Annual Report and Accounts 2023

# We believe driving shouldn't cost the earth

Our mission is to make living with an EV easy and affordable for everyone

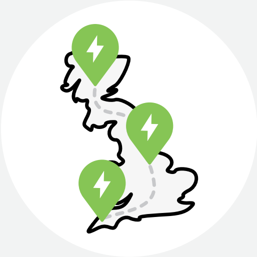
# Our purpose, vision and mission

## Purpose

### Driving shouldn't cost the earth

- Pod Point was founded with the aim of making travel not damage the earth. We still believe passionately that energy transition and decarbonisation of transport are huge priorities for all of us
- Our updated purpose represents our motivation and reason for succeeding. It's what we care about and it's the world we want to help create
- We believe that driving, powered by renewable electricity, will protect our planet as well as being the most cost-effective form of car transportation
- As a market leader, we will play a major role in making that a reality

## Vision



### Powering up 1 million customers in a profitable network

- Our success will be good for all our stakeholders
- We aim to deliver value to our shareholders and investors who have placed their trust in us. We will drive the business past breakeven, into profitability and onto positive cash generation
- Our award-winning products attract leading customer reviews. We have built a network of over 226,000 connected chargepoints across our customer base and we aim to please many, many more
- By being part of the Pod Point network of connected chargepoints and customers, we will bring ongoing value such as participating in grid and energy flex value, in a way that our competitors will find hard to match
- The future for Pod Point is all about scale and our vision is deliberately big. We're aiming at 1 million customers

## Mission

### Make living with an EV easy and affordable for everyone

- This is what we do, every day. It's the problem we solve. It's who we are
- We believe that EVs promise the lowest total cost of ownership. But once people own their EV it's our job to make that promise come true
- Mass adoption is what we want to promote, and we believe that will happen as people realise that living with an EV can save them cash and that charging their EV is easier and cleaner than visiting a fossil fuel forecourt

# In this report



# Financial summary

- 11% year-on-year revenue decline from £71.4 million to £63.8 million
- Marked revenue improvement during the second half. Despite overall reduction of 11%, the first half declined by 26% on 2022, but this turned around to a growth of 11% year-on-year in the second half, driven by improved performance in our UK Home segment
- The plug-in vehicle ('PiV') market grew by 24% year-on-year, primarily driven by growth in the fleet market, as demand for private vehicles was flat. This, combined with impact of the OZEV grants, which benefited 2022, saw revenue in our UK Home segment declined by 35% across the full year to £27.0 million
- Revenue growth in all other segments besides UK Home, with UK Commercial, UK Distribution and Owned Assets growing by 7%, 26% and 97% respectively
- First revenues generated from our Energy Flex business
- Strong progress on gross margin, which increased by 7ppts to 30% following improvements to our supply chain, operational efficiencies and an increasing mix of business coming from higher margin revenue streams
- Adjusted EBITDA loss of £15.3 million was, as expected, a result of increased costs combined with the revenue decline in UK Home (adjusted EBITDA is defined on page 163)
- The loss before tax for 2023 was £83.2 million after share-based payment costs and inclusive of a non-cash goodwill and intangibles impairment charge of £53.2 million
- With £48.7 million cash at year end, the Group retains a healthy balance sheet to enable delivery of the Powering Up strategy

# Operational summary

- Continuing expansion of the customer base across both UK Home and UK Commercial segments with 226,000 chargepoints installed and able to communicate up 16% year-on-year
- Market leadership in the UK Home sector. Cumulative total of 199,442 home chargepoints installed and able to communicate, with a further 33,513 home chargepoints installed in the year
- Significant progress in the UK Commercial and UK Distribution segments, with 17,213 chargepoints installed and shipped across both segments in the year – an increase of 9% from 2022, with directly sold units increasing by 20%
- Completion of our Owned Asset roll-out with our Tesco partnership, with 1,344 total chargepoints, including 142 rapid units, installed across 598 sites
- 2.5 billion kilometres of electric driving powered by our chargepoints in 2023 – up by 4% compared to 2.4 billion in 2022
- 25.3 million charging sessions delivered in 2023 – up by 12% compared to 22.5 million in 2022
- 448 million kWh delivered by our chargepoints in 2023 up 22% year-on-year, avoiding the equivalent of circa 399,000 tonnes of $CO_2e$
- Started the first phase of our restructuring programme as part of the £6 million annualised cost reduction goal in our Powering Up strategy
- Signed contracts to deliver energy flex value in partnership with energy retailers (EDF and Centrica) and network operators (UK Power Networks)

For more details, see our business segments on pages 5 to 6 and KPIs on page 33

# Strategic Report



## Our mission is to make living with an EV easy and affordable for everyone

At a glance

# Pod Point is a market-leading provider of EV charging solutions

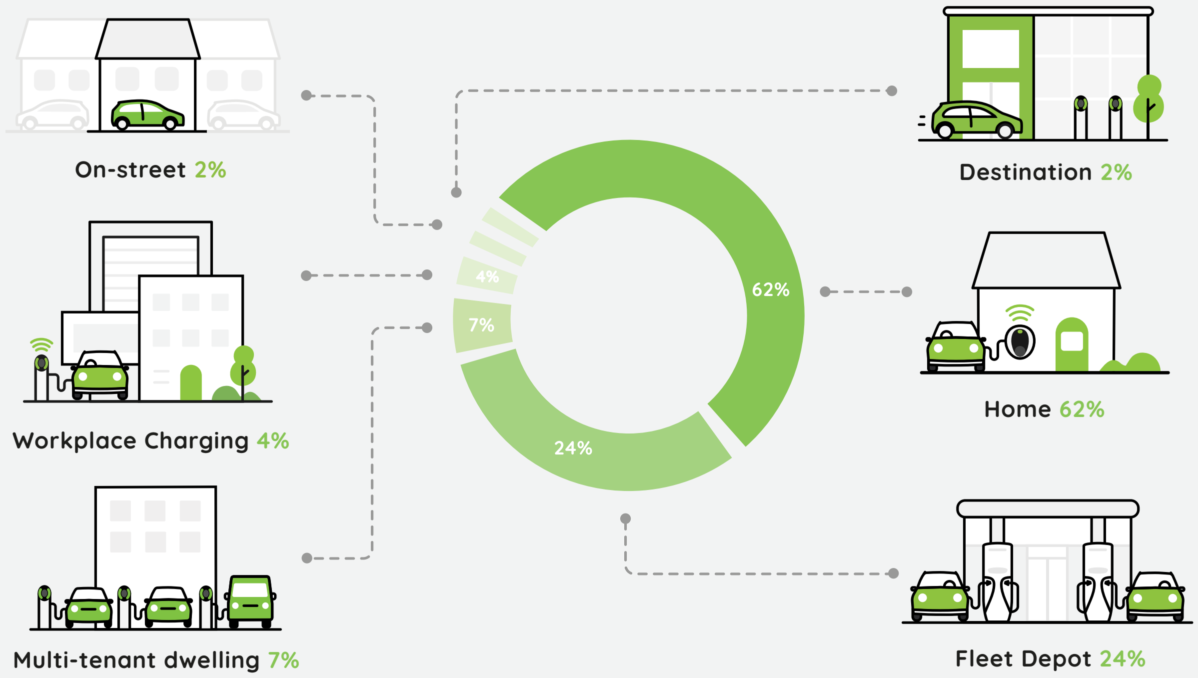
From the very beginning of Pod Point's journey back in 2009, we recognised the significant role EVs would have in the UK's journey to net zero. We were equally aware back then of the challenges; chiefly, that charging speeds would be unable to match how quickly a petrol or diesel car could be refuelled. We knew that with cars spending around 95% of their time parked, the best times to charge would be when the driver was busy doing something else, such as working, sleeping, shopping, or exercising. In other words, whenever they weren't driving the car.

The industry has changed a lot since we were founded, with just 1,583 EVs registered in 2010. SMMT data shows that PiV registrations during 2023 increased further to 455,998.

As the market has evolved, so has Pod Point. We've refined our products and made them smarter and implemented the features most relevant to our customers. During Q4 2023, we launched our new strategy – Powering Up – to focus on home and workplace charging, where the majority of charging takes place, as well as energy flex services. We are still as committed as ever to making the switch to EVs as easy as possible for everyone, and to normalising life with an EV. Our reputation has grown substantially, with Pod Point being voted 'Best Home EV Charger 2023' by What Car? and our charger installation service being endorsed as a Which? Trusted Trader Approved Service. Pod Point remains one of the largest EV charging networks in the UK, with more than 226,000 chargepoints installed and able to communicate as at 31st December 2023.

## Typical charging pattern

The diagram below sets out the EV charging ecosystem, showing how drivers are charging their EVs.




Pod Point is looking ahead to new horizons and new opportunities, including within international markets where we will either leverage existing partnerships, such as with EDF, or forge new relationships to take Pod Point beyond the UK and to the rest of Europe. We will also work with energy companies on our flex proposition, managing the demands on the grid, bringing savings to our customers.

This itself will bring new challenges, but as before when Pod Point first began, we're confident in our ability to overcome them.

At a glance continued

During the year, we have transitioned to a business unit structure based upon our customer segmentation, which enables the business units to be competitive, agile and effective in their individual markets, while working to overall Group strategic goals.

