business cluster, having joined Pon Holdings in 2021



URUS is a world leader in cattle genetics and artificial insemination; it also provides beef and dairy farmers with advanced, cutting-edge technology to improve herd quality and productivity, and in doing so, plays an important role in supporting sustainable farming and feeding the world.

Headquartered in the US, URUS has retail businesses in 17 countries and territories worldwide – and operates through distributors in more than 80 others. URUS services dairy and beef producers through direct sales, wholesale and other independent resellers. Around two thirds of its revenue comes from two markets: the US and Brazil.



Revenue for Agricultural Products & Services
(in million euros)

	2023	2022
URUS	427	422

URUS' operating companies span the industry value chain from genetics and reproduction through artificial insemination, data & digital to calf care. These companies include PEAK, URUS' breeding center, where bull semen is collected and processed before being delivered to subsidiaries Alta Genetics, GENEX, Jetstream Genetics and other genetics suppliers worldwide. Among URUS' other operating

companies are VAS, specializing in advanced software for dairy herd management and SCCL, which collects and sells colostrum for calves. In 2023, URUS further strengthened its market position in genetics through a majority acquisition of Leachman Cattle in the US and a majority joint venture with Genetics Australia Cooperative, to form Genetics Australia Holdings.

URUS' Operating Companies

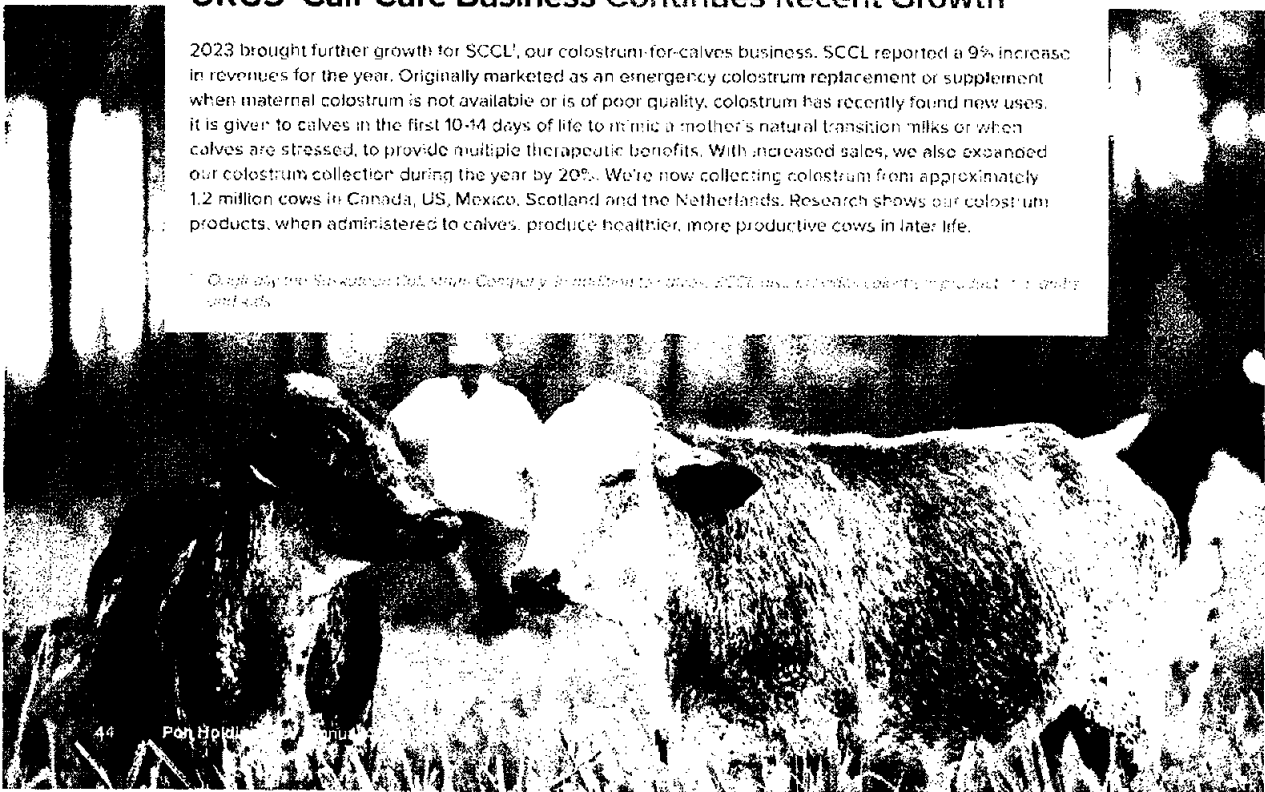
Genetics	Sales channels	Data & digital	Calf care
PEAK	Alta Genetics	VAS	SCCL
Leachman Cattle	GENEX	AgSource	
	Genetics Australia		
	Jetstream Genetics		

1. 2023 års regnskap

URUS' Calf-Care Business Continues Recent Growth

2023 brought further growth for SCCL, our colostrum-for-calves business. SCCL reported a 9% increase in revenues for the year. Originally marketed as an emergency colostrum replacement or supplement when maternal colostrum is not available or is of poor quality, colostrum has recently found new uses. It is given to calves in the first 10-14 days of life to mimic a mother's natural transition milks or when calves are stressed, to provide multiple therapeutic benefits. With increased sales, we also expanded our colostrum collection during the year by 20%. We're now collecting colostrum from approximately 1.2 million cows in Canada, US, Mexico, Scotland and the Netherlands. Research shows our colostrum products, when administered to calves, produce healthier, more productive cows in later life.

1. Coloply er en Selskaps Del. Norge. Company information for 2023. SCCL and its milk colostrum products are sold in several countries.





Market Developments

Over the past year, market conditions have been less favorable, with lower earnings for dairy farmers in the US and only very early signs of a recovery in Brazil's beef market. Our business also had to contend with economic turmoil in Argentina and increased trade risk because of political tensions in the Middle East, Eastern Europe and China.

In the US, dairy farmers faced significantly lower profits due to a sharp decrease in milk prices, rising input costs and higher interest rates. Near-record beef prices reduced demand for our dairy products. US farmgate milk prices have dropped more than a third since their peak in the first half of 2022.¹ Lower earnings will drive further consolidation in the US toward more business-scale dairy farms, which are more aligned with the URUS sales channel approach.

In Brazil, dairy proved strong during the year, but the beef sector continues to track along its current downcycle, with farmers preferring to sell cattle, often for export. We don't expect a turnaround in the market until calf prices start to increase again. Beef accounts for around 61% of our revenue from Brazil.

In Argentina, the cost of imports rose sharply following a devaluation of the peso, part of government measures to turn around Argentina's economy and bring down inflation; the government also imposed a series of import controls. In response, we have taken steps to increase local production and spending, but still incurred significant foreign exchange losses during the year. During 2023, the Argentinian peso lost nearly 80% of its value against the US dollar.

Nevertheless, we remain confident in longer-term growth in the global artificial insemination market. Demand will increase as emerging economies become wealthier and pressure grows for better genetics, technology and more sustainable forms of agriculture. Across the industry, we are also seeing continued emphasis on digitalization, automation and data management – part of a broader drive for greater productivity and more efficient herd management.

Operating Performance

Revenue from Agricultural Products & Services increased during 2023. Sales were helped by strong growth in our SCCL colostrum-for-calves business. Operating earnings, meanwhile, came in moderately higher thanks to a continued focus on cost control. This increase came despite foreign exchange losses in Argentina and lower operating earnings from GENEX, resulting from an overall decrease in our Artificial Insemination market share in the US.



We made two important acquisitions during the year in the US and Australia – and continued investment in our Global Development projects in sub-Saharan Africa:

- In July, we bought a majority stake in Genetics Australia, the country's largest artificial breeding supplier. This cooperative joint venture further strengthens URUS' position in one of the world's leading cattle markets and provides access to grazing genetics for dairy, an area of strong potential growth especially with the rise of sustainable farming.
- In August, we bought a majority interest in Colorado-based Leachman Cattle. The acquisition gives URUS access to Leachman's proprietary Stabilizer genetics and extensive cattle database; it also lifts URUS into a leadership role in both the US and global beef industries. Combining with Leachman allows URUS to tap into the fast-growing beef-on-dairy cross-market in the US. We believe the combination will also bring benefits across the industry, providing healthier and more sustainable cattle for producers, feeders, processors and ultimately consumers.
- In 2023, we received multiple grants for new and current projects for our activities in emerging markets. The Bill & Melinda Gates Foundation awarded our unique Value4Dairy consortium – formed with Royal FrieslandCampina, Royal Barenbrug Group, and Royal Agrifirm – a grant for Nigeria. USAID, meanwhile, awarded us a grant within its Cooperative Development Program to develop the cooperative dairy sector in Nigeria and East Africa. This will help put these projects on a more commercial footing once the initial development phase is complete. We see sub-Saharan Africa as a potential growth market, particularly given current low productivity rates, especially among dairy cattle.

¹ Based on data from US Department of Agriculture (farmgate all-milk price)



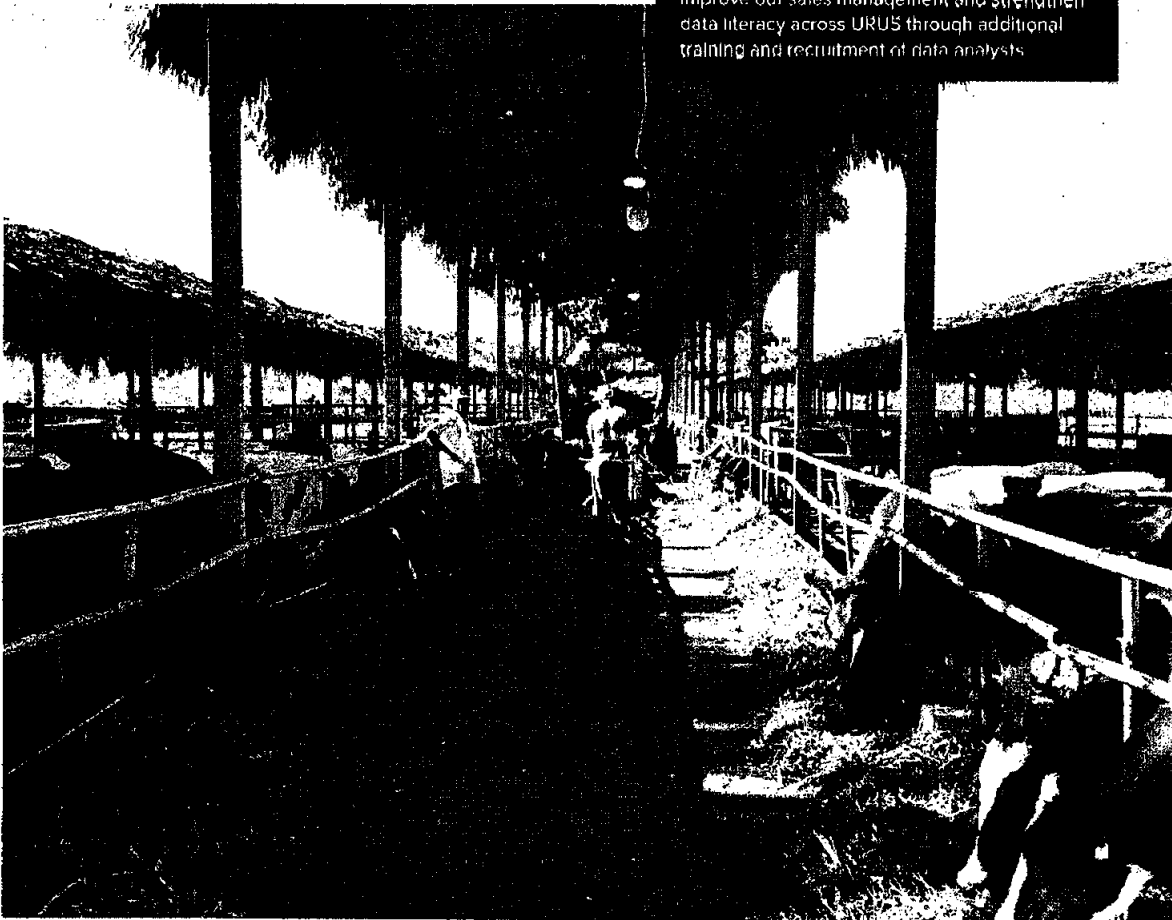
At the same time, our companies continued to invest in new technologies to meet growing demand. VAS – our specialist software company – has been expanding MyDC for smaller dairy farmers, developing integrations with third parties through APIs and moving our Dairy Suite platform to the Cloud. VAS systems now manage more than 15 million cows and heifers across 6,000 facilities worldwide.

During the year, we also appointed a new Chief Integration Officer to help further drive efficiency within the cross-functional aspects of URUS, to ensure optimal integration of recent acquisitions and continue the integration of URUS into the wider Pon group – a priority for senior management over the past year.

The world's largest VAS is a unit of integration between a dairy farm and a central data centre, supporting a company's Farm-wide Biology.

Agricultural Products & Services Strategy

At URUS, we want to continue growing our revenues. We'll do this by making the most of our leading position in Artificial Insemination and genetics, expanding our PEAK premium program. We'll also look to make the most of our extensive databases to support farmers and dairies. Additionally, our acquisition of Leachman Cattle opens considerable growth opportunities through its Stabilizer genetics – and we are now working on integrating the FeedWise/ONYX Stabilizer based value chain program into our US sales teams. We will also continue growth at our S.U.I. calf-care business. In 2024, we expect to add another 150,000 cows to our Colostrum collection program, increasing our supply. Internally, we will also continue to upgrade our work on data and digital; we are introducing digital dashboards to improve our sales management and strengthen data literacy across URUS through additional training and recruitment of data analysts.





About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
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Minorities

Volkswagen Pon Financial Services (VWPFS) – our joint financing arm with Volkswagen Group – had another good year, reporting strong profits in 2023, as average prices for pre-owned cars remained at a high level, particularly in the first half of the year.

DFM, which provides financing to companies in the mobility sector, also performed well during 2023. Pon owns 40% in both VWPFS and DFM.

Pon also has minority stakes in several car dealerships in the Netherlands. In 2023, these dealerships benefitted particularly from an increase in deliveries of new cars on the back of high 2022 order books.

Leachman Acquisition Opens up Growing US Beef-on-Dairy Market

The US beef-on-dairy market has grown rapidly in recent years. Since 2019, the number of beef-on-dairy calves has grown nearly four-fold. Our combination with Leachman Cattle will allow URUS to tap into this market. Through GENEX and Alta, we'll provide dairy farmers with access to Leachman's proprietary stabilizer bull semen. Beef on dairy crosses have been in high demand among both cattle feeders and beef packers, largely because they're more efficient in terms of feed, more environmentally friendly and produce higher quality meat. Leachman has been developing its own line of stabilizer genetics for the past thirty years. Stabilizer cattle are a composite breed, made up of British and European breeds, including Angus, Red Angus, Simmental, Gelbvieh and South Devon.





Ponooc

During 2023, Ponooc – our venture capital arm – made two new investments:

- Unitt, an urban mobility start-up focusing on smart cycling accessories that raise the bar for safety with technology, like smart helmets and smart lights
- ChargeX, a green tech company focusing on scalable modular charging systems for electric vehicles

These investments further strengthen Ponooc's position in sustainable mobility and energy.

Among Ponooc's other investments are Laka, an innovative bicycle insurance company, fleet maintenance company Orion, and Swapfiets – a bike subscription service that now has over 280,000 subscribers across seven European countries. In the Netherlands alone, Swapfiets is available in over 50 cities.

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

R&D, Innovation and Digitalization

In recent years, we have seen technology evolve more rapidly with data being collected on an increasingly large scale. Artificial intelligence and, in particular, generative artificial intelligence, benefit from these vast amounts of data and drive innovation to unprecedented levels. Keeping up with the trend and speed requires vision, direction and action, which is provided by our IT leadership team.

At Pon, we encourage the use of technologies through four strategic programs:

- Our artificial intelligence program centered around experimentation
- EU Data Act, not only focused on compliance with new regulations, but also on discovering opportunities from newly available data
- Digital Lighthouse, measuring the digital maturity of our companies and plans for improvement
- Our Security & Privacy program, organized events and interventions focused on awareness and increased monitoring to ensure we use new technology in a secure and privacy-compliant manner

We are investing in these technology-oriented programs to remain relevant to our customers, improve and grow our business and be a source of inspiration for our employees, while also fulfilling our commitment to operate environmentally-friendly and sustainable businesses.

Steering the Digital Transformation of our Business

Our efforts in recent years to digitize our companies under the guidance of our IT leadership team are paying off. While a large number of our systems have been updated, we continue to invest in updating our older applications. When doing so, we strive to strike a healthy balance in our investments between innovation and sustaining our current IT landscape.

Most operating companies now have customer centricity, data and technology strategies in place that set the direction for every major change in their IT landscape. In 2023, HR and IT jointly launched an initiative to give direction to digitizing our workforce in terms of skills and competence, as well as ways of working focused on accelerating the speed of change.

The Digital Lighthouse approach gives management insight into the maturity of five aspects of their business and their digital business ambitions. It aims to close the gap between aspirations and reality. In 2023, the Lighthouse approach resulted in digital maturity scans and plans for over 20 operating companies. BBB Cycling served as the pilot, and the pinnacle of this program was the delivery of a complete digital strategy for URUS. All these initiatives have one crucial aim in mind – staying relevant to our customers in a world where their expectations are changing constantly.

Becoming a Digital Company

The shift to more digital interactions and experiences affects the foundation of our businesses. It has an impact on our people, the delivery of our products and services, our internal processes and systems, and the way we are organized.

Our IT leaders and technology teams around the world are leading that change, which requires executing an array of changes across our companies. Deep collaboration between marketing, sales, operations, HR and IT is needed to develop the right solutions at speed. Data is being cleaned, harmonized and properly governed to enable us to use it to interact with our customers. New technology stacks allow us to integrate new customer channels in a more flexible and scalable way.

This company-wide transformation is supported by webinars, newsletters, education and training, innovation, ideation events, etc. 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 in exploring new ideas and identifying new opportunities to evolve our business.



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Our
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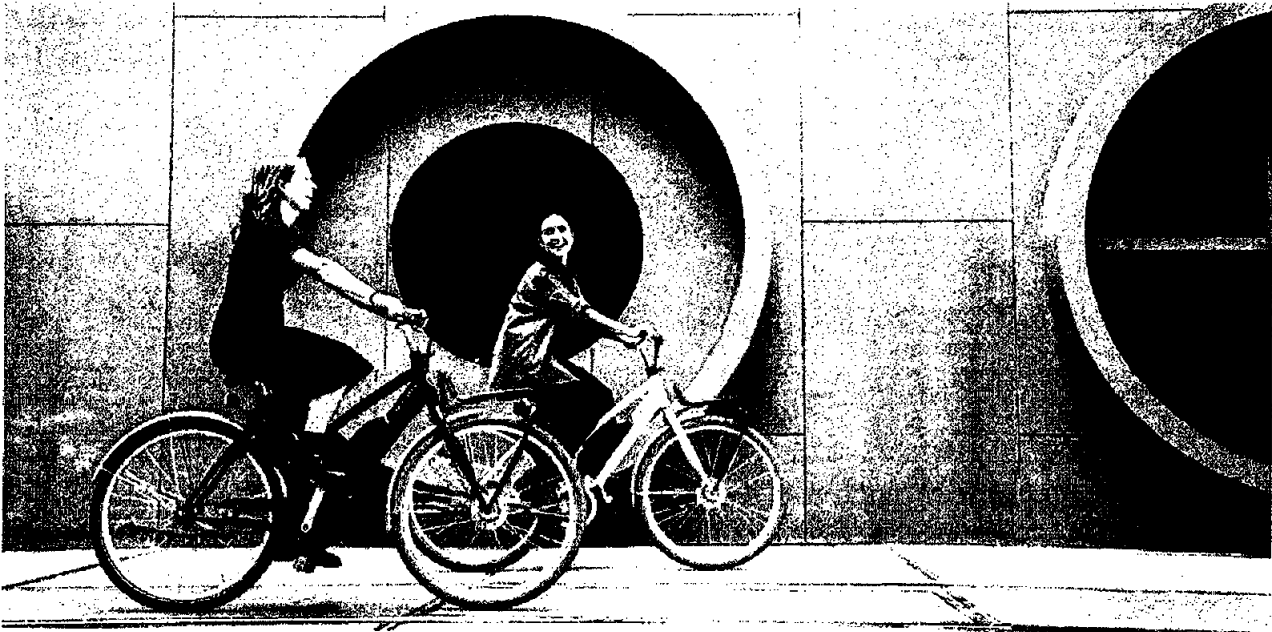
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Digitalization has become one of the cornerstones of our company's success. With the right digital solutions and propositions and the implementation of simple, excellent digital customer journeys, we believe our companies will continue to retain their competitive edge.

We continue to learn more about our customers through increased volumes of customer data. New technologies are being used to help us understand what customers want and expect. New data and reporting technology is also being introduced in many operating companies to analyze process patterns and behavior, and support managers in their quest for improvements in top and bottom-line results.

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

Automotive

Pon Automotive transformed its Enterprise Resource Planning (ERP) operation into a new systems architecture that supports the future of its business model. This architecture is based on the principle 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 2026 and is governed

by the Automotive management team. At the same time, Automotive retail is constantly improving its IT solutions for better customer engagement and higher efficiency, which is also the case for our IT investments in a new Dealer Management System for US dealerships.

Pon.Bike

Pon.Bike was strongly supported by the Pon DataLab in accelerating more data-driven business insights. New dashboards based on advanced analytics have been designed to offer insights into market developments and supply chain and stock positions. We have completed implementation of an application to support Sales & Operations Planning (SAP/IBP) for Gazelle, Kalkhoff and Focus for our European production facilities, and are planning to expand that to Pon.Bike Performance and Sports. As part of the new digital strategy, Pon.Bike technology teams are increasingly integrated into our business teams, giving them greater autonomy to further improve systems and customer experience. In summary, we have created a modern and capable IT backbone for all Pon.Bike companies over recent years, based on SAP technology and allowing bike operating companies to focus on operational excellence.

Equipment & Power Systems

Pon Equipment & Power Systems has completed replacement of its former ERP system with NAXT. 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 designed an organization for future technology. New positions in information management have been created at operating company level to drive digital innovation.

Agricultural Products & Services

At URUS, we have developed a digital strategy that spans our main operating companies and is based on the principle of customer centricity. In coming years, URUS management will execute this strategy based on a defined set of priorities. This should result in higher customer satisfaction, increased ability to retain customers by providing a better service while also improving efficiency.

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. We recognize the need to maintain our focus on digital topics to stay competitive, retain our market position and remain the first choice for our customers.

Financial Position and Cash Flow

In 2023, as in 2022, Net Working Capital remained significantly above normal levels, especially within Pon.Bike and Equipment & Power Systems. Consequently, in 2023, we had modest cash flow from operating activities of €85 million – compared to a cash outflow of €349 million in 2022.

Our investments produced a cash outflow of €350 million, compared with €591 million the previous year. This included a negative net amount from acquisitions and divestments of €41 million, down from the €317 million net cash outflow reported in 2022.

Sustained higher inventory levels combined with a relatively small net cash outflow from acquisitions and divestments, resulted in a marginal increase in Pon's net debt to EBITDA ratio of 2.4 by the end of 2023, up from 2.3 the year before and well within the agreed covenant thresholds.

Strategy

Over the past 125 years, Pon has grown from a local family business into a family-owned multinational, with many operating companies active in several industries. Across industries, Pon operates in various parts 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 34 markets. This diversified approach to doing 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 our OEMs, suppliers, retail partners, customers, and other key stakeholders. By working in close collaboration, we can better respond to the needs of existing and new customers, as well as society as a whole. Our partnership with Volkswagen serves as a prime example.

Sustainable innovation is fundamental to growing every part 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 the automotive sector, 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.



Note on Industrial Mobility

During 2023, we finalized the divestment of our Industrial Mobility cluster, as we sold the companies operating under Pon Australia. From the former Industrial Mobility cluster, we now only retain a minority share in the US-based Hiller group, active in the fire protection business.

We have found passionate new owners for our Australian companies Callidus, Prochem and Fire Protection Technologies. The sale of Callidus and Prochem, active in flow control, means we have completely exited servicing the oil and gas business.

The divestment of the Industrial Mobility cluster has given us greater focus on mobility and agriculture, as explained opposite, under Strategy.

In a figurative sense, "We move you to a better world" refers to having a more sustainable relationship with our planet. During 2023, we divested the remaining part of our Industrial Mobility business cluster. This move has brought more focus in general. Our overall business profile has moved in a more sustainable direction.

Farming brings challenging dilemmas as well as opportunities. As the world's population grows, the demand for healthy protein 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. As market, technology, and innovation leaders in the field, we help drive the agricultural sector to produce more with less, thus limiting the industry's environmental impact with every calf born.

Outlook

Many of our businesses have been through a period of adjustment. We expect this to continue at least through the first half of 2024, with interest rates still high and a stock overhang affecting particularly our bikes and equipment businesses. Outlook for the broader economy meanwhile remains uncertain. Current forecasts suggest stable growth across most major economies for 2024, helped by falling inflation and an easing in labor markets, though growth in China is likely to slow, hampered by high levels of domestic debt and weak consumer confidence. Overall, the global economy faces significant potential headwinds, coming from the conflict in the Middle East, the war in Ukraine, trade tensions and political uncertainty, for instance in the US.

Outlook for our Business Clusters

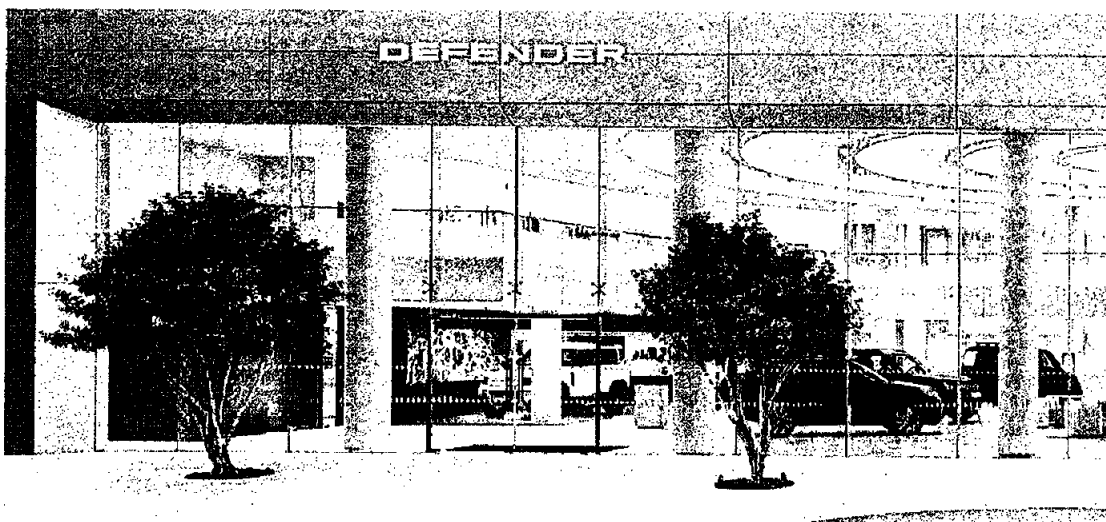
Automotive: In the second half of 2023, we saw a distinct weakening in the automotive market. We expect the low order intake to slowly improve going into 2024, with continued pressure on margins for both manufacturers and dealers. According to the Dutch automotive association RAI Vereniging, deliveries of new passenger cars in the Netherlands are expected to decrease to 360,000 during the year, as the market remains well below levels seen before the COVID-19 pandemic. Nevertheless, demand may be boosted by an influx of new models, expected for 2024; these include the all-new Volkswagen Tiguan and Passat, as well as the ID.7, the group's new flagship electric car. Also due for launch are the all-new Škoda Kodiaq Superb and the Q6 e-tron, Audi's long-awaited electric SUV, developed jointly with the Porsche Macan.