## UK Home

### Customers

- Consumers coming via our website, where we install smart chargepoints in domestic properties, generating one-off installation revenue
- Major automotive manufacturers such as Mercedes, BMW, Mini, Hyundai and Kia through referral agreements, enabling us to provide home chargepoints to their customers
- Fleet companies including Mitie, Sky, Lex Autolease and Zenith, providing home charge solutions to customers ranging from end-user van drivers, company car drivers and customers benefitting from salary sacrifice agreements
- This segment is driven by the demand for EVs

### Competitive position

- Despite a downturn in revenue in 2023, we remain one of the most recognisable brands for home charging and have the highest volume of website traffic versus our competitors
- We are one of the few chargepoint operators ('CPOs') in the UK who offer a true end-to-end service and support the customer from initial referral through to the point of installation and beyond
- Our commitment to providing a proven and trusted service is reflected in our industry-leading customer satisfaction scores, averaging 4.6/5 across over 38,000 reviews
- We have more automotive partners than any other CPO, including 14 OEM brands and 150+ fleet partnerships
- We have a depth of experience unmatched in the industry, with over 226,000 chargepoints installed and able to communicate, and a proven ability to scale with demand

### Growth drivers

- During the year, our newly created Dealer team contracted with 11 dealer groups totalling 280 dealership sites, including Westway, Halliwell Jones, Parks Motor Group and Group 1 Automotive. We expect further growth in this channel in 2024
- Launch of our new home charger, Solo 3S, which will come with solar functionality, unlocking this customer segment for us
- During 2023, we grew our marketing function and capabilities, and as a result expect to see increased conversion of opportunities
- We expect the supply of electric vans to further improve in 2024, enabling us to maximise our existing fleet relationships

**Revenue: £27.0 million**
**42% of total revenue**

## UK Distribution

### Customers

- Housing developers such as Barratt Homes, David Wilson Homes, Bellway and Redrow to provide chargepoints for new developments
- Independent contractors and the wholesale market including key relationships with Rexel, YESSS Electrical and Medlock
- Freeholders, managing agents and resident associations to provide supply, installation and ongoing service, having contracts with companies such as McCarthy Stone and Inspired Villages

### Competitive position

- First mover advantage combined with a recognisable brand has given us strong relationships with the large players in this market
- Our advice and design capabilities are highly regarded by our clients. Until very recently no other CPOs were offering the same level of charging network design services to our customer base
- Our team has been at the forefront of driving policy change through the House Builders Federation, and we are well-respected across this industry

### Growth drivers

- Continued implementation of Part S Building Regulations, which mandates that a chargepoint must be installed on every new-build house with associated parking
- Launch of our new home charger Solo 3S with solar functionality and Open Charge Point Protocol ('OCPP') capability, creating new opportunities with those businesses where OCPP is a mandatory requirement
- Our new Installer App, which targets improvements in installation efficiency and quality, improving its appeal to the wholesale and contractor market

**Revenue: £5.4 million**
**8% of total revenue**

## UK Commercial

### Customers

- Under our Powering Up strategy, we will focus on workplace charging with key customers, including commercial landlords, managing agents, office buildings, distribution centres and depots. We will move away from multi-tenancy dwellings and destination charging
- Our more focused offering will ensure a greater depth of product offering for our workplace customers, which services their specific needs
- We receive ongoing network fees from commercial customers
- We receive a share of revenue from certain groups of chargepoints owned by our commercial customers

### Competitive position

- Strong recognisable brand presence in the workplace sector, with a high level of experience across multiple install types
- Some of the largest workplace installations in the UK with several of the UK's largest consumer brands
- Experienced sales team with an in-depth knowledge of hardware, software and corporate social responsibility benefits attached to workplace charging

### Growth drivers

- Our ability to leverage the OZEV EV chargepoint and infrastructure grants for our customers, which promote the rollout of charging infrastructure at workplace sites by reducing installation costs
- The introduction of new Twin and Solo 3S chargers, which includes OCPP compatability, giving us access to a larger addressable market
- Our new Installer App targets improvements in installation efficiency and quality, giving us greater access to opportunities in the market

**Revenue: £23.0 million**
**36% of total revenue**

## Energy Flex

### Customers

- We 'flex' the time at which vehicles are charged, to minimise cost, with initial focus on our large estate of domestic chargepoints
- Our customers include national and regional grid operators, retail energy suppliers and aggregators via the provision of grid load management services and opportunities for energy trading. This market is currently in an early stage of development
- We are developing a consumer flex proposition, which can be offered to consumers without affecting their existing energy tariff
- We are also developing a flex proposition, which can be offered to consumers via their existing energy supply company

### Competitive position

- As one of the earliest providers of chargepoints, we have the largest UK estate of domestic chargepoints
- As a trusted brand, we will work in the consumer's best interest
- Because our architecture allows us to control the chargepoints behaviour directly, we can manage all of the technical parts necessary to deliver flex services

### Growth drivers

- With the largest UK network of EV chargepoints, we have critical mass that we can offer to new customers
- We can extend into multiple energy flex and load balancing markets
- Signing up existing and new customers onto flex programmes, providing savings on their energy spend
- Working with a variety of energy companies to assist them to provide flex services to their customers

**Revenue: £39,000**

## Other segments for 2023

### Owned Assets

Our portfolio of chargepoints at 598 sites includes AC and rapid DC chargers, funded and owned by Pod Point at locations within the Tesco estate. Whilst this is a profitable segment, we had already signalled during 2022 that this was no longer a key priority for future growth. In our strategic review, we confirmed that the public charging network is a segment that is now non-core, so it will continue to appear as one of our reporting segments for as long as it remains part of the business.

**Revenue: £8.4 million, 13% of total revenue**

Chairman's statement

Gareth Davis
Chairman
of the Board

Dear Shareholder,

**An emphatic response to a challenging year**
This was a very busy year for Pod Point, as we worked hard to counter a number of negative macroeconomic factors. Our response was both vigorous and wide-ranging – including changes at the top of our team and the development of our Powering Up strategy – and I believe we now have a robust and very detailed strategic plan, and clear financial targets, and are well-placed to fulfil our purpose of ensuring that driving doesn't cost the earth, underpinned by a strengthened balance sheet.

The increasing price of electricity, inflation and a general cost-of-living crisis all contributed to a tough business climate for most companies in 2023, including Pod Point. Demand for chargepoints was negatively affected by this fragile consumer environment. Government policy changes, including the move in the ban on the sales of new ICE vehicles from 2030 to 2035, further dampened private customer demand for EVs.

**A disappointing performance**
Although affected by the unhelpful economic and market backdrop, our financial performance was nevertheless disappointing, with revenue and profit below expectations for the first half of the year. Performance for the second half of the year improved, slightly ahead of our reset expectations. We took significant steps to preserve cash and maintain a healthy cash position as we move into 2024 and beyond.

In terms of detail, revenue for the year was £63.8 million, down 11% compared to 2022. While revenue was down 26% in the first half, we returned to growth in the second half, which was +11%. Our gross margin saw a strong improvement across both H1 and H2 and was up 700 basis points compared to 2022. This reflected a combination of price increases, supply chain efficiency and better mix. Group adjusted EBITDA loss was £15.3 million, a higher loss than in 2022 as operating expenses grew faster than our gross profit. The increase in costs reflects the excessive complexity of the business and lack of cost discipline of the previous management team, underpinning the importance of delivery of the £6 million targeted cost savings under Powering Up. Our year end cash position was £48.7 million, reflecting tight operational grip on the business and good working capital management. We did not draw on our £30 million credit facility.

Drilling down into the performance of our business units, UK Home revenue reduced by 35%, reflecting the more challenging market and reduced market penetration, whilst UK Commercial revenue and UK Distribution revenue increased by 7% and 26% respectively. Towards the end of the year, we saw encouraging signs that our UK Home performance was showing some recovery and stabilisation.

**Changes to the Board**
In July, our founder and Chief Executive Officer Erik Fairbairn stepped down from his post to allow new leadership to help Pod Point navigate the growing market for EVs. On behalf of the Board, I would like to thank Erik for his vision and commitment. He not only founded the Company and foresaw future demand for charging solutions, but also took us to a successful flotation, and we wish him well in his future endeavours.

## Chairman's statement continued

Andy Palmer, our Senior Independent Director (SID), became interim CEO following Erik's departure, with Karen Myers becoming SID. Having pioneered the world's first mass-market electric vehicle, the Nissan LEAF, Andy has enormous experience in EVs and his industry knowledge and track record proved invaluable. On 20th February 2024, we were pleased to announce the appointment of Melanie Lane as our permanent CEO, who brings significant experience in the EV charging sector and the wider energy industry, and will lead the continuing implementation of our Powering Up strategy.

As announced in last year's Annual Report, David Wolffe was appointed as Chief Financial Officer from January 2023. David has over 20 years' experience in Board level roles and during this last year has taken steps to strengthen the Finance team.

**A new team, but a familiar destination**
We also experienced several other departures and arrivals in 2023, as we moved with pace to replace and strengthen our senior team, especially in the areas of technology, human resources and investor relations. This team has worked closely and tirelessly with Andy Palmer over the last six months to review our business performance alongside external consultants. The results of their endeavours included the Powering Up strategy and operational plans, which were presented at the Capital Markets Day in November.

While we have repositioned our Company and extended our ambitions, the destination remains the same. Despite the short-term cost-of-living crisis and U-turns by the UK Government, the world is moving inexorably away from fossil fuels and towards electrification. Guided by our mission to make living with an EV easy and affordable for everyone, we are ready, focused and determined to reap the rewards.

I would like to thank our people for their hard work and understanding through what was a difficult period for everybody at Pod Point. Change is never easy, but it has without doubt been necessary – and this process will continue as we move into 2024.

**Outlook**
Despite the temporary setbacks of the last year, the outlook for Pod Point remains positive, given the market potential, our refocused strategy, our strengthened balance sheet, and our strengthened management team. We will launch a new product during the year, build further momentum in Energy Flex, and take our first steps into European expansion: all key strategic initiatives to drive long-term value creation. Thanks are due to our major shareholders for their support and forbearance during the year, and we look forward to rewarding their patience.

**Gareth Davis**
Chairman


> A critical milestone for the Group was delivered in November, with the hosting of our first Capital Markets Day and the launch of our transformation plan – Powering Up.