In the Netherlands, we expect demand for light commercial vehicles to peak ahead of the introduction of the BPM registration tax on combustion-engine LCVs, due in 2025. Meanwhile, the slowdown in sales of electric vehicles could well continue into 2024, with uncertainty about some government incentives.

In Luxury & Performance Cars, we will also see the introduction of new models, including an updated Porsche 911 sports car and the electric Macan SUV. Despite sluggish economic growth, demand for luxury cars remains strong, with sought-after Ferrari and Lamborghini models in particular sold out for the next 2-3 years.

Pon.Bike: Given the current stock overhang, we don't expect a market recovery until the second half of 2024. Dealer stocks are lower, but we have not yet seen evidence of stocks being replenished. During the year, we will focus on increasing sales and cash flow, as well as clearing excess inventories. In addition, we will keep a tight lid on operating expenses, with margins likely to remain under pressure, particularly during the first six months. However, we are well positioned to benefit from any market upturn in 2024 thanks partly to our strong market positioning and brands, but also to efforts made over the past year to improve profitability and further strengthen management controls.

Equipment & Power Systems: We expect inventories to decline during 2024 as our order backlog clears, reducing pressure on net working capital. We will use all workshop capacity available to minimize throughput times and clear excess stock as quick as possible.





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We have strong orders going into the new year from both Pon Equipment and Pon Power, despite economic uncertainty and high interest rates dampening new investment, especially in the housing market. For 2024, we expect slightly lower revenues; we don't anticipate a full recovery in housing until the second half of the year. Offshore wind may also slow because of industry cost overruns. Even so, we continued to see strong demand in other areas, including clean energy projects, rebuilds and data centers in Norway.

Meanwhile, margins should remain stable, helped by lower operating expenses as our cost-saving measures begin to take effect and inflation continues to recede. Availability of equipment and parts is likely to improve further, partly because of expected lower demand worldwide and improved supply. Increased availability gives us added flexibility to further limit baseline orders; by the beginning of 2024, wait times for some equipment were down to just three months.

Agricultural Products & Services: We remain cautious for both our main markets in 2024. In Brazil, the beef cycle shows very early signs of turning round; in the US, meanwhile, farmgate milk prices are likely to recover only slowly, continuing to pressure earnings for dairy farmers. Added to this are political tensions, particularly in Ukraine and the Middle East, as well as slowing economic growth in China. Cattle feeders in the US may see higher prices because of continued herd liquidation, but beef cow numbers are unlikely to increase until 2025 at the earliest. In Argentina, domestic demand appears to be holding up, though the outlook is uncertain, given current controversy

over government economic reforms. Long-term, we remain confident in the growth prospects for the global Artificial Insemination market, particularly with demand for greater efficiency to feed growing populations in many parts of the world and reduce the agricultural sector's contribution to climate change.

Outlook for Pon Holdings

We remain confident in our long-term growth prospects. During 2023, we were able to continue making strategic investments in our businesses. We signed a new bike leasing alliance with the Volkswagen Group and began work with Caterpillar and Van Oord on a new generation of zero-exhaust emissions earthmovers. In our Agricultural Products & Services business, we acquired Leachman Cattle, giving us a strong position in the growing US beef-on-dairy market. In the Netherlands, with Fit for Future, we have a clear plan to simplify our Automotive operations, improve efficiency and get even closer to our markets and customers. Despite short-term challenges, our businesses enter 2024 in good shape thanks to our strong portfolio of brands and our employees' continued dedication, leaving Pon well-placed to play a leading role in creating a more sustainable, low-carbon economy.

Going into 2024, we will focus on cost control and reducing stocks where possible to improve cash flows and ease pressure on the group's net working capital. We are already taking cost-saving measures within our businesses. This, along with efforts we've made to maintain strong relations with our suppliers and other business partners, will prepare us for an upturn in our markets, possibly already by the second half of the year.





Executive Board and Management Board

As per 28 March, 2024

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)
C.A. Haarhoff : SVP, CEO Pon.Bike
H.W. Lamers : SVP, COO Pon.Bike
J. Koopman : SVP Pon Automotive Wholesale
& Retail
K.M. Wolf : SVP Pon Luxury & Performance
Cars
M.B.M. de Groen : SVP, CEO PEPP
P.M. Hunt : SVP, CEO URUS
M. Traupe : SVP Mergers & Acquisitions Pon
Holdings
T.D. van Dijk : SVP, CIO Pon Holdings



Corporate Governance and Risk Management

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Corporate Governance

Structure

Pon Holdings B.V. is a privately owned company, for which the large company regime applies (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 120 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.



About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
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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 2023, the Executive Board consisted of Mr. A.B. Smalbraak (Chief Executive Officer - CEO), Mr. B. Sprong (Chief Financial Officer - CFO), and Ms. C. C. Brinkman (Chief of Staff) During 2023, Mr. M. B. M. de Groen (formerly Chief Operating Officer - COO) and Mr. C. Hartmans (formerly Chief Operating Officer - COO) retired as Executive Board members.

Mr. A.B. Smalbraak is the sole statutory director of Pon Holdings B.V.

Management Board

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 54 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 people, 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 2023, 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. E. Friese was appointed as a new member of the Supervisory Board.

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. 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. The meeting is attended by the external auditor twice a year. In 2023, 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. The IT committee was dissolved at the end of 2023. From 2024 onwards, IT-related risks will be addressed in the F&AC committee, and other IT topics in the Supervisory Board

Supervisory Board URUS

As a partnership between Pon Holdings B.V. and Cooperative Resources International (CRI), URUS had a separate Supervisory Board during 2023, 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 Authority. 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.

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.



Risk Management

Pon derives income from multiple markets, including passenger cars, commercial vehicles, bicycles, equipment and power systems, 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 2023, the distribution of revenue between sales (new, used and lease/rental) and services (including maintenance, parts and accessories) was approximately 85%/15%; for gross margin, this split was around 75%/25%. 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 expenditure. Any significant structural cost reduction can occur only through a reduction in headcount.

Geographically, Pon's sales are generated mostly in Europe, with around 51% in the Netherlands and 20% in the rest of Europe. The remaining 29% is generated predominantly in the US.

Pon generally has a market share of between 10% and 25% in the geographies and sectors it serves. It 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.

Climate Risks

In the context of sustainable entrepreneurship and the increasing awareness of climate change, we recognize the importance of identifying and managing climate risks. Overall, 2023 made it clear that climate-related events can have a significant impact on business operations and financial results.

Pon aims to identify these climate-related risks accurately, taking into account factors such as extreme weather conditions (physical risks) and changes in the regulation of environmental protection and the potential impact on supply chains and assets (industry, regulatory and other climate-related risks). In addition, we have invested in developing strategies and measures to make our company more resilient to climate-related disruption and to contribute to the transition to a more carbon neutral economy. This approach forms part of our commitment to corporate social responsibility and provides a solid basis for long-term climate risk management.



Physical Risks

FM Global has been the main provider of property insurance to Pon Holdings for many years. Based on available data of insured Pon properties in combination with IPCC (Intergovernmental Panel on Climate Change) climate change data per region, FM Global has provided Pon with valuable insights into the future impact of climate change (increased drought, precipitation, wind, etc.) on our physical locations.

In 2023, this resulted in the first edition of Pon's Climate Change Impact Report. This report allows Pon to mitigate foreseeable physical climate risks and to leverage these insights when investing in new physical locations. As management of climate-related risks becomes increasingly important, updates to the Climate Change Impact Report will be discussed periodically by Pon Management and FM Global with relevant outcomes being reported to the Supervisory Board.

Industry, regulatory and other climate-related risks

Apart from physical risks related to climate change, Pon has identified various other climate change-related risks, most importantly:

- Increased regulation aimed at climate change mitigation, such as compliance with CSRD regulation
- Unpredictable changes in fiscal policies concerning passenger cars, light commercial vehicles, bicycles, etc.
- Changes in investor preferences to invest in low carbon / sustainable activities
- Changing consumer behavior towards more sustainable products and services
- New competition from producers of battery-electric products in the various industries we operate in

The findings of our in-depth assessment of climate-related risks, both physical and from industrial, regulatory and other external factors, are taken into account in the overall business strategy. The results of our risk assessments are not deemed to have a material impact on the current financial statements.

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 depends 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, ours 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.

Supply Chain

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 2023, our funding position comprised €355 million in preference shares, a senior European private placement (EUPP) facility of €400 million (of which €321 million has been drawn) and a syndicated senior credit facility of €1 billion (of which €690 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 US. In addition, Pon has several working capital credit facilities, 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.

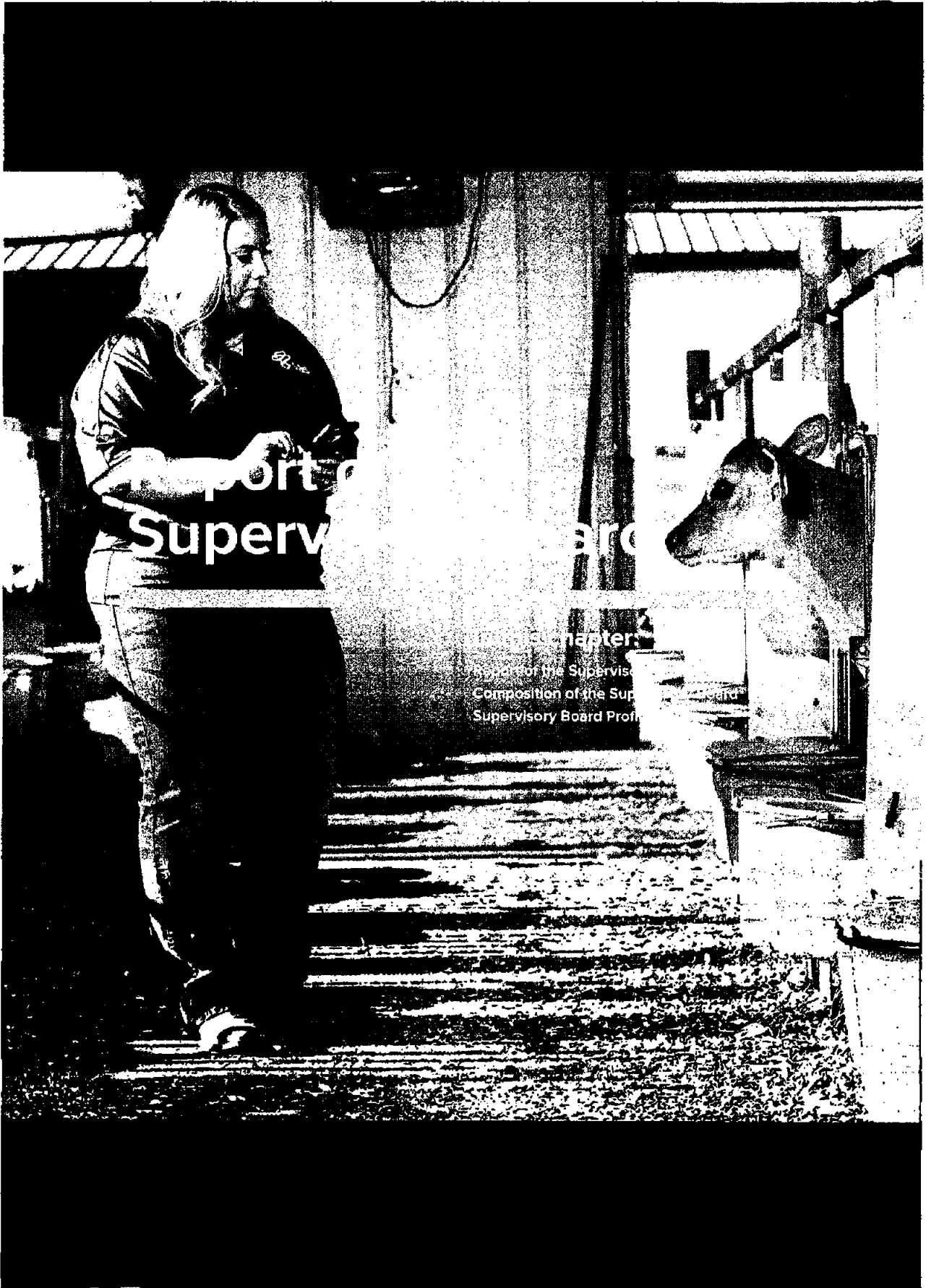
Covenants

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 US, floorplan financing facilities contain covenants based on leverage, fixed charge coverage and loan-to-value ratios. Pon maintained healthy financial covenant ratios throughout 2023, well within the agreed thresholds.

Amsterdam, March 28, 2024

Executive Board

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





The Supervisory Board is proud to present Pon Holdings B.V.'s Annual Accounts for 2023. The Annual Accounts, as prepared by the Executive Board, include the audited financial statements for 2023 and the independent auditor's report. 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 adopts 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.

Pon's commitment to fostering strong relationships with stakeholders in a dynamic world remains at the forefront of our endeavors. Through strategic collaborations, we have strengthened our commercial bonds while fostering innovation and creativity. The Supervisory Board commends Pon's management for their exceptional skill in cultivating and enhancing these relationships.

We take pride in successful acquisitions made during the year, including the Audi importership for Vietnam, our ownership stake in Leachman and the newly formed Bike Mobility Services joint venture with Volkswagen Financial Services.

Pon's partnership with Porsche has flourished, as seen with our collaboration in developing an e-bike drivetrain. Additionally, our growth in the US, exemplified by the opening of Porsche stores in San Francisco and Sugarland, showcases the strength of our relationship with Porsche. Celebrating Porsche's 75th anniversary together was a great honor, demonstrating our mutual respect and the strength of our partnership.

A significant development this year was the divestment of the remaining Australian companies of Pon's former Industrial Mobility group. The Supervisory Board supports the management's decision to focus on Vietnam in the region, dedicating attention to this market in anticipation of further business development there.