Andy Palmer
Chief Executive Officer

**2023 has been a challenging year for Pod Point, the EV market and the broader chargepoint market. Financial and operational performance were below our expectations at the start of the year, albeit we saw much greater stability in our performance in the second half of the year, following leadership changes, and the implementation of renewed focus and prioritisation. We made strong progress during the year in terms of maintaining our position as one of the largest home charging networks in the UK, delivering great customer service, expanding our distribution relationships across many routes to market and reinforcing our strong brand awareness.**

A critical milestone for the Group was delivered in November, with the launch of our transformation plan – Powering Up. The Group's new focused strategy is the culmination of an intense period of work. The transformation plan is built on three inter-connected priorities: focusing on our core strengths and leveraging them into adjacent markets; driving customer lifetime value through grid load management services or 'Energy Flex' and recurring revenues; and implementing our cost optimisation programme to ensure the Group's operating model is set up for success. This new strategy has received strong support from EDF, our largest shareholder.

> "The What Car? accolade was followed by Which? announcing that Pod Point was the UK's only EV charging provider to be awarded Which? Trusted Trader approved status for our installation service."

## Review of the year

Our financial performance in 2023 was disappointing, however, my view is that in the long term, the year will be seen as a temporary setback for Pod Point and was the year we put in place the foundations for our transformation. Today, we have a much clearer view of the financial drivers of our business and a clear strategic focus. The delivery of our new strategy will create significant value over the long term, as we move towards both adjusted EBITDA profitability and positive cash flows. As we laid out at the 2023 Capital Markets Day, 2024 will be a year of transition as we exit some non-core parts of our business and adjust our cost base; however, we will deliver underlying growth in our core Home and Workplace segments and see significant positive momentum in our Energy Flex segment.

Powering Up, Pod Point's transformation plan, builds on the Group's core strengths in its brand, leading market share and broad partnerships, by prioritising Home and Workplace segments and developing an Energy Flex recurring revenue stream to build customer lifetime value, combined with a significant cost out programme.

We made progress across many areas of our core strengths that give us confidence in our transformation plan. We also closed the year in line with our Capital Markets Day guidance and slightly better on our cash position, hopefully demonstrating improved forecasting capability and a 'turning of the corner.'

The Group will drive market share recovery and operational improvement by building on strong foundations in three areas, each of which showed momentum in 2023:

1. **Brand development.** Building on our Trustpilot and third-party scores, we continue our digital promotion activities and have added above-the-line advertising to underpin our trusted status. We also strengthened our consumer brand appeal during the year with the launch of Pod Point's first ever above-the-line advertising campaign. Backed by an investment of £140k, our campaign of 30 second radio commercials reached around 3.42 million people over a period of three months, with the message referencing our Which Trusted Trader accreditation and What Car? 'Best Home Charger 2023' accolade.
2. **Product development.** Pod Point refreshed and updated its product roadmap during the year and will launch the Solo 3S home charger in spring 2024. This will be OCPP compatible and EU compatible to support our international expansion plans and provide solar integration.
3. **Customer channel expansion.** The Group has a broad set of commercial partners across OEMs, housebuilders, car dealerships and leasing groups that have helped establish Pod Point as the largest network in the UK. New client wins during 2023 include Barrett, Redrow, Taylor Wimpey, Roadchef, Group 1 and Knight Frank. Major extensions include Mercedes Benz, JLR and Lex Autolease.

Consumers really appreciate what we do and how we do it – and we were pleased to maintain our excellent reputation on both Trustpilot and Reviews.io, with ratings of 4.2 and 4.6 respectively, at year end, from many thousands of customer reviews. The fact that customers place such trust in us, particularly at a time when energy companies in general are facing significant criticism, was underlined when consumers voted us the What Car? Best Home Charger Provider for 2023. We scored almost perfect marks for our quick service, and also topped the table for satisfaction.

The What Car? accolade was followed by Which? announcing that Pod Point was the UK's only EV charging provider to be awarded Which? Trusted Trader approved status for our installation service.

Another key highlight came with the introduction of our EV Exclusive tariff, which builds on our partnership with our major shareholder, EDF. We are the only business in our industry with such a close relationship with a leading energy company and through this unique partnership our customers are now able to charge their vehicles via a new and more affordable overnight rate.

Total annual revenue

**£63.8m**

**+7ppts**

Gross margin improvement

Chief Executive Officer's statement continued

## Powering Up: a new strategy to deliver significant growth and value

We aim to power up 1 million customers and help make living with an EV easy and affordable for everyone.

Powering Up, our new strategy is committed to achieving sustainable leadership in the Home and Workplace markets. This is joined by two new strategic elements.

Firstly, we will replicate our UK strengths in European markets through a focus on capital-lite international growth. Set to launch in 2024, our Solo 3S chargepoint is solar and OCPP compatible, which means it can be used by customers in Europe. We will leverage our links with EDF – a major supplier of chargepoints in France – to drive volume. We have identified some markets that are of initial interest, like France, Spain, Belgium and Ireland. Our commitment is to enter two of these markets during 2024, in a capital-lite way of predominantly supply to third-party partners. We will not replicate our UK operating model in these European markets.

The second new element of Powering Up is that we will drive Energy Flex value through grid load management – partnering with EDF and other energy companies. All energy companies buy their electricity in advance, but sometimes have to supplement this with more expensive supplies to meet short-term demand. With customers' agreement, we will use our technology to monitor the peaks and troughs of this short-term demand and operate their EV chargepoints at the optimum moments when their EV is plugged in. We do this while always ensuring that their vehicles are fully charged when they need them to be.

This will help the energy companies reduce purchases of short-term supplies of electricity at inflated prices, and we will share the savings with our customers. Ultimately, the aim is to make Energy Flex bi-directional, which means we will sell electricity from the car battery back to the grid when prices are advantageous. Again, the benefits will be shared with customers, which we reflected in our expectation of £40-50 of per annual value to Pod Point. We saw the first revenues from Energy Flex at the end of 2023. These were small but significant – because they proved that the concept works.


**Powering up:** delivers significant growth and value

Purpose: Driving shouldn't cost the earth

Vision: Powering up 1 million customers in a profitable network

Mission: Make living with an EV easy and affordable for everyone

| | | | |
|---|---|---|---|
| Strategy | Focus on UK Home and Workplace, plus capital-lite International | Drive Energy Flex Value & Recurring Revenue | Cost Out |
| | **Growth:**<br>• Revenue CAGR > 20%<br>• 4x increase by 2030 | **Recurring value:**<br>• High margin Recurring Revenue 25% of total by 2030 | **Profit & Cashflow:**<br>• Adj EBITDA b/even in 2026<br>• Cash generative in 2027 |

**4.6/5**
Customer rating
Reviews.io


## Funding: sufficient to deliver our strategy

The Group has sufficient funding to execute its strategy and we upgraded our expected year end 2023 to a final cash position of £48.7 million. We expect positive cash flow in 2027.

EDF, the Group's largest shareholder, has shown its support of the Group's new strategy and has provided a five-year credit facility of £30 million to provide additional funding headroom. We do not anticipate drawing on the facility in 2024.

## Looking ahead

The market is likely to remain challenging with increased consumer uncertainty in anticipation of potential changes to UK Government policy and ongoing volatility in private new EV demand. However, the UK market should see significant tailwinds from the zero emission vehicle ('ZEV') Mandate legislation that requires auto manufacturers to materially increase ZEV sales mix, from 22% in 2024 to 38% by 2027 and 80% by 2030.

Pod Point will focus on the operational execution of our new strategy, which will include the orderly exit of some non-core parts of our existing business. 2024 will be a transition year for the Group, reflecting the impact of these exits and only a part-year of the anticipated £6 million of annualised cost savings.

We gave clear financial guidance and operational targets for 2024 at our Capital Markets Day in November 2023 and I am pleased to confirm that we are well on track to achieve these targets. We will soon have Solo 3S in market and have upgraded our guidance on Flex revenues in 2024 to be at least £0.3 million.

On a personal level, it has been a privilege to lead a close-knit group of colleagues working as one focused team to refresh, refocus and ready our business for the challenges ahead. Together, we have ensured that Pod Point is well-positioned for the future. The appointment of Melanie Lane as permanent CEO with effect from 1st May 2024 was announced on 20th February 2024, and I look forward to working with her as she continues the implementation of our strategy. In the meantime, I am excited to continue playing my part in the future of this great Company, as Chair, as we navigate the next stage of our journey.

**Andy Palmer**
Chief Executive Officer

# Our marketplace

Our refreshed strategy has been shaped by a clear-eyed view of where we see the most attractive growth opportunities. This is based on an assessment of each of our markets based on new research and the most recently available data.

## Our markets

The strategy that we announced in November creates for us greater focus on markets where we believe we have our strongest capabilities and a right to win. This leads to our core markets as:

1) UK Home
2) UK Workplace
3) International Home
4) Energy Flex and Recurring Revenue

## Market growth drivers

**EV market growth**
2023 saw continued growth in the EV market, although there was a sharp contrast between private customer demand, which was sluggish, and robust fleet demand. The implementation of the ZEV Mandate will further advance EV demand, as manufacturers have mandated sales mix targets for ZEVs, rising from 22% in 2024 to 38% in 2027 and 80% in 2030.

While the UK vehicle market is facing some economic headwinds, it remains one of the largest in Europe, ranking third in terms of total vehicle sales in 2023.

In 2023, new registrations of PiVs increased by 24% compared to the previous year. SMMT data shows that sales of PiVs rose to 455,998 from 368,618 in 2022. Battery electric vehicle (BEV) sales provided growth of 18%, with sales rising to 314,687 from 267,204 in 2022. The vast majority of this growth was within the fleet market, supported by the benefits of salary sacrifice schemes. Private demand was flat.