Supervisory 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 its legal and organizational structure. During 2023, the Supervisory Board very much appreciated the transparent, intensive, and trust-based cooperation with the Executive Board, enabling the Supervisory Board to perform its duties effectively.

During four scheduled meetings in 2023, 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 rapidly changing market circumstances, funding in relation to high net working capital following supply chain challenges since COVID-19, corporate social responsibility and HR-related topics, including diversity & inclusion, succession planning of senior management and pensions. In addition, the Supervisory Board took notice of the internally developed bike market intelligence tools, driving business decisions with analytics and artificial intelligence.

One meeting was fully dedicated to the Executive Board's strategy for the Pon Group. This allowed the Supervisory Board to perform its role in advising and challenging the company on its strategic direction.

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 consultation with the Chair of the F&AC, 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 how they work.

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.

Members of the Supervisory Board received timely and comprehensive information on all relevant matters from the Executive Board, allowing them to carry out their supervisory and advisory tasks effectively during 2023.





Committees

All Supervisory Board members attend committees in their specific field of expertise. The **Finance & Audit Committee (F&AC)** met three times in 2023, with the external auditor attending twice. During these meetings, the F&AC focused on the company's financial and operational performance, working capital management and financing as well as risk management and compliance. In particular, the F&AC took note of funding aspects, including liquidity and hedging, the legal and capital structure, insurance, pensions and the company's tax position and progress in CSRD. The audit plan, financial statements and the findings of the external auditor were also discussed, along with findings of the compliance and internal control departments.

The F&AC is particularly pleased with the financial team's composure and expertise in navigating uncertainties and providing clear leadership when needed. Notably, cash management and financing strategies, driven by increased Net Working Capital, have been consistently effective.

The F&AC also appreciated the continued attention paid by the company to risk management and maintaining a robust control framework, improvement processes and a prudent and balanced approach to valuations and performance measurements. 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 two 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 HR governance, the Corporate HR Plan, internal succession planning outcomes for senior management and leadership competences. Particular attention was paid to the important topics of Diversity & Inclusion and the measurable targets set per business cluster. 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 one meeting 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. Going forward, it has been decided to address risk- and control-related IT topics in the F&AC and IT-strategy in the Supervisory Board.

To give substance to the newly added value of "care," the Supervisory Board has established a **Pianet Committee**. This committee will facilitate discussions on long-term sustainable value creation, ensuring our commitment to responsible practices.

We are pleased to report that each business group has set measurable diversity goals, underscoring our dedication to fostering inclusive and diverse environments.

Our core values, augmented by the addition of "care," continue to be a source of pride. The Supervisory Board acknowledges the pervasive embodiment of these values throughout the organization, exemplifying a strong company culture that is cherished and safeguarded by many.

One Supervisory Board member advises the Executive Board regularly on M&A initiatives and another on legal matters with relevant issues being reported to the full Supervisory Board.

Composition of the Supervisory Board

The Supervisory Board consists of at least three people, including an appointed Chair. The Supervisory Board strives to ensure that its members represent a good balance in terms of their specific qualities and backgrounds 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.

This marks the final year of Rob Van den Bergh's invaluable contribution. We express our utmost appreciation for his 22 years of advice and guidance to the company and the Pon family. Thank you, Rob, for your dedicated service.

We are pleased to welcome Lørd Friese as a new Supervisory Board member from July 1, 2023, strengthening the Supervisory Board with his international managerial expertise, enriching our collective knowledge and contributing to our



effective governance. We are also pleased with the reappointment of Petri Hofsté, Jolanda Poots-Bijl and Wout Dekker. They have served on the Board since 2019, bringing valuable expertise. We are confident their continued presence will contribute to our organization's success.

In Conclusion

Throughout the year, we have been privileged to work within Pon's open, positive, and entrepreneurial atmosphere, fostering a strong sense of collaboration and confidence among board members and employees. Our active engagement in discussions and decision-making alongside Pon employees, has allowed us to contribute our expertise and insight to the company's strategic direction and governance. We commend the skillful leadership of the Executive Board, whose guidance and vision have been pivotal in driving Pon's success. The dedication and passion demonstrated by senior management and all

employees across the company's business clusters has been truly inspiring. We extend our gratitude to all OEMs, suppliers, customers, and valued partners for their continued trust in the company. Together, we have achieved significant milestones and sustainable outcomes, positioning Pon for continued growth and success. As we look ahead, we eagerly anticipate an exciting year and stand ready to support and guide the management team in their pursuit of continued success.

Supervisory Board

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

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 1 April 2024

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 2027

M.J. Poots-Bijl (1969)
Nationality : Dutch
Appointed in : 2019
Current term : until April 2027

E. Friese (1962)
Nationality : Dutch
Appointed : 2023
Current term : until June 2027



Financial Statements

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**Consolidated balance sheet as at 31 December 2023**

(before profit appropriation, x EUR 1,000)	Notes	31.12.2023	31.12.2022
Assets			
Fixed assets			
Intangible fixed assets 1			
Goodwill		738,517	759,834
Software		88,385	83,212
Brands and patents		231,476	258,689
Development costs		20,377	22,706
Intangible fixed assets under construction		7,949	–
		1,086,703	1,124,441
Tangible fixed assets 2			
Land and buildings		402,249	344,073
Machinery and equipment		124,866	118,013
Lease and rental assets		128,742	146,777
Means of transport		7,489	7,847
Live stock		85,756	81,005
Assets under construction		68,582	63,455
		817,684	761,169
Financial fixed assets 3			
Participating interests and joint ventures		404,723	351,126
Other participations		424,069	403,260
Deferred tax assets		84,649	45,496
Other receivables		56,597	60,135
		970,037	860,017
Current assets			
Inventory	4	2,366,474	2,377,522
Receivables 5			
Accounts receivable		644,293	657,989
Receivables from participating interests and joint ventures		68,548	64,396
Financing accounts receivable		111	132
Taxes and social security contributions		30,353	42,391
Other receivables and accrued income		294,033	265,510
		1,037,338	1,030,418
Cash and cash equivalents	6	188,932	273,998
Total		6,467,169	6,427,565



	About Pon Holdings	Our Strategy	Report of the Executive Board	Corporate Governance and Risk Management	Report of the Supervisory Board	Financial Statements	Other Information
(before profit appropriation, x EUR 1,000)			Notes	31.12.2023		31.12.2022	
Equity and liabilities							
Group equity			7				
Shareholders' equity				1,882,249		1,948,381	
Minority interests				55,937		43,101	
				1,938,186		1,991,482	
Provisions			8	196,571		187,015	
Non-current liabilities			9				
Subordinated debt				140,000		140,000	
Debts to credit institutions				1,142,658		1,153,582	
Deferred income				70,098		65,653	
Other debt				14,787		26,699	
				1,367,543		1,385,934	
Current liabilities			10				
Debts to credit institutions				391,690		255,975	
Debts to participating interests and joint ventures				588,391		424,091	
Trade creditors				683,169		856,908	
Taxes and social security contributions				479,706		510,649	
Liabilities related to pensions				2,556		2,793	
Work in progress projects			11	1,573		5,168	
Other liabilities and deferred income				817,783		807,550	
				2,964,868		2,863,134	
Total				6,467,168		6,427,565	



Consolidated profit and loss account and statement of comprehensive income for 2023

(x EUR 1,000)	Notes	2023	2022
Revenue	16	10,090,629	10,041,804
Costs of sales	17	7,700,293	7,343,818
Net revenue (revenue less costs of sales)		2,390,336	2,697,986
Other income	18	4,943	382,637
Wages and salaries	19	915,716	1,064,939
Social security charges	19	104,470	109,515
Pension charges	19	53,546	55,773
Depreciation, amortization and impairment	21	254,075	194,733
Other operating expenses	22	797,321	857,156
Total operating expenses		2,125,128	2,282,116
Operating result (EBIT)		270,151	798,507
Financial income and expense	23	(126,766)	(93,328)
Result from ordinary activities before taxation		143,385	705,179
Tax on result from ordinary activities	24	(60,545)	(173,090)
Dividends from other participations		2,391	-
Share in results of participating interests		25,734	22,707
Result from ordinary activities after taxation		110,965	554,796
Minority interests		(7,148)	(8,249)
Net result		103,817	546,547
Exchange rate and translation differences			
foreign subsidiaries	31	(25,418)	(8,500)
Revaluation financial fixed assets and other	31	351	(25,736)
Other comprehensive income		(25,067)	(34,236)
Total comprehensive income		78,750	512,311



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Consolidated cash flow statement for 2023

(x EUR 1,000)	Notes	2023	2022
Operating result (EBIT)		270,151	798,507
Adjustments for:			
- result sale subsidiaries and other participations	18	(1,801)	(379,814)
- result sale tangible and intangible assets		(10,318)	(8,011)
- amortization and impairment of intangible fixed assets	1	195,423	129,885
- depreciation and impairment of tangible fixed assets	2	117,096	118,367
- investment in lease & rental assets		(112,501)	(104,736)
- divestment of lease & rental assets		93,660	26,140
- movements in inventories and work in progress	4-5	(35,844)	(893,764)
- movements in other short term receivables		(27,000)	(35,465)
- movements in provisions (excl. deferred tax) and long term liabilities		(17,640)	17,695
- movements in trade creditors and other current liabilities		(210,595)	171,365
		(9,521)	(958,337)
Cash flow from business operations		260,631	(159,830)
Interest paid	23	(182,570)	(99,655)
Interest received	23	59,318	11,222
Dividends received	3	49,253	35,894
Income tax paid	24	(101,640)	(136,382)
		(175,639)	(188,921)
Cash flow from operating activities		84,992	(348,751)
Investment in (in)tangible fixed assets	1-2	(220,658)	(233,454)
Divestment of (in)tangible fixed assets	1-2	20,478	32,853
Acquisition of subsidiaries, participating interests and other participations		(104,960)	(915,526)
Disposal of subsidiaries, participating interests and other participations		60,943	598,445
Investments in other financial fixed assets	3	(107,521)	(73,851)
Disposal of other financial fixed assets	3	1,407	-
Cash flow from investing activities		(350,311)	(591,482)
Free cash flow		(265,319)	(940,234)
Repayments of debt		(29,515)	(98,479)
Proceeds from borrowings	9	354,203	859,267
Dividend paid		(136,519)	(81,300)
Cash flow from financing activities		188,169	834,488
Net cash flow		(77,150)	(105,746)
Cash and cash equivalents as at January 1 st		273,998	373,494
Exchange rate differences on cash held		(7,917)	6,250
Cash and cash equivalents as at December 31st		188,931	273,998



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 in 2022 and 2023.

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.

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.

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.

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.

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.

Deferred Income includes service obligations on battery electric vehicles (BEV) based on OEM service requirements.

In the financial statements for the year ending December 31, 2023, management conducted impairment tests on cash-generating units (CGUs) for which impairment triggers were identified, as a result of changes in forecasts, following market and strategic developments.

The impairment tests were performed to ensure that the carrying amounts of our assets, including goodwill, intangible assets, and tangible assets, were not overstated relative to their recoverable amounts. Additionally, for other specific assets such as investments in other participations, valuations were performed to determine whether the realizable value is not lower than the value at cost, due to bankruptcy or planned termination of the underlying investment.

Our analysts involved estimating the future cash flows expected to be generated by each CGU or investment and comparing the discounted cash flows, minus net debt, to the respective carrying amounts. The future cash flows are commonly based on a 5 to 7 year specific forecast plus an indefinite cash flow forecast for the following period, taking into account a steady growth rate. We discounted the future cash flows using an appropriate discount rate, considering factors such as market conditions, industry trends, and economic outlook.

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 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 Ponoc Investment 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



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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.

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 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 the best estimate of the amounts required to settle the obligations at the balance sheet date. Provisions are measured at nominal value if the period over which the cash outflows are discounted is less than one year, or if the time value of money is not material.

If the period over which the cash outflows are discounted is more than one year, and the time value of money is material, provisions are measured at the present value of the best estimate of the cash outflows (including expected price increases) that are expected to be required to settle the liabilities and losses. Except for deferred tax provisions, which are measured at nominal value.

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.

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 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.



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

(x EUR 1,000)

Balance sheet I Assets

Fixed assets

1. Intangible fixed assets

The movements during the year can be specified as follows:

	Goodwill	Software	Brands and patents	Development costs	Assets under construction	Total
Historical cost						
Balance as at						
1 January 2023	937,643	329,535	374,306	66,738	–	1,708,223
Investments	–	31,824	1,067	11,561	2,472	46,924
Acquisitions	118,669	875	20,547	315	–	140,406
Divestments	(4,772)	(163)	–	–	–	(4,935)
Transfer	–	1,750	–	(6,152)	5,479	1,077
Disposals	–	(6,909)	(2,003)	5	–	(8,907)
Exchange rate differences	(21,019)	(3,054)	(9,657)	(15)	(2)	(33,747)
Balance as at						
31 December 2023	1,030,521	353,859	384,260	72,452	7,949	1,849,041
Accumulated amortization and impairment						
Balance as at						
1 January 2023	177,809	246,323	115,617	44,033	–	583,782
Amortization for the year	98,788	26,381	30,851	7,444	–	163,463
Impairment	22,768	1	9,184	7	–	31,960
Acquisitions	–	604	–	233	–	836
Divestments	(2,835)	(121)	–	–	–	(2,956)
Disposals	–	(6,047)	(1,008)	(3)	–	(7,058)
Exchange rate differences	(4,526)	(1,665)	(1,860)	362	–	(7,690)
Balance as at						
31 December 2023	292,004	265,474	152,784	52,075	–	762,337
Book value						
Balance as at						
1 January 2023	759,834	83,212	258,689	22,706	–	1,124,441
Balance as at						
31 December 2023	738,517	88,385	231,476	20,377	7,949	1,086,703

Acquisitions in goodwill include an amount of EUR 47.0 million, which relates to subsequent adjustments to goodwill on acquisitions in prior period.

Amortization includes a revision of the amortization period of goodwill and brands related to the Dorel Sports entities from 15 to 10 years. The volatile market conditions in the bike business of the past 12 months resulted in a more conservative amortization period for goodwill and brands. The annual amortization as from 2023 and onwards will increase with EUR 21.4 million as compared to previous financial year.



The impairment of goodwill and brands relates to the Pon.Bike business in Brazil. Due to a deterioration of current market projections versus earlier expectations, the book value of goodwill and brands has been impaired.

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 2023	559,776	452,312	228,372	14,955	155,983	63,455	1,474,853
Investments	15,783	41,728	112,501	1,178	26,614	87,976	285,781
Acquisitions	6,940	12,138	-	159	2,432	7	21,677
Divestments	(2,968)	(20,769)	-	(1,070)	-	(2)	(24,809)
Transfer	74,057	5,478	-	22	(0)	(80,633)	(1,077)
Disposals	(9,702)	(32,291)	(129,896)	(774)	(7,769)	(1,264)	(181,696)
Exchange rate differences	(10,222)	(6,222)	(1,020)	(291)	(3,901)	(957)	(22,614)
Balance as at							
31 December 2023	633,663	452,374	209,957	14,180	173,359	68,582	1,552,115
Accumulated depreciation and impairment							
Balance as at							
1 January 2023	215,703	334,299	81,595	7,107	74,978	-	713,682
Depreciation for the year	20,072	38,371	42,045	1,194	14,797	-	116,478
Impairment	615	3	-	-	-	-	618
Acquisitions	2,768	5,024	-	122	1,106	-	9,021
Divestments	(543)	(14,999)	-	(807)	-	-	(16,349)
Disposals	(4,864)	(31,141)	(42,222)	(723)	(1,185)	-	(80,135)
Exchange rate differences	(2,338)	(4,050)	(203)	(204)	(2,093)	-	(8,887)
Balance as at							
31 December 2023	231,415	327,507	81,215	6,689	87,602	-	734,429
Book value							
Balance as at							
1 January 2023	344,073	118,013	146,777	7,847	81,005	63,455	761,169
Balance as at							
31 December 2023	402,249	124,866	128,742	7,489	85,756	68,582	817,684

On 15 objects, included under land and buildings, collaterals up to an amount of EUR 228 million are given in the form of a mortgage (2022: EUR 214 million).



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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 2023	351,126	403,260	45,496	60,136	860,017
Investments / Acquisitions	62,989	52,376	–	1,493	116,858
Divestments / Disposals	(1,701)	(32)	–	–	(1,733)
Results	59,177	(31,052)	–	(11,293)	16,832
Dividends	(46,862)	(2,391)	–	–	(49,253)
Financing / Repayments	–	(11,899)	–	9,031	(2,868)
Exchange rate differences	(1,130)	(308)	(2,462)	(1,178)	(5,079)
Other movements	(18,876)	14,115	41,615	(1,590)	35,263
Balance as at 31 December 2023	404,723	424,069	84,649	56,597	970,037

Participating interests and joint ventures

Relate to strategic participations and joint ventures and mainly include participating interests in Volkswagen Pon Financial Services and DFM. Investments are mainly related to Volkswagen Pon Financial Services and Porsche eBike Performance.

Other participations

Other participations mainly relate to strategic investments of Ponoc, 7% of Europcar's share capital and Best4Tires Holding (formerly known as Gundlach Automotive Corporation). Investments mainly relate to Ponoc and Best4Tires Holding. Results mainly relate to impairments of investments within Ponoc.

Other receivables

Other receivables mainly relate to issued vendor loans with fixed interest rates and maturity dates over a year. Results mainly relate to impairments of investments within Ponoc.

Deferred tax assets

The deferred tax assets relate to the recognized unused tax losses and interest carry-forwards of EUR 62.6 million (2022: EUR 18.8 million) and deductible temporary differences of EUR 22.0 million (2022: EUR 26.7 million). It is expected that the majority of the deferred tax assets will be offset after one year. The increase of the deferred tax assets is mainly caused by current year losses in some jurisdictions. Tax assets in the amount of EUR 1.6 million are derecognized (2022: EUR 0 million). No tax assets are recorded in relation to potentially tax-deductible liquidation losses for an amount of EUR 6.1 million (2022: EUR 17.6 million).

The balance in relation to unrecognized tax losses and deductible temporary differences amounts to EUR 34.7 million (2022: EUR 28.3 million). The increase of this amount is mainly an effect of current year losses.

4. Inventory

Inventory can be specified as follows:

	31.12.2023	31.12.2022
Finished products and goods for resale	1,992,790	1,765,512
Raw materials	442,283	611,182
Work in progress including advance payments	58,665	38,230
Prepayments on stock and goods in transit	37,381	116,877
	2,531,119	2,531,801
Provision for obsolete inventories	(164,645)	(154,279)
	2,366,474	2,377,522

Work in progress includes EUR 140.6 million advance payments (2022: EUR 42.3 million).

The majority of the inventories for the Dutch Automotive business is pledged to DFM in relation to the stock financing agreements. Reference is made to note 10. (debts to participating interests and joint ventures).



Provision for obsolete inventories

The provision for obsolete inventories can be specified as follows:

	2023	2022
Balance as at 1 January 2023	154,279	85,783
Addition / release via the profit and loss account	21,064	45,073
Addition / reduction due to acquisitions and divestments	5,465	39,634
Write-offs charged against the provision	(14,281)	(16,336)
Exchange rate differences	(1,882)	125
Balance as at 31 December 2023	<u>164,645</u>	<u>154,279</u>

5. Trade and other receivables

Accounts receivable

An amount of EUR 40.6 million (2022: 29.3 million) is outstanding in non-recourse off-balance factoring programs at year-end.

Receivables from participating interests and joint ventures

An amount of EUR 49.9 million is receivable from DFM (2022: EUR 40.3 million) at year-end, relating to our regular automotive sales. The payment term for DFM is a few days and the interest rate is nihil.

Taxes and social security contributions

Taxes and social security contributions mainly consist of the current income tax receivable EUR 8.4 million (2022: EUR 6.3 million) and the value added tax receivable EUR 13.7 million (2022: EUR 25.4 million).

Other receivables and accrued income

Other receivables and accrued income consist largely of deferrals EUR 62 million (2022: EUR 87 million), OEM refunds EUR 96 million (2022: EUR 59 million), prepayments EUR 93 million (2022: EUR 64 million), and turnover to be invoiced EUR 46 million (2022: EUR 42 million).

6. Cash and cash equivalents

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

	31.12.2023	31.12.2022
Cash at banks	180,667	272,249
Deposits	8,265	1,749
	<u>188,932</u>	<u>273,998</u>

7. Group equity

For a breakdown of group equity, reference is made to note 31 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 2023	194	27,414	159,407	187,015
Additions	-	22,011	74,375	96,385
Deductions	6	(23,255)	(62,756)	(86,006)
Exchange rate differences	(8)	1,069	(1,886)	(825)
Balance as at 31 December 2023	192	27,239	169,140	196,571
of which < 1 year	192	3,164	67,052	70,408



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Deferred taxes

The provision for deferred taxes of EUR 27.2 million (2022: EUR 27.4 million) mainly relates to temporary differences between financial accounting and valuation for tax purposes. Main differences are in the carrying amount of intangible fixed assets, 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 2023	39,947	15,171	30,472	18,216	20,722	34,880	159,407
Additions	19,599	6,028	6,100	1,005	10,186	31,457	74,375
Deductions	(21,326)	(5,446)	(11,152)	(968)	(12,704)	(11,160)	(62,756)
Exchange rate differences	(844)	-	(198)	-	(188)	(655)	(1,886)
Balance as at 31 December 2023	37,375	15,753	25,222	18,253	18,016	54,521	169,140
of which < 1 year	21,645	4,811	4,199	510	6,212	29,674	67,052

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 costs for early termination of lease contracts in 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

	2023	2022
Subordinated debts	140,000	140,000
Debt to credit institutions	1,142,658	1,153,582
Deferred Income	70,098	65,653
Other debt	14,787	26,699
	<u>1,367,543</u>	<u>1,385,934</u>

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

	Subordinated debt	Debts to credit institutions	Debts to participating interests and jointventures	Deferred income	Other debt	Total
Balance as at 1 January 2023	140,000	1,409,557	424,090	65,653	26,699	2,065,999
New loans	-	189,234	164,301	-	668	354,203
Repayment	-	(47,624)	-	-	(12,229)	(59,852)
New debts as result from a business combination	-	5,274	-	-	-	5,274
Difference in foreign currency translation	-	(22,093)	-	-	(351)	(22,445)
Other changes in values	-	-	-	4,445	-	4,445
Balance as at 31 December 2023	<u>140,000</u>	<u>1,534,348</u>	<u>588,391</u>	<u>70,098</u>	<u>14,787</u>	<u>2,347,624</u>
Current as at 31 December 2023	<u>-</u>	<u>391,690</u>	<u>588,391</u>	<u>-</u>	<u>-</u>	<u>980,081</u>
Non-current as at 31 December 2023	<u>140,000</u>	<u>1,142,658</u>	<u>-</u>	<u>70,098</u>	<u>14,787</u>	<u>1,367,543</u>
of which:						
Repayment obligation > 1 year and < 5 year	-	1,004,660	-	N/A	14,787	1,089,545
Repayment obligation > 5 year	140,000	137,998	-	-	-	277,998

The amount of non-amortized transaction costs relating to debts to credit institutions is EUR 6.8 million.

Syndicated Credit Facility

Pon has a senior Syndicated Credit Facility of EUR 1 billion, divided into a EUR 300 million term loan and a EUR 700 million Revolving Credit Facility. The facility has been in place since January 2022 with an initial 5-year maturity and two one-year extension options. Pon exercised the first extension option in January 2023, moving the maturity date to January 2028.

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 (2022: EUR 17 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 2023, EUR 690 million of debt (2022: EUR 669 million) and EUR 1 million of guarantees (2022: EUR 1 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.

European Private Placement

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 2023, Pon has drawn EUR 122.5 million and USD 220 million under this facility (2022: EUR 122.5 million and USD 220 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 2.7% and 5.8%. Financial covenants are similar to those of the Syndicated Credit Facility.

Other credit facilities

The bicycle subsidiary Caloi Norte SA in Brazil has committed credit facilities with local banks. These facilities amount to BRL 418 million (equivalent to EUR 78 million, 2022: BRL 318 million), of which BRL 193 million was drawn at 31 December 2023 (equivalent to EUR 36 million, 2022: BRL 238 million). Until November 2023, Caloi had long-term facilities of BRL 104 million which contained a leverage covenant. Caloi Norte SA obtained waivers for a covenant breach per year-end 2022, which resulted from a negative EBITDA over 2022. The facilities were refinanced with facilities without a leverage covenant.

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 (2022: 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 Europe and the US, for a total amount of EUR 36 million (2022: EUR 44 million), which are related to cash pool activities and guarantee facilities. These facilities do not have stated maturity dates. The interest rate on these facilities is based on a floating interest rate plus a margin 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 US automotive retail funding structure. The total debt for this ringfenced group amounted to USD 455 million per 31 December 2023 (2022: USD 392 million).

Per 31 December 2023, indiGO Auto Group Holdings had a consolidated debt position of USD 293 million (2022: USD 241 million), which included USD 80 million term loans maturing between 2024 and 2028 (2022: USD 60 million bridge loan and USD 19 million term loans) and USD 213 million floorplan financing (2022: USD 154 million).

Per 31 December 2023, IndiGO Auto Group Real Estate Holdings had USD 152 million in real estate mortgages outstanding, maturing between 2024 and 2026 (2022: USD 141 million). The related inventories, receivables, real estate and several other assets of the indiGO companies are pledged as security.

Subordinated debt

At year-end 2023, Pon held EUR 140 million in debt preference shares (series G), which are recorded on the balance sheet as subordinated debt (2022: EUR 140 million). The dividend of the debt preference shares amounted to 5% per annum until 30 June 2023. Following a scheduled dividend reset on the preference shares the dividend amounts to 7.5% per annum as of 1 July 2023.

Deferred income

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 65.1 million (2022: EUR 88.5 million), the value added tax payable EUR 263.9 million (2022: EUR 272.9 million) and the purchase tax on passenger cars (BPM) EUR 110.2 million (2022: EUR 104.3 million).



Other liabilities and deferred income

Other liabilities and deferred income mainly consist of invoices to be received EUR 97.3 million (2022: EUR 103.3 million), turnover received in advance EUR 128.5 million (2022: EUR 137.5 million), premiums and discounts payable EUR 129.2 million (2022: EUR 133.1 million), holiday accruals EUR 36.5 million (2022: EUR 39.9 million), personnel bonuses EUR 77.8 million (2022: EUR 84.9 million) and other debt & accruals EUR 323.7 million (2022: EUR 290.8 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., 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 security granted to DFM fully covers the amount of debts outstanding. 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:

	31.12.2023	31.12.2022
Work in progress	56,102	67,953
Advance payments	(57,675)	(73,121)
	(1,573)	(5,168)

The balance of work in progress including advance payments consists of projects with a total debit balance of EUR 0.0 million (2022: EUR 0.0 million) and a total credit balance of EUR 1.6 million (2022: EUR 5.2 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. Foreign exchange swaps are used for interest and liquidity optimization. A 1% increase/decrease of the variable interest rate will lead to an increase/decrease of annual interest charges of approximately EUR 10 million.

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



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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.

Liquidity risk is considered to be limited, as a result of the headroom within the various facilities. At year-end 2023, headroom within the Senior Syndicated Facility amounted to EUR 292 million (2022: EUR 312 million), which is committed and readily available. Debt maturities are not significant in the next 12 months with a EUR 50 million European Private Placement loan maturing in October 2024. The current portion of the interest-bearing liabilities is mainly related to automotive working capital financing in the Netherlands and the United States. The facilities are refinanced on an ongoing basis with limited liquidity risk. All other facilities have maturity dates between 2025 and 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 315 million (2022: USD 446 million), CAD 30 million (2022: 30 million), EUR 100 million (2022: EUR 100 million), NOK 0 million (2022: NOK 85 million), AUD 0 million (2022: 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 1.9% to 3.1%. The estimated fair value of the interest rate swaps amounts to EUR 13.0 million positive (2022: EUR 20.5 million positive).