Several factors are driving growth in EV sales, and therefore the demand for EV chargepoints:

- Shifting consumer preferences and economics: in 2022, Lease Plan published a White Paper concluding that in terms of total cost of ownership, a threshold had been passed in favour of the EV v the ICE. Since then, the prices of EVs have continued to show a downward trend
- As drivers become more environmentally aware, so do the environmental advantages of EVs become more pertinent. At the same time, barriers to EV adoption are being overcome, and the significantly better performance, simplicity and all-round convenience of EVs are capturing the public imagination. All of these factors are seeing demand for EVs grow
- EV uptake is exceeding government targets in its plan for net zero
- As EV sales increase, so too does the demand for chargepoints – and we are seeing repeated calls from industry to increase public provision as well as consistent demand for home chargers. Even if the public debate appears to be focused on public chargers, the vast majority of EV charging activity takes place at the home or workplace
- Auto manufacturer product strategy: these investments, combined with wider factors, will yield large volumes of EVs, which will guarantee a strong supply of EVs in years to come. Together with incremental gains in energy density and vehicle efficiency making EVs more compelling, the economies of scale from mass market production of EVs are set to make batteries, and thus EVs, much more affordable

## Market context continued

**Workplace demand**
Workplace is driven by cost savings, government regulation and corporate governance trends. The combination of regulatory requirements and government grants are driving demand for workplace chargepoints.

From 1st June 2022, all new non-residential buildings with more than ten parking spaces must have at least one charging point and cable trays for one in five (20%) of the total spaces. At the same time, all non-residential buildings undergoing major renovation with more than ten parking spaces must also have at least one charging point and cable trays for one in five spaces. This obligation supports the UK Government's desire to speed up the energy transition.

To cover the cost of supplying and installing their chargepoints, businesses can apply to the government's Workplace Charging Scheme. This voucher scheme covers up to 75% of the total cost of purchase and installation (including VAT), up to a maximum of £350 per socket or 40 sockets across all sites per applicant.

There is a huge national car park to be converted.

**International markets**
The UK is an advanced market in terms of EV adoption, but there are other huge markets nearby that are in an earlier state of evolution.

France is a similar sized economy to the UK but has EV penetration around 20% lower. The Spanish market has penetration lower at around 40%, and Italy is at adoption levels of around only half of the UK. These markets, among others, represent substantial opportunities with competitive dynamics at an early stage.

Out of our market analysis, it emerges that France, Spain, Belgium, and Italy are the most attractive European markets for Pod Point, based on a series of criteria around attractiveness of market and ease of entry. Attractiveness includes size of EV market out to 2030, current EV adoption rates, and ability to offer Energy Flex. Ease of entry includes presence of EDF, product compatibility, and regulatory considerations.

**Energy Flex market**
Energy Flex is a huge market already, which the Company estimates to be worth around £2 billion in 2024 in the UK. It has multiple segments, accessible for Pod Point.

The addition of an EV typically will double a household's electricity usage. This is a huge challenge at the national level. In parallel with this, there has been rapid growth in the contribution of wind and solar power to our national grid, which are both more volatile. The UK is also behind on its targets to build more power infrastructure. Due to the increasing demand for electricity and the growing supply of renewable energy, the value of the grid load management and energy flex market is set to double by 2030.

We are well-placed to address this growth opportunity. Pod Point has already established itself as an emerging player in this exciting market, delivering our first revenues in 2023. We have delivered flex in two markets during 2023 and have signed multiple partnerships with key players, including EDF, Centrica and UK Power Networks.

Vehicle to grid and home battery will add to this value. While at an early stage, we are exploring flexing other devices and have a memorandum of understanding in place with Gotion InoBat to offer home battery solutions, which could offer bi-directional charging.

## Market context continued

**1** million

EVs on the UK's roads

**18**%

Increase in BEV sales in 2023

**226,000**

Pod Point chargepoints installed and able to communicate

**Government regulation and support**
Government policy has been in the news, but some things have not changed.

Following its 2022 consultation, the UK Government announced the terms of the ZEV Mandate, which will set minimum numbers of ZEVs that OEMs must provide from 2024 to 2030 to ensure a relatively smooth uptake. This should support steadily growing demand for chargepoints in due course. This came into UK law on 3rd January 2024.

Preferential Company car tax benefit-in-kind (BiK) rates will be held at just 2% out to 2025, growing by 1% a year to 2028, maintaining a potent and successful incentive to company car drivers.

The government has softened its commitment to the 2030/35 phase-out dates for the last sales of new ICE and hybrid vehicles, respectively. Furthermore, in 2022, the European Union and other governing bodies have introduced similar ICE phase-out measures, furthering the likelihood of the target being met as OEMs will have to electrify vehicles across their markets.

But, the ZEV Mandate remains, and overall progress driven by consumer behaviour is a parallel and equivalent engine for growth.

# Our purpose is clear

Pod Point is here because driving shouldn't cost the earth. Our vision is to power up 1 million customers in a profitable network. Our mission is to make living with an EV easy and affordable for everyone.

The way we will deliver on these outcomes is through a refreshed strategy with some key areas of focus. Central to this is a differentiated strategy with a reinforcing virtuous circle of competitive advantage.

## Our refreshed and focused strategy

We have completed a fundamental review of our markets, key strengths and ability to win. This leads us to focus on our strategic priorities:

1) UK Home
2) UK Workplace
3) International Home
4) Energy Flex and Recurring Revenue
5) Cost Efficiency

We are managing an orderly exit from some segments, including fleet depot, public charging networks, destination charging and rapid charging.

This means we will focus our attention on where we see the greatest growth potential and the strongest financial returns. Home and Workplace represent around 70% of the market demand for chargepoints. These are the segments with longer vehicle dwell times and therefore create the greatest value in grid flexibility services. This will build a recurring revenue stream and a customer base of enduring lifetime value.

## Our differentiation and competitive advantage

As market leader, we have a number of key strengths.

We are a trusted brand, with the largest network of long-dwell customers, which enables us to drive recurring revenue from the Energy Flex value of that network. These strengths are reinforced by the capabilities of our relationship with EDF.

This forms a virtuous circle driving a growing total of customer lifetime value. The size of our network gives us economies of scale, driving more flex value, which reinforces our brand proposition and marketing resources, which in turn allows us to acquire more customers, and extend our lead as the largest network.

And so the cycle continues...


Pod Point Annual Report and Accounts 2023

# What we do

**Our overarching focus is around longer dwell times:** our products are perfect for customers who will charge their EV over an extended time period. Home and Workplace represent the two core segments where this is true. Long dwell times gives us the potential to leverage the value of our network for Energy Flex.

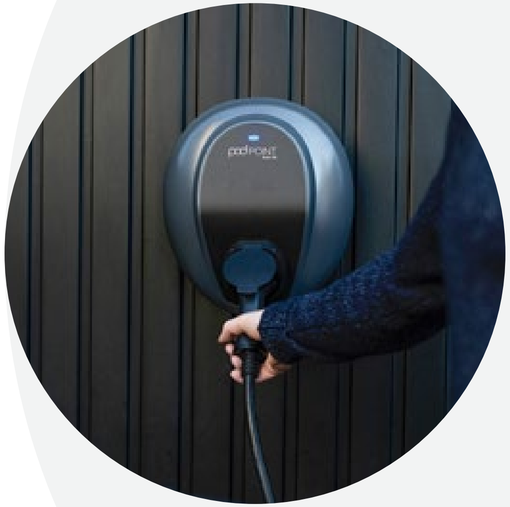
**We are aiming at market segments with the greatest growth opportunities combined with our ability to win:** Home and Workplace represented two-thirds of the total installations in 2023 and are expected to account for 60% to 70% of the installations in 2030, delivering significant volume growth. Our trusted brand and attractive product underpin our success in these market segments.

**The UK Home market involves direct to consumer, housebuilders and wholesale:** Pod Point has a broad and diverse range of partnerships to provide routes to market. We are building up our direct-to-consumer capabilities via consumer websites, referral agreements, and marketing channel management. Housebuilders, car manufacturers, car dealerships and leasing companies are all key in reaching customers.

**UK Workplace involves car parks in office locations and related areas:** customer hardware requirements are similar in Workplace and Home, and our chargepoints are installed in office car parks.

**International Home refers to carefully selected markets with entry in capital-lite and operational-lite models:** we will enter two European markets during the course of 2024, leveraging our relationship with EDF and their distribution partners.

# Our revenue streams



### We do managed install:

We provide chargepoints to end-customers, with an end-to-end service that includes project planning, groundworks, power supply, installation, commissioning and service. Our quality of service is known to be excellent with Pod Point having been awarded Which? Trusted Trader approved status for our installation service.

### We do supply only:

We provide chargepoints to distribution partners such as large wholesalers supporting the contracting industry, as well as major housebuilders. These partners will install our chargepoints to the walls of residences nationwide, supported by Pod Point through its Installer App.

### We do Recurring Revenue for homes and businesses:

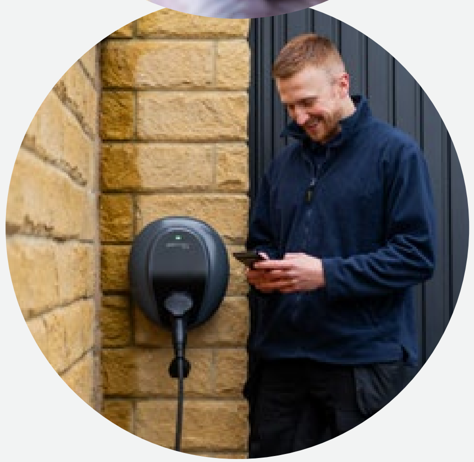
We offer extended warranties, and data services, and we create a revenue share where our network generates charging income for partners.

### We do Energy Flex:

2023 saw the first revenues for Pod Point from Energy Flex, taking advantage of our large network of chargepoints. We have signed a number of commercial agreements to offer Energy Flex solutions in several of the energy markets, including balancing market, local distribution network operators ('DNOs') and the wholesale market. We already have partnerships in place with UK Power Networks, Centrica, EDF and Axle Partners.

### Owned Assets continue to deliver revenue and profit:

While no longer a strategic priority, we own a profitable network of AC and DC chargepoints, which are operated in Tesco car parks. We receive media revenues and an electricity usage tariff. Having made the upfront capital investment in these assets, we continue to benefit from the profit and cash contribution from these assets.



# Our strengths

**Market leadership:** Pod Point, with over 226,000 chargepoints installed and able to communicate, has the largest installed network in the UK. This network provides critical mass for Pod Point in the Energy Flex market.

**The brand and its attributes:** Pod Point is the leading UK brand with high levels of awareness, trust and brand consideration, along with strong and resilient attributes around ease of use, reliability and affordability.

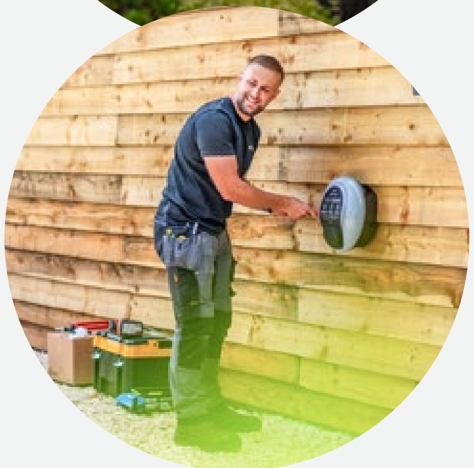
**Our partnerships and routes to market:** We have established a strong, broad and diverse sets of partnerships that provide multiple routes to market. Partners include leading automotive OEMs, housebuilders, leasing companies and car dealers.

**Our relationship with EDF:** We are reinforcing our key advantage via EDF, in terms of capital-lite distribution in international markets and building expertise in the Energy Flex markets. Furthermore, EDF has provided a £30 million credit facility, enhancing our financial flexibility and resilience.

**Our established capability in a growth market and a critical industry:** Charging infrastructure is increasingly critical to the UK's automotive and energy future. Our proven ability to work at scale and our strong service capability mean that we're particularly well-placed to seize the opportunities ahead.

**Diverse, mission-driven and brilliant people making our vision a reality:** At Pod Point, our people drive our mission – and vice versa. Our teams make up a highly capable and resilient organisation able to complete a truly impressive array of tasks, including the design, outsourced manufacturing, and installation of chargepoints and associated systems.

# Our stakeholders



## Customers

Our customers are EV drivers, organisations, energy industry players, OEMs, fleet owners, third-party installers/wholesalers and Pod Point chargepoint owners, and they're at the heart of everything we do and how we do it. Our primary aim is always to provide them with the highest levels of service, innovation and reliability so that they trust us, recommend us and keep coming back to order more chargepoints and services.

## Society

Our purpose is that driving shouldn't cost the earth, by helping people switch from ICE vehicles to EVs and by looking at our own impact on the environment. Our mission is to make living with an EV easy and affordable for everyone. We've already played an important role in developing the UK's EV charging infrastructure – and now we're poised to do even more.

## People

We strive to create a diverse working environment where our people fulfil their potential, feel valued at all times, and embody Pod Point's culture and values.

## Partners

We work closely with a number of key partner organisations, which play a vital role in supporting us in our purpose that driving shouldn't cost the earth. These partners include our manufacturing partner Celestica, together with our long-serving partner iPRO – the manufacturers of our in-house designed and branded AC chargepoints, and our selected chargepoint installation partners.

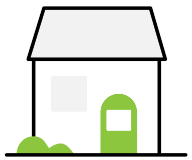
## Shareholders

We aim to deliver shareholder value over the long term and engage regularly with our shareholders. This not only ensures that investors understand our strategy, objectives and progress, but also enables our Board to access the wealth of experience and expertise that our major shareholders can provide.

# Powering Up: our refreshed and refocused strategy

Our business model remains the platform that enabled us to become one of the UK's leading providers of EV chargepoints. We continue to expand operations and improve our operational delivery. Supported by a strong liquidity position, we'll be delivering on our key strategic priorities:

- UK Home Leadership



- UK Workplace

- International Home on a capital-lite model

- Energy Flex and Recurring Revenue

- Cost Efficiency

This means we will focus our attention on where we see the greatest growth potential and the strongest financial returns. Home and Workplace represent around 70% of the market demand for chargepoints. These are the segments with longer vehicle dwell times and therefore create the greatest value in grid load management and energy flexibility services. This will build a recurring revenue stream and a customer base of enduring lifetime value. This means we will be moving away from new business in historical segments, such as fleet depot, destination/public charging and multi-tenancy.

We are a trusted brand, with the largest network of long-dwell customers, which enables us to drive recurring revenue from the Energy Flex value of that network. These strengths are reinforced by the capabilities of our relationship with EDF.

This forms a virtuous circle driving a growing total of customer lifetime value. The size of our network gives us economies of scale, driving more flex value, which reinforces our brand proposition and marketing resources, which in turn allows us to acquire more customers, and extend our lead as the largest network.

Our strategy is based on the synergies that exist across UK Home and Workplace in the product specification and production economics, and across UK and International Home markets, where economies of scale in production exist by driving greater volume of units.

Our strategy continued

# UK Home Leadership, UK Workplace and capital-lite International Home expansion

Focus on core strengths and incremental volume.
This means significant activity in a number of areas to deliver:

- Refreshed product that is solar and OCPP compatible
- Product development across UK, International, Home and Workplace that maximises cost advantage from a common product core
- Improved sales and marketing capabilities
- Expanding and deepening partnerships that improve our distribution
- Multiple product innovations around the themes of
  - Convenience
  - Reduced cost
  - Reduced carbon
- New and frictionless home chargepoint ordering process
- Building incremental volume through capital-lite international expansion, initially leveraging EDF distribution capabilities

# Energy Flex and Recurring Revenue

We now have over 226,000 chargepoints installed and able to communicate, up 16% on 2022, and across that growing network the recurring revenue potential includes services such as:

- Managing load by controlling the flow of energy into EVs on a national and local level and selling these services into energy industry players, sharing some of the cost benefit with our customers while optimising the UK's energy supply costs
- Helping energy suppliers optimise their wholesale costs by managing their demand during half-hourly settlement periods
- Helping customers choose the best electricity tariff for their home and EV charging, and receiving benefit when they move to new suppliers

With so many consumers moving to a reliance on electricity for their driving, as well as potentially for heating, we're going to see a significant increase in the demand for electricity across the UK. Amongst other activities, we're building our network of chargepoints and associated technology to carefully manage how energy flows into the nation's electric cars. This technology will enable us to provide commercial balancing services into the national grid and/or for distribution network operators. We expect to do this in a way which doesn't adversely affect the EV driver and their charging experience.

Our chargepoints are already smart, so we'll be building software to enable them to work in harmony with the grid at both a local and national level.

We have done some groundbreaking flexibility services deals, such as with Centrica and UK Power Networks, with more to come across more segments of the Energy Flex markets. We will be working with more partners and EDF to build the trading systems that will interface with all parts of the Energy Flex market. During the year, we enhanced our Technical team to enable this, and have made various improvements to our systems in preparation for using our network for the purpose of grid load management and Energy Flex income. We'll continue to invest in our software to support this huge growth opportunity, including the development of our consumer proposition app that shares flex benefits with the consumer.

Aside from Energy Flex we have other ongoing streams of Recurring Revenue. We'll continue to develop them further.

Continuing areas of focus include:

- Continue building revenue per chargepoint potential across our legacy public charging network
- Expand our workplace commercial recurring revenue streams with better sales and service to our customers

At present, we charge network fees to our commercial customers to keep their smart chargers connected to our consumer-facing information system (known as the Site Management Service), and back-end management information systems.

Our strategy is to carry on scaling the number of smart chargepoints connected to our systems, and then build additional and incremental recurring revenue services.

£39k

First Energy Flex revenue

Our strategy continued

# Cost Efficiency and cost out programme

The focus on the Home and Workplace segments will allow the Group to streamline its operating model and reduce cost of goods, operating costs and product development costs. The Group launched its cost reduction programme before the end of 2023, with savings commencing during 2024 and being fully achieved in 2025. To fund the transformation we expect non-recurring total cash costs of £5 million across 2024.

The core areas of cost savings and efficiency improvements are:

- Anticipated 500bps improvement in gross margin by the end of 2025
- Overhead annualised cost saving of £6 million, to be fully achieved by 2025

Future growth initiatives will take advantage of partners' existing infrastructure and capabilities and will require limited investment by Pod Point, with its new ROI-focused approach to investment decision-making. Expansion into new international markets will require limited additions of overhead, e.g. a small European wholesale team, and will leverage existing new product specifications. Energy Flex and other recurring revenues will leverage existing capabilities within the Group.

> A refreshed and refocused strategy announced in November marks the beginning of a period of change and transformation that will extend into 2024.

**David Wolffe**
Chief Financial Officer

## Income statement

2023 has been a year marked by a change in trajectory. A change of leadership in the middle of the year, and a refreshed and refocused strategy announced in November, marks the beginning of a period of change and transformation that will extend into 2024. As a result, our trading and financial performance reflected a mixed picture.

The performance headlines of the business clearly present a challenging overall picture, but one that masks several areas of positive progress with total revenue declining to £63.8 million from £71.4 million in 2022, a year-on-year decrease of 11%. Whilst revenue in our UK Home segment declined year-on-year due to the removal of the OZEV grant, which greatly benefited FY2022 performance, encouragingly we saw revenue growth across all our other segments. We also generated our first revenue from Energy Flex, demonstrating progress against one of our key strategic objectives.

Across the year, we saw a marked revenue improvement during the second half. Within a year that was down overall 11%, the first half declined by 26% on 2022, but this turned around to a growth of 11% year-on-year in the second half, driven by improved performance in Home.