To hedge its net investments in foreign currencies the company has entered into foreign currency swap agreements to sell USD 300 million (2022: USD 300 million), NOK 325 million (2022: NOK 325 million), AUD 0 million (2022: AUD 30 million) and CAD 40 million (2022: CAD 40 million). The estimated fair value of these instruments amounts to EUR 1.0 million positive (2022: EUR 1.6 million positive). All currency swap agreements mature within one year after the balance sheet date.

Furthermore, the company entered into currency forward agreements to buy USD 195 million (2022: USD 342 million), JPY 4.7 billion (2022: JPY 11.0 billion) and EUR 69 million for other currencies (2022: EUR 97 million) to hedge future transactions in these currencies. The fair value of these forward contracts amounts to approximately EUR 1.8 million negative (2022: EUR 3.3 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, with a fair value that was EUR 7 million higher than the carrying value as per December 31, 2023.

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 615 million (2022: EUR 560 million) of which EUR 132 million (2022: EUR 114 million) is due within one year, while EUR 181 million (2022: EUR 169 million) is due after more than five years. Other off-balance sheet commitments issued by the company amount to EUR 125 million (2022: EUR 154 million). As per August 1, 2023 Pon has acquired 75% of the shares of Leachman Cattle of Colorado. The remaining 25% of the shares will be purchased in January 2029.

In the ordinary course of our automotive business, the company has issued guarantees to its joint venture DFM/VWPPS. The security granted to DFM fully covers the amount of debts outstanding.

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.



14. Future lease income

The company acts as a lessor for land & buildings and equipment. Total future lease income amounts to EUR 16.4 million (2022: 18.1 million) of which EUR 6.0 million (2022: EUR 5.9 million) is due within one year, while EUR 0.1 million (2022: EUR 0.5 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 132.5 million (2022: EUR 903.5 million), including amongst others:

- One-Up (remaining 60% of shares), as per January 3, 2023.
- Nimbl (75% of shares), as per July 21, 2023.
- Leachman Cattle of Colorado (75% of shares), as per August 1, 2023.
- Digital Mobility Leasing (23% of shares), as per August 1, 2023.
- Kelp Blue Holdfast (2.79% of shares), as per August 24, 2023.
- M. de Koning Automotive Holding and Maas Autogroep (30% of shares), as per September 1, 2023.
- Audi Vietnam (80% of shares), as per October 31, 2023.

In 2023 Pon divested, among others, several businesses for a consideration of EUR 80.5 million (2022: EUR 671.4 million). Divestments Included:

- 25% shares of PDAM Holdco, on January 2, 2023.
- 20% shares of PEPP Group, on April 4, 2023.
- All shares of Dieselpower Holland, on June 30, 2023.
- All remaining shares of AVFI, on September 14, 2023.
- All remaining shares of FPT Holdings, on November 29, 2023.
- All remaining shares of Prochem Group Holding, on November 30, 2023.
- All shares of Pon Holding Australia & Callidus, on December 1, 2023.

16. Revenue

Revenue can be segmented as follows:

	2023	2022
Automotive Wholesale	3,187,765	2,714,332
Automotive Retail	1,264,958	1,085,504
Automotive Services	66,236	73,536
Pon Luxury & Performance Cars Europe	593,310	603,149
Pon Luxury & Performance Cars North America	1,640,729	1,521,100
Pon Luxury & Performance Cars Asia	5,543	-
Automotive	6,758,541	5,997,621
Pon.Bike	2,287,419	2,404,584
Equipment	595,672	563,067
Power	664,572	584,778
MEC ¹	-	49,165
Equipment & Power Systems	1,260,244	1,197,010
PVI ¹	-	498,872
Pon Asia ¹	126,878	203,118
Industrial Mobility	126,878	701,990
URUS	426,680	421,809
Agricultural Products & Services	426,680	421,809
Elimination and other	(769,133)	(681,210)
	10,090,629	10,041,804

¹ MEC, PVI and Pon Asia activities were sold during 2022 and 2023.

Total revenue of the divested activities in 2023 amount to EUR 137 million (2022: EUR 649 million)



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

	2023	2022
Benelux	5,418,189	4,802,514
Nordics	510,883	436,284
Other Europe	1,246,327	1,258,694
North and South America	2,549,781	3,045,188
Asia & Oceania	310,802	460,870
Africa	54,647	38,254
	<u>10,090,629</u>	<u>10,041,804</u>

Revenue includes EUR 82 million of project sales (2022: EUR 136 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 373 million (2022: EUR 287 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:

	2023	2022
Costs of sales goods	7,474,937	7,095,927
Costs of sales services	147,713	174,711
Costs of sales other production costs	21,582	21,751
Depreciation related to lease and rental assets	36,059	34,862
Depreciation of live stock	15,015	14,762
Interest related to lease and rental assets	4,987	1,805
	<u>7,700,293</u>	<u>7,343,818</u>

18. Other income

Other Income can be specified as follows:

	2023	2022
Result sale subsidiaries and other participations	1,801	379,814
Other operating income	3,142	2,823
	<u>4,943</u>	<u>382,637</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	2023 Total	2022 Total
Wages and salaries	262,391	653,325	915,716	1,064,939
Social security charges	29,935	74,535	104,470	109,515
Pension charges	15,343	38,203	53,546	55,773
	<u>307,669</u>	<u>766,063</u>	<u>1,073,732</u>	<u>1,230,227</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 110.2% (preliminary figures, as annual accounts 2023 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 the Dutch pension system. Pension charges in the profit and loss account include regular contributions of EUR 30.2 million (2022: EUR 28.7 million) payable to Stichting Pensioenfonds Pon for 2023.

20. Average number of employees

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

	2023	2022
Automotive Wholesale	599	568
Automotive Retail	1,781	1,704
Automotive Services	40	50
Pon Luxury & Performance Cars Europe	266	239
Pon Luxury & Performance Cars North America	835	723
Pon Luxury & Performance Cars Asia	15	-
Automotive	3,536	3,284
Pon.Bike	4,439	4,523
Equipment	958	922
Power	1,520	1,475
MEC ¹	-	247
Equipment & Power Systems	2,478	2,644
PVI ¹	-	1,486
Pon Asia ¹	374	938
Industrial Mobility	374	2,424
URUS	2,130	2,054
Agricultural Products & Services	2,130	2,054
Other	827	776
	13,784	15,704

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

Of the average total number of employees 7,845 are employed outside the Netherlands (2022: 9,776).

21. Depreciation, amortization and impairment

Can be specified as follows:

	2023	2022
Goodwill amortization and impairment	121,556	75,781
Amortization and impairment of other intangible fixed assets	73,868	54,104
Depreciation and impairment of tangible fixed assets	117,096	118,367
Book losses and (gains) on disposals (excluding land and buildings)	(7,371)	(3,897)
	305,149	244,355
Less: costs of sales	(51,074)	(49,522)
	254,075	194,733



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22. Other operating expenses

	2023	2022
Marketing and sales promotion	161,706	169,156
Premises	101,094	105,417
Logistic	57,983	68,854
Travel	44,847	48,978
ICT	88,751	86,380
Inventories and supplies	26,959	29,013
Consultants	34,352	39,930
Other personnel	167,900	198,720
Restructuring	12,627	5,048
Insurance	23,820	26,643
Audit, Tax, Legal	19,438	21,477
Other	57,844	57,540
	797,321	857,156

Other operating expenses mainly comprise costs of outsourced work and other external costs.

Other personnel costs consist mainly of external temporary personnel costs EUR 84.4 million (2022: EUR 84.1 million), lease costs of personnel company cars EUR 29.9 million (2022: EUR 29.8 million) and training and recruitment costs EUR 11.7 million (2022: EUR 12.8 million).

Restructuring costs consist mainly of costs for outplacement and redundancy.

Other costs consist mainly of costs for warranty and leniency EUR 18.1 million (2022: EUR 12.4 million) and other costs EUR 24.5 million (2022: EUR 40.4 million).

23. Financial income and expense

	2023	2022
Interest income	62,515	12,549
Interest expense	(176,636)	(92,093)
Financing costs	(11,005)	(12,775)
Currency exchange results	(1,640)	(1,009)
	(126,766)	(93,328)

24. Taxes

The tax expense recognized in the profit and loss account amounts to EUR 60.5 million, being 42.2% of the result before tax (2022: EUR 173.1 million and 24.5%). The amount of EUR 60.5 million consists of EUR 94.0 million current tax expense (2022: EUR 161.5 million) and EUR 33.5 million deferred tax income (2022: EUR 11.6 million). The applicable weighted average tax rate is 35.1% (2022: 25.7%), 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:

(amounts x EUR 1 million)	2023	2022
Applicable tax rate in the Netherlands	25.8%	25.8%
Income tax using the applicable tax rate in the Netherlands	37.0	181.9
Tax effect of:		
– Other applicable tax rates abroad	12.0	(1.0)
– Results under participation exemption	0.0	(21.0)
– Non-deductible expenses	21.6	11.6
– Prior year adjustments (Incl. effect of rate changes)	(16.3)	1.2
– Tax losses (not) recognized	6.2	0.4
Tax expense	60.5	173.1
Effective tax rate	42.2%	24.5%



The prior year adjustments include tax benefits primarily relating to tax-deductible liquidation losses. The increase in non-deductible expenses mainly relates to non-deductible goodwill depreciation.

Pon operates in countries which have enacted new legislation to implement the global minimum top-up tax. Pon expects to be subject to the top-up tax in relation to its operations in only a limited number of jurisdictions as the majority of the income is subject to statutory tax rates higher than 15%. Since the newly enacted tax legislation is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023. In addition Pon has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred. If the top-up tax had applied in 2023, the impact would not be material.

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 3.5 million (2022: EUR 2.9 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 (2022: 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 573 thousand (2022: EUR 522 thousand). No loans, prepayments and guarantees have been granted to the company's Supervisory Board members.

28. Subsequent events

On February 29, 2024, Pon Bicycle Holding B.V. sold 49% of its share in its bike leasing subsidiary Bike Mobility Services (BMS) to Volkswagen Financial Services. The aim of the transaction is to jointly expand in the growing bicycle and e-bike leasing business in Europe and the USA.



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Company balance sheet as at 31 December 2023

(before profit appropriation, x EUR 1,000) Notes 31.12.2023 31.12.2022

Assets			
Fixed assets			
Intangible fixed assets			
Software		104	36
			104
			36
Tangible fixed assets			
	29		
Land and buildings		75	125
Machinery and equipment		1,453	1,412
			1,528
			1,537
Financial fixed assets			
	30		
Group companies		1,872,890	1,909,368
Participating interests and joint ventures		262,332	210,897
Deferred tax assets		2,814	285
Other participations		121	121
Other receivables		17,200	13,200
			2,155,357
			2,133,871
Current assets			
Receivables from group companies		1,478,704	1,351,319
Other receivables and accrued income		13,767	14,785
			1,492,471
			1,366,103
Cash and cash equivalents			
		643,960	635,927
Total		4,293,420	4,137,474



(before profit appropriation, x EUR 1,000)	Notes	31.12.2023	31.12.2022
Equity and liabilities			
Shareholders' equity			
	31		
Share capital		259	259
Share premium		312,541	312,541
Legal reserve		324,847	273,039
Translation reserve		(39,721)	(14,303)
Revaluation reserve		-	-
Other reserve		1,194,788	844,217
Unappropriated result		89,535	532,628
		1,882,249	1,948,381
Provisions			
Other		1,885	1,885
		1,885	1,885
Non-current liabilities			
	32		
Debts to credit institutions		962,093	997,405
Subordinated debt		140,000	140,000
		1,102,093	1,137,405
Current liabilities			
Debt to credit institutions	32	50,000	-
Debt to group companies		25,068	-
Current account group companies		1,113,562	919,908
Trade creditors		2,787	2,776
Debts to participating interests and joint ventures		11,912	9,240
Taxes and social security contributions		29,625	42,562
Liabilities related to pensions		303	339
Other liabilities and deferred income		73,936	74,978
		1,307,193	1,049,803
Total		4,293,420	4,137,474



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Company profit and loss account for 2023

(x EUR 1,000)	2023	2022
Share of results from participating interests	71,496	577,555
Other results	32,321	(31,008)
Net result	103,817	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.

Reclassification of comparative figures

The figures for 2022 have been updated conform current year presentation.

The ICL positions that were previously offset have now been presented for their gross amount to comply with anti-offsetting guidelines. As a result "Receivables from group companies" and "Current account group companies" increased with EUR 918 million in the comparative figures.



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 2023	2,574	5,746	8,320
Investments	-	304	304
Disposals	-	-	-
Balance as at 31 December 2023	2,574	6,050	8,624
Accumulated depreciation			
Balance as at 1 January 2023	2,449	4,334	6,783
Depreciation for the year	50	263	313
Disposals	-	-	-
Balance as at 31 December 2023	2,499	4,597	7,096
Book value			
Balance as at 1 January 2023	125	1,412	1,537
Balance as at 31 December 2023	75	1,453	1,528

30. Financial fixed assets

The movements during the year can be specified as follows:

	Group companies	Participating interests and joint ventures	Other participations	Other receivables	Deferred tax assets	Total
Balance as at 1 January 2023	1,909,368	210,897	121	13,200	285	2,133,871
Results	20,061	51,435	-	-	-	71,496
Dividends	(312,607)	(32,000)	-	-	-	(344,607)
Capital increases	136,814	32,000	-	-	-	168,814
Financing	-	-	-	4,000	-	4,000
Investments / Acquisitions	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
Exchange rate differences	(31,083)	-	-	-	-	(31,083)
Revaluation reserve	-	-	-	-	-	-
Other movements	150,336	-	-	-	2,529	152,865
Balance as at 31 December 2023	1,872,890	262,332	121	17,200	2,814	2,155,357

Dividends of group companies contain the yearly upstream of results and one off dividends from group companies and participations.

Other movements relate to the transfer of the Pon Bicycle Holding B.V. shares to Pon Holdings B.V..