Whilst revenue declined, our gross profit increased by £2.6 million to £19.2 million, and our overall gross margin percentage improved by 7ppts year to year to 30.2%. This was due to improvements in our supply chain, operational efficiencies, and a higher mix of business coming from higher margin revenue streams, for example the growth in our UK Distribution business unit.

Over the period, we continued to invest in overhead areas to support and drive future growth, focused on sales and marketing, customer service and other support functions. This moved the business to an adjusted EBITDA loss of £15.3 million in 2023 (2022: £7.0 million loss).

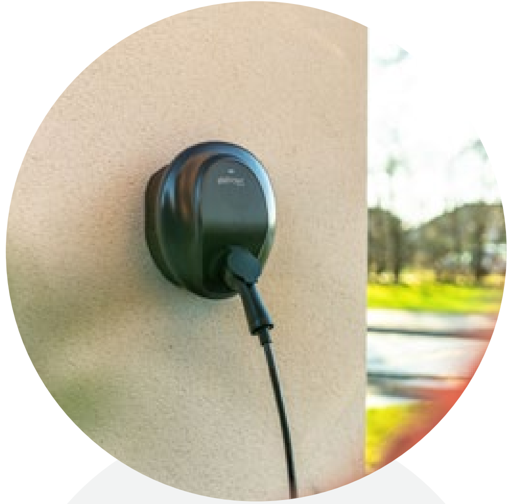
After further capital investment of £12.3 million, including £11.5 million in software and product development and £0.5 million in owned assets, 2023 year-end cash and cash equivalents were £48.7 million compared to £74.1 million at the end of 2022.

Unadjusted losses after tax increased to £83.4 million in 2023 (2022: £20.2 million). Adjusted EBITDA losses increased in 2023 to £15.3 million from £7.0 million in 2022. Depreciation, amortisation and impairment costs totalled £64.0 million in 2023 (2022: £7.7 million). Net finance income was £1.2 million (2022: £0.1 million). Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment charges, and also excluding both amounts charged to the income statement in respect of the Group's share-based payments arrangements and adjusting for large corporate transaction and restructuring costs. This measure has been separately identified by the Directors and adjusted to provide an underlying measure of financial performance. The reconciliation is set out in note 4. Note 8 provides a summary of the amounts arising from the large corporate transactions and restructuring costs.

The Group's revenue is generally derived from sales of its goods and services and is classified under one of the following: (i) UK Home, (ii) UK Commercial, (iii) UK Distribution, (iv) Owned Assets and (v) Energy Flex. The Group generates its revenues from the installation and operation of EV chargepoints in the UK. Revenue is typically recognised on completion of an installation, in stages for larger installations or upon delivery of a chargepoint where a customer does not require installation services.

### Summary income statement

| | Year ended 31st December 2023 £'m | Year ended 31st December 2022 £'m | Year-on-year change |
|---|---|---|---|
| **Total revenue** | **63.8** | **71.4** | **(11%)** |
| **Gross profit** | **19.2** | **16.6** | **16%** |
| Gross margin | 30.2% | 23.2% | 7.0ppts |
| **Adjusted EBITDA** | **(15.3)** | **(7.0)** | **(8.3)** |
| **Loss before tax** | **(83.2)** | **(19.9)** | **(63.3)** |
| **Closing cash** | **48.7** | **74.1** | **(25.4)** |



**30%**

Gross profit margin

## Business segment review

The following table sets out the revenue for each of our business segments for the years ending 31st December 2023 and 2022:

### Business segments revenue[1]

| | Year ended 31st December 2023 £'m | Year ended 31st December 2022 £'m | Year-on-year change |
|---|---|---|---|
| UK Home | 27.0 | 41.4 | (35%) |
| UK Commercial | 23.0 | 21.5 | 7% |
| UK Distribution | 5.4 | 4.3 | 26% |
| Owned Asset | 8.4 | 4.2 | 97% |
| Energy Flex[2] | 0.0 | – | – |
| **Total** | **63.8** | **71.4** | **(11%)** |

1. 2022 figures restated for the new segment definitions
2. Energy Flex revenue in 2023 was £39k

Below, we review each of our business segments, including revenue drivers and gross margin:

### UK Home business segment

- We saw revenue in our UK Home business unit decline to £27.0 million from £41.4 million in 2022; this represented a 35% year-on-year reduction. This was primarily due to the cessation of the OZEV grant during the first half of 2022
- New PiV registrations increased 24% to 455,998 in 2023 from 368,616 in 2022, primarily driven by the fleet market rather than private customer demand. Despite this increase in the market, our Home revenue declined, which was disappointing
- While revenue declined by 54% comparing H1 2023 to H1 2022, we saw H2 2023 improve by 3% compared to H2 2022, indicating an improving trajectory on performance. In addition, we also saw some forward momentum across the year with H2 2023 revenue 17% higher than H1 2023
- The number of Pod Point home chargepoints installed fell to 33,513 versus 53,964 in the full year of 2022
- Percentage gross margin in 2023 increased to 28.1% compared to 19.2% in 2022; this increase was driven by improvements to our supply chain and an increase in our average revenue per installed chargepoint to £805 from £767 in 2022
- Gross profit was £7.6 million in 2023, only down 5% (2022: £8.0 million) with lower revenue partially offset by improvements in gross margin percentage
- We renewed a number of key customer contracts during the year including Mercedes and JLR, and now have over 65 operational fleet accounts with businesses including Coca-Cola and DHL

### UK Commercial business segment

- We delivered a strong performance, with revenue of £23.0 million compared to £21.5 million in 2022, an increase of 7%
- Number of chargepoints installed was 5,231 compared to 5,781 in 2022
- The increased revenues and improvements to our supply chain helped to increase total gross margin in 2023 to £6.1 million, compared to £4.1 million in 2022 – an increase of 48%
- Percentage gross margin increased from 19.1% in 2022 to 26.3% in 2023 – an improvement of 7ppts that was driven by improved operational efficiency and aforementioned
- We won or renewed several key customer contracts during the year, including Cemex and Genuit
- We will be moving away from new business in our historical segments, such as fleet depot, destination/public charging and multi-tenancy

### UK Distribution business segment

- We delivered a strong performance, with revenue of £5.4 million compared to £4.3 million in 2022, an increase of 26%
- The increased revenues helped to increase total gross margin in 2023 to £3.1 million, compared to £2.2 million in 2022 – an increase of 39%
- Percentage gross margin increased from 52.5% in 2022 to 57.8% in 2023, a 5ppts improvement reflecting reductions in supply chain costs
- We won or renewed several key customer contracts during the year, including Barratt Homes, Bellway and Taylor Wimpey

### Owned Asset business segment

- We delivered a strong performance with revenue of £8.4 million compared to £4.2 million in 2022, an increase of 97%
- The total number of sites installed at the period end increased to 598 from 570 at the end of 2022. The total number of chargepoints installed at the period end increased to 1,337 from 1,271 at the end of 2022, including 142 DC rapid chargepoints at the end of 2023 compared to 132 at the end of 2022
- This increase in revenues and chargepoints helped to increase gross margin in 2023 to £2.5 million compared to £2.3 million in 2022 – an increase of 8%
- Percentage gross margin in 2023 decreased to 29.5% compared to 54.0% in 2022 – due to a change in mix towards lower margin tariff related income
- Gross capital deployed on assets increased to £7.0 million at the end of 2023, compared to £6.5 million at the end of 2022

### Energy Flex business segment

- We generated our first revenues in our new Energy Flex business unit; this was £39,000 revenue in Q4 and represents a key step forward against one of our strategic objectives discussed in the Capital Markets Day
- This revenue was generated from participation in local grid flexibility schemes with the DNOs

### Cost of sales

Cost of sales principally comprises the cost of chargepoints and related parts installed, other installation costs such as trench digging, electrical cable running and parking bay markings and the cost of labour, which includes both in-house staff and third-party contractors. Where a commercial installation is incomplete at a period end, we accrue revenue and cost of sales according to the percentage completion of the project.

Where we own and operate a chargepoint and charge customers to charge their vehicles, the costs of the related electricity and credit card/

## Chief Financial Officer's statement continued

banking transaction fees are included in cost of sales. Cost of sales decreased by £10.3 million (19%) from £54.8 million in 2022 to £44.5 million in 2023. The decreased cost of sales was driven by lower activity and non-recurring supply chain costs in the previous year.

**Gross profit**
Total gross profit increased in 2023 to £19.2 million compared to £16.6 million in 2022, an increase of 16%. In addition, we saw gross margin percentage increased by 7ppts from 23.2% to 30.2%.

**Administrative expenses**
Total administrative expenses, excluding impairments, as disclosed on the Income Statement increased to £51.4 million (2022: £37.5 million), an increase of 37%.

FY2023 costs include an impairment charge for goodwill and other intangible assets of £53.2 million (2022: £0.6 million). The FY2023 impairment charge arises in our UK Commercial and UK Distribution segments, in which certain parts of the business have been declared no longer core during 2023 as set out in the CEO's statement above. The impairment charge reflects significant levels of goodwill and other intangibles allocated to Commercial segments at the acquisition of the Group by EDF, and the reduced forecast cashflows from these segments as our strategy has evolved.

The year-on-year increase in total administrative expenses, excluding impairment, of £13.9 million was driven by a number of factors including:

i) A £3.1 million increase in depreciation and amortisation, from £7.7 million to £10.8 million, reflecting significant investment in intangible fixed assets in the current and prior year
ii) An increase of £2.7 million in exceptional restructuring costs, from £0.1 million to £2.8 million, reflecting actions taken following the strategic review in late 2023
iii) A £1.9 million increase in marketing spend year-on-year, as the Group targeted growth in key segments
iv) A £6.2 million increase across staff and other costs, as the Group invested in back-office functions

**Adjusted EBITDA**
Despite the strong gross margin improvement, increased administrative costs moved the business from an adjusted EBITDA loss of £7.0 million in 2022 to a loss of £15.3 million in 2023.