Balance sheet | Equity and liabilities

31. Shareholders' equity

	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	-	-	-	-	-	(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	Share premium	Legal reserve	Translation reserve	Revaluation reserve	Other reserve	Unappropriated result	Total
Balance as at								
1 January 2023	259	312,541	273,039	(14,303)	-	844,217	532,628	1,948,381
Result for the year	-	-	-	-	-	-	103,819	103,819
Capital increases	-	-	-	-	-	-	-	-
Appropriation to reserves	-	-	-	-	-	532,628	(532,628)	-
Dividend	-	-	-	-	-	(130,600)	(14,284)	(144,884)
Other movements	-	-	51,808	-	-	(51,457)	-	351
Translation differences	-	-	-	(25,418)	-	-	-	(25,418)
Balance as at								
31 December 2023	259	312,541	324,847	(39,721)	-	1,194,788	89,535	1,882,249

Share capital

The total issued share capital amounts to EUR 258,655, divided into 1,020 common shares B, 30 series F1 cumulative preference shares without voting rights, 30 series F2 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 a fixed dividend percentage.

Share premium

The share premium concerns the proceeds from the issue of cumulative preference shares in 2003, 2006, 2018, 2020 and 2022, 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 for a total amount of EUR 155 million on January 4, 2022. Both series of preference shares are perpetual and accounted for as equity.



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 51.8 million (2022: EUR 58.4 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.

In 2023 the previous year dividend of EUR 122.6 million was paid on the B shares and have 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 2023 Annual General Meeting of Shareholders to declare a distribution of EUR 43.6 million (2022: EUR 122.6 million) to the holders of shares B.

Next to this, dividend for an amount of EUR 4.2 million (2022: EUR 3.9 million) will be paid to the holders of the cumulative preference shares F. A dividend for an amount of EUR 10.1 million (2022: EUR 10.0 million) 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'.



32. Non-current liabilities

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

	Subordinated debt	Debts to credit institutions	Debt to group companies	Total
Balance as at 1 January 2023	140,000	997,405	–	1,137,405
New loans	–	25,002	29,374	54,376
Repayment	–	–	(3,956)	(3,956)
Difference in foreign currency translation	–	(10,314)	(350)	(10,664)
Balance as at 31 December 2023	140,000	1,012,093	25,068	1,177,161
Current as at 31 December 2023	–	50,000	25,068	75,068
Non-current as at 31 December 2023	140,000	962,093	–	1,102,093
of which:				
Repayment obligation > 1 year and < 5 year	–	824,095	–	824,095
Repayment obligation > 5 year	140,000	137,998	–	277,998

Syndicated Credit Facility

Pon has a senior Syndicated Credit Facility of EUR 1 billion, divided into a EUR 300 million term loan and a EUR 700 million revolving credit facility. The facility has been in place since January 2022 with an Initial 5-year maturity and two one-year extension options. Pon exercised the first extension option in January 2023, moving the maturity date to January 2028.

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 (2022: EUR 17 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 2023, EUR 690 million of debt (2022: EUR 669 million) and EUR 1 million of guarantees (2022: EUR 1 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.

European Private Placement

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 2023, Pon has drawn EUR 122.5 million and USD 220 million under this facility (2022: EUR 122.5 million and USD 220 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 2.7% and 5.8%. Financial covenants are similar to those of the Syndicated Credit Facility.

Other credit facilities

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 (Eonla) plus a predefined margin. The facility was undrawn at year-end (2022: no drawings). In addition to these bilateral facilities, Pon has an uncommitted cash pool facility of EUR 60 million.

Subordinated debt

At year-end 2023, Pon held EUR 140 million in debt preference shares (series G), which are recorded on the balance sheet as subordinated debt (2022: EUR 140 million). The dividend of the debt preference shares amounted to 5% per annum until 30 June 2023. Following a scheduled dividend reset on the preference shares the dividend amounts to 7.5% per annum as of 1 July 2023.



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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.

33. Off-balance sheet commitments

The company leases land and buildings and means of transportation for which the total commitment amounts to EUR 3.0 million (2022: EUR 3.7 million), of which EUR 1.4 million (2022: EUR 1.4 million) is due within one year, while EUR 0.0 million (2022: 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 amount to EUR 24.0 million (2022: EUR 23.0 million).

34. Employee benefits and number of employees

Can be specified as follows:

	2023	2022
Wages and salaries	18,727	21,784
Social security charges	595	522
Pension charges	2,256	2,135
	21,578	24,441

Employee benefits are adjusted for employee specific recharges.

During the 2023 financial year, the average number of staff employed by the company, converted into full-time equivalents, amounted to 106 people (2022: 90 people), of which nil (2022: nil) were employed outside the Netherlands.

35. Subsequent events

No subsequent events.

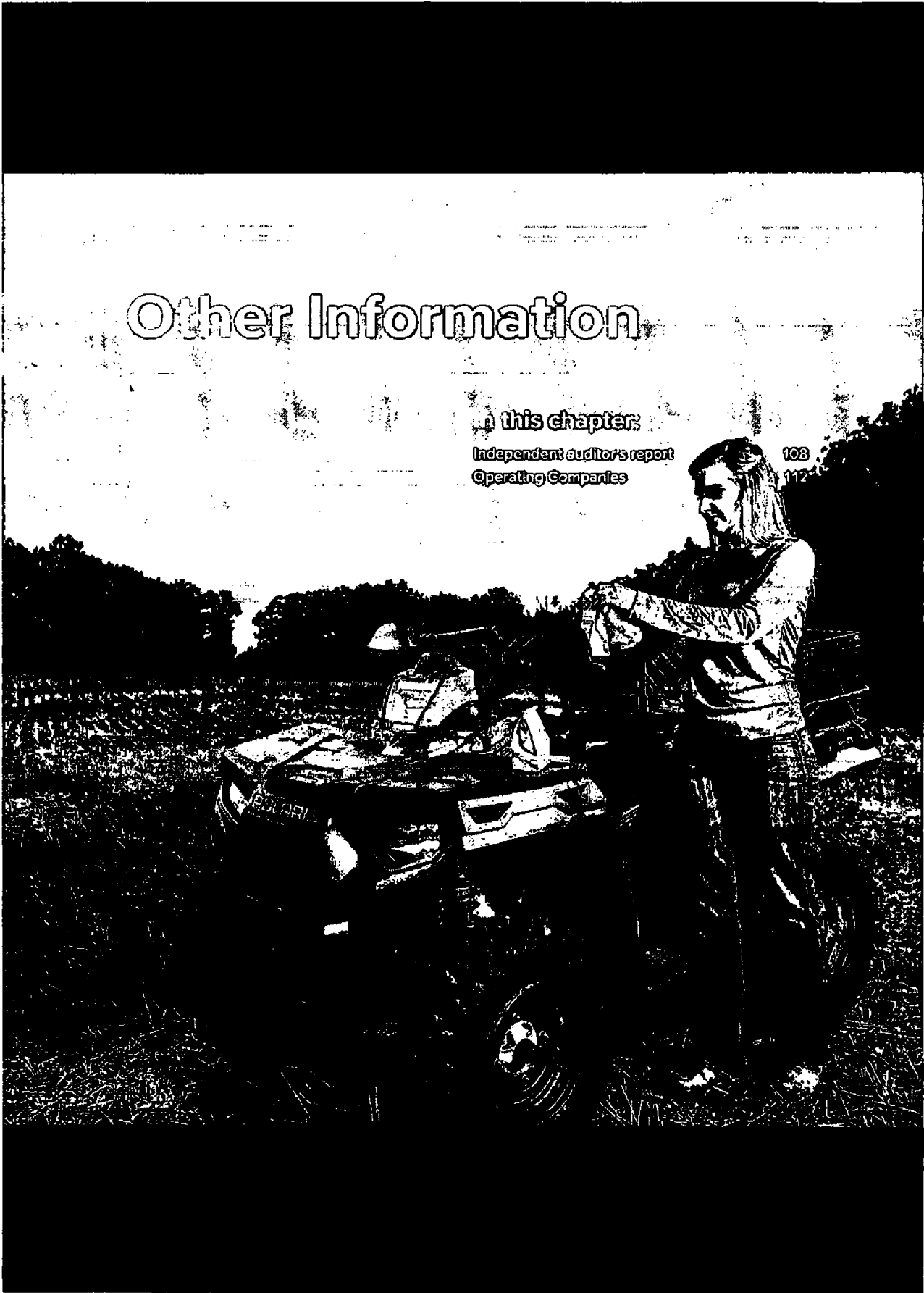
Amsterdam, March 28, 2024

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
E. Friese



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Other Information

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, 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 (ordinary) shares. The Reserve Account B is at the disposal of the General Meeting of Shareholders.



Independent auditor's report

To: the General Meeting and the Supervisory Board of Pon Holdings B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2023 of Pon Holdings B.V., based in Leusden (the Company).

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 2023 and of its result for 2023 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 2023;
- 2 the consolidated profit and loss account and statement of comprehensive income for 2023; and
- 3 the consolidated cash flow statement for 2023;
- 4 the company profit and loss account for 2023; 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 Report of the Executive Board and Corporate Governance and Risk management section of 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, Pon Ethics Helpline, 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. We have also incorporated elements of unpredictability in our audit (such as changing the test approach of certain revenue streams to a data driven approach, testing whether issued discounts to employees are in line with internal policies, and performing audit procedures on specific accounts on which otherwise fewer or no audit procedures would have been executed) and involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance: anti-money laundering laws and regulations, trade sanctions and export controls, data privacy legislation, employment legislation, tax legislation, environmental legislation and anti-competition laws and regulations.



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

Management override of controls (a presumed risk)

Risk:

Management is typically in a unique position to perpetrate fraud because of its ability 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 unusual transactions.
- We performed data analytical procedures over high-risk journal entries related to post closing entries and specific journal entries throughout the period. 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 the valuation of intangible fixed assets, investments in other participations, inventories and deferred income.

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. The cut-off risk is assessed on component level and either relates to existence or completeness of the revenues in the cut-off period.

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 or after year-end by determining the fulfillment of performance obligations (revenue recognition) in the correct accounting period 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 material 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 agreements in terms of conditions that could lead to going concern risks, including the term of the agreements 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 contains 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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We 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 as required by 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 fraud or error.

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.

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:



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- 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

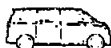
Rotterdam, 28 March 2024
KPMG Accountants N.V.

J. van Delden RA

Operating Companies in 2023



Automotive



Pon Automotive Wholesale The Netherlands

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



Pon Luxury & Performance Cars Netherlands

- Pon Luxury Cars B.V., Leusden



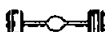
Pon Automotive Retail The Netherlands

- A-Point B.V., Amsterdam
- Auto Hoogenboom B.V., Rotterdam
- Auto Muntstad B.V., Utrecht (75%)
- Huiskes-Kokkeler B.V., Hengelo
- Pon Dealer B.V., Amersfoort (75%)
- 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



Pon.Bike

Belgium

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

Brazil

- Caloi Norte SA, São Paulo

Canada

- D3 Innovation Inc., Squanish

China

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

Germany

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

Italy

- Pon.Bike Italia S.p.A., Verona

Japan

- Cannondale Japan KK, Osaka

The Netherlands

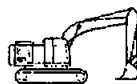
- Augusta Benelux B.V. (BBB), Leiden
- Bike Mobility Services B.V., Amsterdam
- Cycling Sports Group Europe B.V., Woudenberg
- FietsNED B.V., Oosterhout
- Koninklijke Gazelle N.V., Dieren
- Ride Out B.V., Amsterdam
- Smart Urban Mobility B.V., Amsterdam
- Union B.V., Amsterdam
- Veloretti B.V., Amsterdam
- Nimbl B.V., Amsterdam (75%)

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



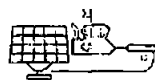
Pon Equipment

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

- 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.



URUS

Brazil

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

Canada

- Alta Genetics Inc., Rocky View Country, Alberta
- Saskatoon Colostrum Company Ltd., Saskatoon, Saskatchewan

The Netherlands

- URUS Europe B.V., Feerwerd

United States

- Alta Genetics USA, Inc., Watertown, Wisconsin
- URUS Group LP, Madison, Wisconsin
- Leachman Cattle of Colorado, LLC, Fort Collins, Colorado
- Valley Agricultural Software Inc., Tulare, California
- Genex Cooperative, Shawano, Wisconsin
- Jetstream Genetics, Watertown, 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%), Dusseldorf
- Automotive Asia Limited Company (80%), Ho Chi Minh City
- Collect Car B.V. (40%), Rotterdam
- Century Autogroep B.V. (40%), Groningen
- DFM N.V. (40%), Amersfoort
- Green Mobility Holding S.A. (Europcar) (7%), Strassen
- Lien A International Joint Stock Company (80%), Ho Chi Minh City
- Lokhiet B.V. (Auto Poppe) (40%), Goes
- Maas-De Koning B.V. (30%), Krimpen aan den IJssel
- 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
- Shuttle 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

- Digital Mobility Leasing GmbH (23%), Kassel
- Porsche eBike GmbH (40%), Ottoburn

Power

- Pesá Catarinense Comércio, Importação e Exportação de Equipamentos S.A. (32%), Itajaí, Brasil
- Phu Thai Marine Pte Ltd (32%), Singapore

Other participations

- Excelsior Acquisition B.V. (33.49%)
- Hubtiger Proprietary Ltd., Stellenbosch (47.4%)
- The Hiller Companies LLC (17.74%), 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

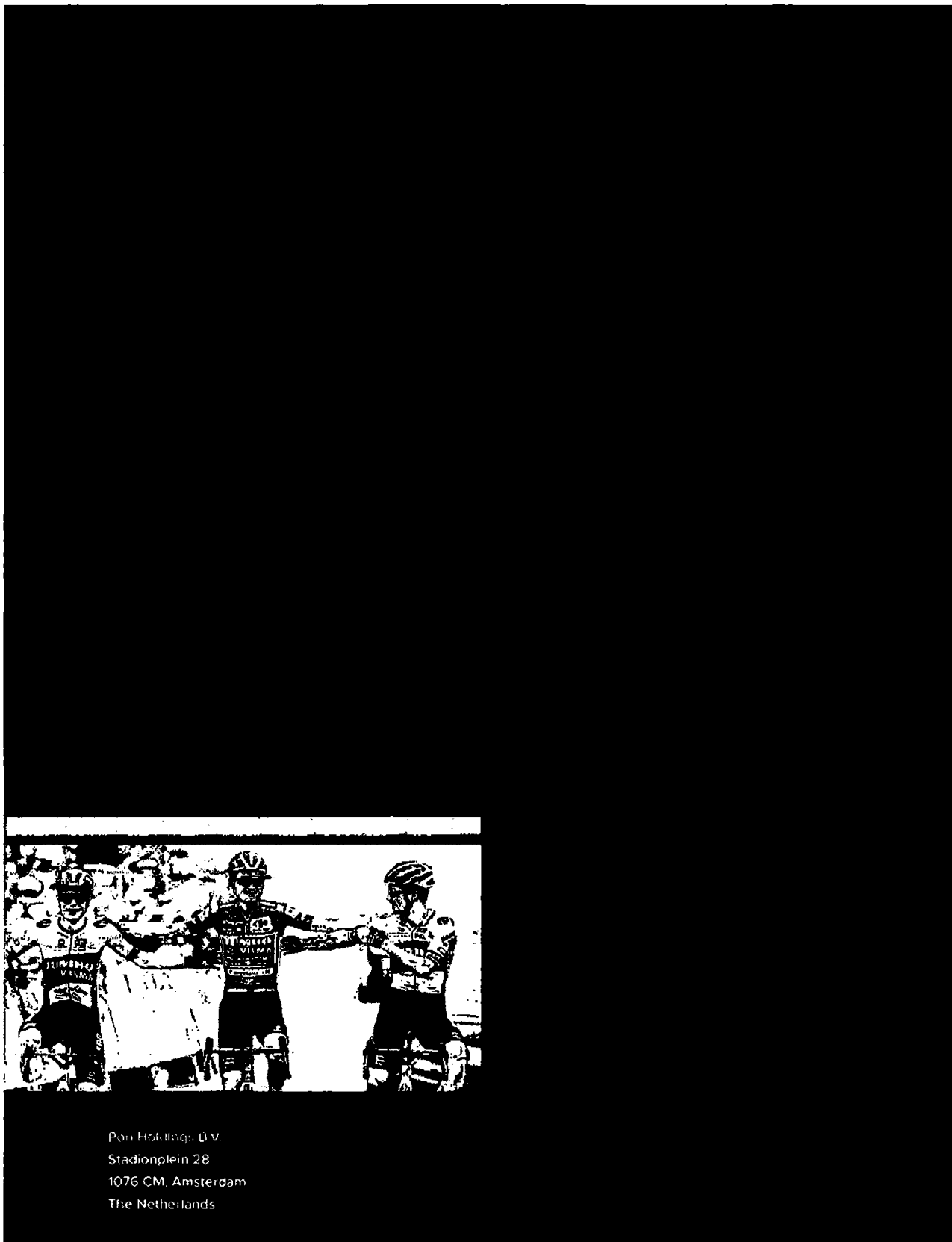
+31(0)20 2460 900
www.pon.com
info@pon.com

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: DartDesign, Amsterdam



Pon Hótelag, Ú.V.
Stadionplein 28
1076 CM, Amsterdam
The Netherlands

ponhotel



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P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
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 2023, 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 rettviseende bilde av selskapets finansielle stilling per 31. desember 2023, 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 rettviseende 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
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

Pemneo document key: M501A-EXNH0-53ESZ-D8M4A-NSENF-L5B6Z



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

KPMG AS

Fredrik Weiseth
Statsautorisert revisor
(elektronisk signert)

Permeo document key: M501A-EXNH0-53ESZ-D844A-NSENF-L5B6Z



PENNEO

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

Weiseth, Fredrik

Statsautorisert revisor

På vegne av: KPMG

Serienummer: no_bankid:9578-5995-4-628515

IP: 80.232.xxx.xxx

2024-06-27 08:32:30 UTC



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Årsregnskap 2023

Pon Holding Norway AS

Styrets årsberetning
Resultatregnskap
Balanse
Noter til regnskapet

Org.nr.: 981 389 085



Resultatregnskap			
Pon Holding Norway AS			
Driftsinntekter og driftskostnader	Note	2023	2022
Annen driftskostnad	3	529 507	123 083
Sum driftskostnader		<u>529 507</u>	<u>123 083</u>
Driftsresultat		<u>-529 507</u>	<u>-123 083</u>
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	4	69 500 000	8 300 000
Renteinntekt fra foretak i samme konsern		79 227 830	16 967 128
Annen renteinntekt		2 384 980	825 314
Annen finansinntekt		259 366	166 725
Nedskrivning av andre finansielle anleggsmidler	4	132 774 028	0
Rentekostnad til foretak i samme konsern		9 902 656	16 538 769
Annen rentekostnad		63 310 564	9 654 153
Resultat av finansposter		<u>-54 615 072</u>	<u>66 244</u>
Resultat før skattekostnad		-55 144 579	-56 839
Skattekostnad på resultat	5	13 256 813	0
Årsresultat		<u>-68 401 392</u>	<u>-56 839</u>
Overføringer			
Overført til udekket tap	6	32 651 252	0
Overført fra annen egenkapital	6	35 750 140	56 839
Sum overføringer		<u>-68 401 392</u>	<u>-56 839</u>

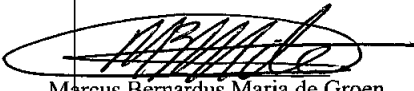
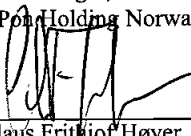
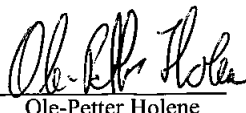


Balanse			
Pon Holding Norway AS			
Eiendeler	Note	2023	2022
Anleggsmidler			
Finansielle driftsmidler			
Investeringer i datterselskap	4	520 822 164	553 596 192
Sum finansielle anleggsmidler		520 822 164	553 596 192
Sum anleggsmidler		520 822 164	553 596 192
Omløpsmidler			
Fordringer			
Konsernbidrag	7	69 500 000	8 300 000
Andre kortsiktige fordringer	7, 8	1 044 225 681	899 520 787
Sum fordringer		1 113 725 681	907 820 787
Bankinnskudd, kontanter o.l.		74 396 114	59 372 784
Sum omløpsmidler		1 188 121 795	967 193 572
Sum eiendeler		1 708 943 958	1 520 789 763



Balanse			
Pon Holding Norway AS			
Egenkapital og gjeld	Note	2023	2022
Innskutt egenkapital			
Aksjekapital	6	12 140 200	12 140 200
Overkursfond	6	612 240 800	612 240 800
Innskutt annen egenkapital	6	11 774 332	11 774 332
Sum innskutt egenkapital		636 155 332	636 155 332
Opptjent egenkapital			
Annen egenkapital	6	0	35 750 140
Udekket tap	6	-32 651 252	0
Sum opptjent egenkapital		-32 651 252	35 750 140
Sum egenkapital		603 504 080	671 905 472
Gjeld			
Avsetning for forpliktelser			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	7	130 000 000	178 000 000
Sum annen langsiktig gjeld		130 000 000	178 000 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		0	87 490
Betalbar skatt	5	13 256 813	0
Annen kortsiktig gjeld	7, 8	962 183 066	670 796 802
Sum kortsiktig gjeld		975 439 879	670 884 292
Sum gjeld		1 105 439 879	848 884 292
Sum egenkapital og gjeld		1 708 943 958	1 520 789 763

Berger, 13.06.2024
Styret i Pon Holding Norway AS

 Marcus Bernardus Maria de Groen styreleder	 Claus Fritjof Høyer styremedlem/daglig leder	 Ole-Petter Holene styremedlem
--	--	---

Pon Holding Norway AS Side 4



Regnskapsprinsipper

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. Årsregnskapet er satt opp i samsvar med regnskapsloven og NRS8 - God regnskapsskikk for små foretak.

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 er vurdert etter kursen ved regnskapsårets slutt. Transaksjoner i utenlandsk valuta er omregnet etter kurs ved transaksjonstidspunktet.

Klassifisering og vurdering av balanseposter

Anleggsmidler omfatter eiendeler bestemt til varig eie og bruk. Anleggsmidler er vurdert til anskaffelseskost. Varige driftsmidler balanseføres og avskrives over driftsmidlets økonomiske levetid. Avskrivningsperioden for fast eiendom anskaffet etter 2009 er dekomponert i en del som gjelder råbygget og en del som gjelder faste tekniske installasjoner. Varige driftsmidler nedskrives til gjenvinnbart beløp ved verdifall som forventes ikke å være forbigående. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdi av fremtidige kontantstrømmer knyttet til eiendelen. Nedskrivningen reverseres når grunnlaget for nedskrivningen ikke lenger er til stede.

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 antatt virkelig verdi.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt kostnadsføres. 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

Investeringene i tilknyttede selskap regnskapsføres etter kostmetoden, men nedskrives til virkelig verdi når verdifallet forventes å ikke være forbigående. Mottatte utdelinger inntektsføres i utgangspunktet som finansinntekt. Utdelinger som overstiger andel av opptjent egenkapital etter kjøpet føres som reduksjon av anskaffelseskost.

Cash Pool

Pon Holding Norway AS er spiss i konsernkontoordning (Cashpool) for alle norske PON-selskaper. Cashpool balansen mot disse selskapene anses som mellomværende. Cashpool-balansen mot Bank Mendes Gans vises som bank.

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.



Note 2 - Lønn

Selskapet har ingen ansatte. Det er ikke utbetalt styrehonorar.

Note 3 Revisjonshonorar

Kostnadsført honorar til revisor i 2023 fordeler seg som følger:

Lovpålagt revisjon	65 000
Teknisk utarbeidelse av årsregnskap og skattemelding	29 500
Totalt	94 500

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

Note 4 Datterselskaper

Datterselskap	Forretnings- kontor	Eierandel	EK 31.12.2023	Resultat 2023	Bokført verdi
Pon Equipment AS	Skedsmo	100 %	238 692 000	-55 352 000	239 154 195
Pon Rental Norway AS	Skedsmo	100 %	32 386 000	14 435 000	25 020 000
Pon Power AS	Skedsmo	100 %	100 922 000	22 676 000	178 364 700
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			484 126 664	3 704 145	520 822 164

Balanseført verdi investering i datterselskap Pon Equipment AS er nedskrevet med kr. 132.772.028.
Balanseført investering i datterselskap er vurdert i samsvar med bokført egenkapital i datterselskapet per 31.12.2023.



Note 5 Skatt

Årets skattekostnad	2023	2022
Resultatført skatt på ordinært resultat:		
Betalbar skatt	13 256 813	0
Endring i utsatt skattefordel	0	0
Skattekostnad ordinært resultat	13 256 813	0
Skattepliktig inntekt:		
Resultat før skatt	-55 144 579	-56 839
Permanente forskjeller	63 198 268	-8 257 400
Mottatt konsernbidrag	69 500 000	8 300 000
Avskåret rentefradrag	-17 281 210	0
Anvendelse av fremførbart underskudd	-14 239	0
Skattepliktig inntekt	60 258 240	-14 239
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-2 033 187	-1 826 000
Betalbar skatt på mottatt konsernbidrag	15 290 000	1 826 000
Sum betalbar skatt i balansen	13 256 813	0
Beregning av effektiv skattesats		
Resultat før skatt	-55 144 579	-56 839
Beregnet skatt av resultat før skatt	-12 131 807	-12 505
Skatteeffekt av permanente forskjeller	29 193 619	9 372
Sum	17 061 811	-3 133
Effektiv skattesats	-30,9 %	5,5 %

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

	2023	2022	Endring
Akkumulert fremførbart underskudd	0	-14 239	-14 239
Avskåret rentefradrag	-84 770 850	-102 052 059	-17 281 210
Inngår ikke i beregningen av utsatt skatt	84 770 850	102 066 298	17 295 449
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 01.01.2023	12 140 200	612 240 800	11 774 332	35 750 140	671 905 472
Årets resultat		-32 651 252	0	-35 750 140	-68 401 392
Pr 31.12.2023	12 140 200	579 589 548	11 774 332	0	603 504 080

Aksjekapitalen pr. 31.12.2023 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.

Selskapet har mottatt følgende konsernbidrag i 2023:

Pon Power AS	49 000 000
Pon Rental Norway AS	20 500 000
Totalt	69 500 000

Note 7 Mellomværende med selskap i samme konsern

	2023	2022
Fordringer		
Konsernbidrag, fordring	69 500 000	8 300 000
Konserninterne kortsiktige fordringer	1 065 074 897	874 913 291
Sum	1 134 574 897	883 213 291
Gjeld		
Konsernintern kortsiktig gjeld	914 183 066	647 233 359
Øvrig langsiktig gjeld	130 000 000	178 000 000
Øvrig kortsiktig gjeld	51 298 560	0
Sum	1 095 481 626	825 233 359

Fordring og gjeld i konsernkontoordning er klassifisert under konserninterne kortsiktige fordringer og konsernintern kortsiktig gjeld. Øvrig kortsiktig gjeld består av hovedstol og tilhørende renter tilknyttet gjeld som har en levetid på mindre enn ett år. Øvrig langsiktig gjeld består av gjeld med tilbakebetalingstid på mer enn ett år.



Note 8 Cashpool

Pon Holding Norway AS er spiss i konsernkontoordning (Cashpool) for de norske Pon-selskapene. Tilknyttet bank for Cashpool er Bank Mendes Gans.

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

	2023	2022
NOK	895 900 969	630 239 409
EUR	17 738 414	19 893 828
USD	3 110 802	23 563 442
Cash Pool	916 750 185	673 696 679

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

NOK	-1 044 225 681	-899 520 787
EUR	-13 555 438	-15 949 897
USD	-4 726 658	-24 607 496
Cash Pool	-1 062 507 777	-940 078 180