**Finance costs**
Net finance income increased to £1.2 million in 2023 (2022: net finance income of £0.1 million), as a result of increased interest on bank deposits due to increased rates.

**Taxation**
The tax charge in 2023 of £0.2 million was broadly consistent with 2022 at £0.3 million. This relates to the Group's above the line income in respect of R&D tax credit claims.

**Loss after tax**
Operating loss before impairment of intangible assets increased from £19.4 million in 2022 to £31.2 million 2023 as a result of lower trading performance as described above and £2.8 million of exceptional costs related to restructuring (up from £0.1 million in 2022). When including impairment losses of £53.2 million (2022: £0.6 million), as well as net finance income and tax charge as described above, losses after tax increased to £83.4 million in 2023 compared to £20.2 million in 2022.

**Earnings per share**
Basic and diluted loss per share increased to 54 pence from 13 pence as a result of the increased loss described above.

**Dividend**
We aim to prioritise the reinvestment of our cash flows into the considerable opportunities that exist for the growth of the business. With respect to dividends, the Directors see these as an important part of the capital allocation policy at the appropriate time in the future, and once commenced the Directors would anticipate operating a progressive dividend policy.

**Capital expenditure**
During the period under review, we increased investment in internally generated intangible assets (software and hardware development) to improve our product and service offerings and invest in the platforms to drive future growth.

We continued to capitalise expenditure on additions and improvements to our hardware and software as new functionality and services were developed. Total expenditure relating to internal staff costs of £8.7 million was capitalised in 2023 compared to £5.7 million in 2022. Investment in owned chargepoints (predominantly via our Tesco relationship) reduced to £0.5 million (2022: £1.9 million) reflecting the end of the roll-out of chargepoints across the Tesco estate. In addition we capitalised license fees, third-party development, and other costs associated with product development of £2.8 million (2022: £4.2 million) and incurred £0.3 million cost associated with computer equipment (2022: £0.5 million). Making total capital expenditure of £12.3 million (2022: £12.3 million).

**Cash flow**
Closing cash and cash equivalents were £48.7 million (2022: £74.1 million).

Cash outflow from operating activities increased to £12.8 million from £9.0 million in 2022. This was the result of higher operating losses, partially offset by an improvement in working capital driven by tighter cash management.

**£19.2m**
Gross profit

**£15.3m**
Adjusted EBITDA

**£48.7m**
Cash

## Chief Financial Officer's statement continued


**111** MWh

of energy flex delivered

Cash outflows from investing activities were £10.7 million, reflecting fixed asset additional described above, offset by bank interest receivable. In 2022 there was an investing inflow of £38.2 million, including £50.0 million of movements in short-term investments. The underlying net outflow was £11.8 million.

Cash outflow from financing activities increased to £1.8 million (2022: £1.3 million), in part due to increased lease payments in respect of vehicles.

**Balance sheet**

Management of the balance sheet remained strong. Working capital movements represented a net inflow of £6.1 million across trade and other receivables, inventory, deferred income, trade and other payables and provisions. Internally generated fixed assets grew as we continued to build the software platforms that will drive future growth.

**Related party transactions**

During 2023, transactions with related parties included sale of goods of £0.2 million (2022: £0.5 million) and purchase of goods of £0.5 million (2022: £0.4 million). These transactions were undertaken with EDF Group companies. Additionally, EDF has provided a £30 million credit facility to the Group. There were no other transactions with significant shareholders.

**Going concern**

In adopting a going concern basis for the preparation of the financial statements, the Directors have made appropriate enquiries and have considered the Group's business activities, cash flows and liquidity position as set out on pages 17 to 21 and in note 22 to the financial statements, and the Group's principal risks and uncertainties as set out on pages 81 to 89, in particular economic and competitive risks.

The Directors have taken into account reasonably possible future economic factors in preparing and reviewing trading and cash flow forecasts covering the period to 30th April 2025, being over 12 months from the date of approval of these financial statements. This assessment has recognised the significant loss and cash outflow in FY2023, and the actions management has taken and has planned in FY2024 to implement the Group's change in strategy as set out on pages 22 to 25.

The Group is expected to continue to experience negative cashflows between 2024 and 2026, before becoming cash generative in 2027. The Directors are of the view that the plans in place are realistic and achievable.

This assessment has taken into consideration sensitivity analysis as set out below and the steps which could be taken to further mitigate costs if required. Mitigations which are available and entirely within the control of the Group include a reduction in investment in brand marketing expenditure, delays in investment in new technology not expected to be in use during the assessment period, and reductions in expenditure on the Group's support functions to match any reductions in demand levels.

Since the Group has not made commitments to carbon emission reductions which, if implemented, would have a significant cost implication (as explained on page 57 of the Strategic Report), the impact of climate change has not had a significant effect on the forecasts considered.

In satisfying themselves that the going concern basis is appropriate, the Directors have considered following key sensitivities to the base case forecast listed below. In assessing the impact of a reasonably possible downside scenario, the Directors have modelled the combined impact of those sensitivities set out below.

The Directors consider a scenario where these sensitivities occur in combination is unlikely, but not remote. A scenario where some of these sensitivities occur, but not others, would therefore be upsides against the scenario considered.

i) A sensitivity related to economic risk factors, reflecting a general reduction in economic confidence or reduction in willingness of individual and corporate customers to incur discretionary cost, or reduction in expected rates of adoption of EVs. This sensitivity results in a fall in forecast revenues of 5% resulting from a decrease in UK installations resulting from lower than expected market demand for EVs

ii) A reduction of 1% in revenue during the assessment period

iii) In addition to sensitivity (i), a further fall in forecast revenues of 5% resulting from a decrease in UK installations, resulting from lower than expected market share performance by the Group, due to realisation of risks arising from competitive pressures or to the Group's own execution performance

iv) An increase in forecast cash outflow of 4% resulting from a three-month delay in realising cost savings anticipated under Group's change in strategy

v) A sensitivity to supply chain risk, with an increase of 1% in total cost of sales due to supplier cost increases which cannot be passed on to customers

A sensitivity reflecting an increase in forecast cash flow outflow during the assessment period due to a six-month delay in scaling the Grid business and the International business has considered by the Directors but not been reflected in the assessment.

Despite the importance of Energy Flex and International business to the medium and long-term prospects of the Group, the Directors

**33,513**
Home chargepoints installed in year

**5,231**
Commercial chargepoints installed in year

**399,000**
$CO_2e$ avoided

consider that this would not have a material impact on the cash flows of the Group over the assessment period, as those revenue streams do not have a significant contribution to the Group's cash flows until later years, in line with the strategy.

Mitigating actions available to the Group have been considered as follows, resulting in a 25% overall reduction in cash outflow, arising from actions to delay or reduce:

i) discretionary marketing spend (2%)
ii) investment in new product technology (8%)
iii) investment in internal systems (5%)
iv) working capital management (3%)
v) reduce overhead costs (7%)

The severe but plausible downside scenario considered shows a limited, but still positive, amount of available cash at the end of the assessment period. This date is also the lowest point within the assessment period. However, the effect of mitigating actions leaves the Group with positive liquidity throughout the assessment period. In the event of a further downside beyond the severe but plausible scenario considered, the EDF facility is also available to provide £30 million of further liquidity headroom, in addition to those mitigations identified by the Group.

Given the Group's cash position at 31st December 2023 of £48.7 million, and mitigations available in a downside scenario, the Group expects to maintain a position of sufficient liquidity throughout the forecast period to at least 30th April 2025, such that the Group does not anticipate the need to take advantage of the facility provided by EDF or to seek further sources of finance during the assessment period.

In light of the Group's current liquidity and the results of the sensitivity testing conducted, the Directors are satisfied that the Company, and the Group as a whole, has sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

**Subsequent events**
There have been no reportable events since the balance sheet date.

**Prospects and outlook**
We continue to see sustained and strong growth in the UK electric vehicle market, with 53,968 new plug-in vehicle registrations in January and February 2024 – 24% up on the same period in 2023 and representing 24% of all vehicles registered (up from 21% in 2023). We expect the mix of vehicles to continue to shift to battery electric vehicles as they increase their share of plug-in vehicles. This primarily comes on the back of more choice for consumers, with more new battery electric models expected to be launched in 2024 at more accessible price points. With just over one million battery electric vehicles sold, they still only constitute around 2.5% of total vehicles on the road, so the growth potential for the business remains significant.

Electricity prices have reduced over the past year but are still a concern for consumers and businesses. However, we do not expect them to materially impact sales of electric vehicles. Rather, the ongoing running costs of electric vehicles will in almost all cases continue to be significantly cheaper than vehicles reliant on internal combustion engines. Furthermore, we see an increased pipeline of competitively priced EV models coming onto the market, which will further boost demand.

Despite Government announcements around the delay of the ICE ban to 2035, we see the ZEV mandate on automotive OEMs still in place, which will be a forceful driver for the provision of EVs and increasing EV adoptions. We expect the Government to continue with reduced direct fiscal incentives and to focus on indirect actions, such as the changes to planning regulations that require developers to include chargepoints in new properties, and grants for workplace chargepoints.

We anticipate continued subdued macroeconomic conditions, slowing inflation, an ongoing war in Ukraine and the Middle East, energy price volatility and cost-of-living pressures. Global supply chain challenges have significantly eased through 2023 but conflict zones could introduce new challenges.

Energy Flex is a huge market already, which the Company estimates to be worth around £2 billion in 2024 in the UK. It has multiple segments, accessible for Pod Point. The addition of an EV typically will double a household's electricity usage. This is a huge challenge at the national level. In parallel with this, there has been rapid growth in the contribution of wind and solar power to our national grid, which are both more volatile. The UK is also behind on its targets to build more power infrastructure. Due to the increasing demand for electricity and the growing supply of renewable energy, the value of the grid flex market is set to double by 2030. We are well-placed to address this growth opportunity. Pod Point has already established itself as an emerging player in this exciting market, delivering revenue and profit in 2023. We have delivered flex in two markets during 2023 and have signed multiple partnerships with key players, including EDF, Centrica and UK Power Networks.

## Chief Financial Officer's statement continued

Given the significant future opportunity we see in the coming years, we plan to continue investing in our business broadly in line with our newly focused strategy announced at the Capital Markets Day in November 2023.

First, we will build on the market leadership position in our UK Home business to drive further growth in installation volumes and connected chargepoints. Our strong brand and trust positions us well to take this opportunity.

Second, we will continue to build our business in Workplace commercial, a key growth segment and one where our product proposition has good fit.

Third, we will expand into International markets in the Home segment, using operational-lite and capital-lite tactics supported by the capabilities of partnership with EDF. This will drive further unit volumes and economies of scale.

Fourth, we will develop a high margin stream of recurring revenue from the huge potential in the Energy Flex market. This revenue stream has already started to flow, and we have only just begun to exploit the value of our connected network and the various segments of the flex markets. In addition, our legacy recurring revenue streams from commercial customers will continue and grow in line with our expansion in workplace.

Finally, we will address the cost structure and margin of the business with a range of cost out initiatives that will reduce overhead and improve margins. This will drive the business past breakeven and into profitability over time.

We have a strong liquidity position and sufficient cash which, in conjunction with the £30 million facility from EDF, gives us confidence that we can execute the strategy successfully. We remain positive that our strategy will allow us to maximise the opportunities presented to us by the ongoing growth in electric vehicles.

**David Wolffe**
Chief Financial Officer

## Key performance indicators

### We measure our performance and progress against a series of financial and operational KPIs:

pp = percentage points
k = £'000

| KPI | Year to 31.12.23 | Year to 31.12.22 | Year-on-year change |
|---|---|---|---|
| Annual revenue growth (£'000) | 63,756 | 71,409 | -11% |
| Gross profit (£'000) | 19,240 | 16,589 | +16% |
| Gross profit margin (%) | 30% | 23% | +7ppts |
| Adjusted EBITDA (loss)/profit (£'000) | (15,272) | (7,040) | -£8,232 |
| Closing cash/short-term investments (£'000) | 48,743 | 74,103 | -£25,360 |
| $CO_2e$ avoided by Pod Point's owned and operated chargepoints being used (ktonnes) | 399 | 278 | +44% |
| Home chargepoints installed | 33,513 | 53,961 | -38% |

| KPI | Year to 31.12.23 | Year to 31.12.22 | Year-on-year change |
|---|---|---|---|
| Average revenue per home chargepoint | 805 | 767 | +5% |
| Total home chargepoints installed and able to communicate | 199,442 | 173,754 | +15% |
| Energy transferred across our network | 448GWh | 367GWh | +22% |
| Total chargepoints communicating | 226,032 | 195,096 | +16% |

## Financial KPIs

- Annual revenue growth. As a growth business, top-line revenue growth from year to year represents the most effective measure of customer and business success
- Gross profit and gross profit margin, which are calculated as total revenue less cost of sales and total revenue less cost of sales divided by total revenue, represented as a percentage, reflect how well the business manages the costs of its core installation process and chargepoint supplies
- Adjusted EBITDA (see page 163 for definition) is a measure of the administrative costs required to manage and scale the business and an indication of how the cost base is managed. While not an accounting measure, under IFRS, it does allow comparisons with different companies and sectors

## Operational KPIs

- Home chargepoints installed/shipped: the number of chargepoints installed and shipped in a given period
- Average revenue per home unit: revenues generated by home customers in the period divided by the number of home chargepoints installed and able to communicate during that period
- Chargepoints installed and able to communicate at a period end (home and commercial): the total number of chargepoints we've installed or shipped since the start of our operations which are able to communicate via Wi-Fi or mobile connectivity with our management information system (the Smart Reporting system)
- $CO_2e$ avoided by Pod Point's owned and operated chargepoints being used (tonnes) calculated as the difference between: carbon intensity of vehicles charged on Pod Point network and Internal data of energy transferred through communicating chargepoints, multiplied by the UK government $CO_2e$ average generation intensity data for the relevant year (2023 – 0.270894 kg$CO_2$e/kW, 2022 – 0.19338 kg$CO_2$e/kW)
- Carbon intensity of equivalent miles driven in an internal combustion engine vehicle: energy delivered by Pod Point's owned and operated chargepoints multiplied by the average electric vehicle energy use per kilometre (source https://ecocostsavings.com/averageelectric-car-kwh-per-mile/ and converted from miles to km), multiplied by the UK Government average $CO_2e$ per km for an average vehicle then converting from miles to km (2023 – 0.33704 kg$CO_2$e/mile, 2022 (average between petrol and diesel) – 0.27465 kg$CO_2$e/mile)
- Electric driving powered by Pod Point's owned and operated chargepoints (million kilometres): calculated based on internal Company data on the energy supplied by communicating Pod Point chargepoints, multiplied by the weighted average of the top BEVs sold in the last three years and their efficiency


# "Pod Point's Powering Up strategy maintains sustainability at the heart of our business model and our mission continues to engage our customers and employees. We are still early on our sustainability journey, but 2023 saw significant progress across our ESG goals taking us one step closer to driving not costing the earth."

**Dr Margaret Amos**
ESG Committee Chair

At Pod Point, sustainability remains core to our business strategy and operations. Our products are designed to combat climate change and our positive environmental impact is achieved through adoption and deployment of our technology at scale.

We continue to focus on enabling the decarbonisation of the UK's transport and grid, while integrating sustainability into our day-to-day decision making and activities. It is our ambition to have sustainability embedded throughout the organisation, from product design and engagement with our supply chain, through to usage and end-of-life of our products. This year, we set a target to halve our Scope 1 and 2 GHG emissions by end of 2026 – a significant milestone. In this section of our report, we cover our progress across environmental, social and governance (ESG) considerations that impact our business, as well as our plans for 2024 and beyond.

# Our sustainability strategy

Pod Point is built on the belief that driving shouldn't cost the earth – and this purpose drives our business and engages our customers and employees.

We focus on continually improving the way we operate and having the appropriate tools, policies, and processes in place to secure a long-term future. This covers all our material impacts across the ESG spectrum.

Our goals vary across each ESG pillar and can be summarised in the following terms:

## Environment (E)

We focus on accelerating the adoption of EVs, while reducing our impact on the planet. We measure our impact (both positive and negative) in terms of carbon and energy, and through other environmental indicators.

## Social (S)

We're nothing without the skills and commitment of our people, and we reward them with excellent support and opportunities. Their health and safety is of paramount importance.

## Governance (G)

We continue to maintain and enhance our governance and reporting capability via the compliance monitoring framework.

# Materiality assessment

## We recognise the importance of reviewing and refreshing our materiality assessment

The world is facing multiple environmental, social, and economic challenges that need business intervention. We use a materiality assessment to prioritise issues that are most material to our business and our stakeholders.

In 2023, we engaged more extensively with our stakeholders around our materiality assessment. We reached out to our employees, Board members, shareholders, and suppliers. In total, we engaged with over 55 stakeholders. It was clear that the health and safety of our employees and quality and safety of our products were of utmost importance to all our stakeholders and these areas retained their status as high priority. Data security was also recognised as a high priority, reflecting the increased focus of our business on flex services and accordingly has been added to our material impacts list.

We reassessed each issue aligning with the Powering Up strategy, using scale, scope and irremediability to rank our material impacts. We also considered financial materiality, complementing our Taskforce on Climate-related Financial Disclosures ('TCFD').

This analysis, together with the stakeholder feedback received, formed the basis for our updated materiality matrix on which we will focus our activities. We plan to regularly review and refresh our materiality matrix, involving key stakeholders and considering new challenges, while still delivering on our sustainability commitments.


### Our material impacts

**Environment**
1. GHG emissions
2. Energy management
3. Waste and hazardous materials management

**Product**
4. Product design and lifecycle management
5. Materials sourcing and efficiency
6. Product quality and safety
7. Data security

**Human capital**
8. Health and safety
9. Engagement, diversity and inclusion

**Governance**
10. Business ethics

Reporting on request | Some reporting with KPIs where possible | Detailed reporting and KPIs

### Linking to Sustainable Development Goals

- 3 Good health and well-being — Linked to impact: 8
- 5 Gender equality — Linked to impact: 9, 10
- 7 Affordable and clean energy — Linked to impact: 2
- 8 Decent work and economic growth — Linked to impact: 4, 5, 6
- 10 Reduced inequalities — Linked to impact: 9, 10
- 11 Sustainable cities and communities — Linked to impact: 4, 6
- 12 Responsible consumption and production — Linked to impact: 3, 5
- 13 Climate action — Linked to impact: 1, 2

Environment

# Our approach to the environment

## Enabling the journey to net zero

Global annual temperature rises exceeded 1.5°C for the first time across 2023. Coming into COP28, the UN warned that the world is on track to hit around 2.7°C by 2100. And while COP28 achieved a significant milestone in countries agreeing to transition away from fossil fuels in energy systems, with the window to hit the 2015 Paris Agreement ambition shrinking, concerted progress on decarbonisation is necessary. But with the world facing multiple geopolitical and socioeconomic challenges, attention and resources are being diverted from overall planetary health to addressing today's crises. According to the World Economic Forum, the next decade will require governments and businesses to act collectively, decisively and with a long-term lens to shape a pathway to a more positive world[1].

In the UK, while the delay of the new ICE car ban to 2035 was unwelcome, the ZEV Mandate will require 80% of new cars and 70% of new vans sold in the UK to be zero emission by 2030. And Pod Point will be a key player enabling the charging of those vehicles.

Our greatest sustainability impact and core to our purpose at Pod Point is supporting the decarbonisation of transport and the UK grid.

Our technology already avoids significant emissions from transport by enabling the move to electric vehicles (circa 399,000 tonnes of $CO_2$e in 2023). This year also marks a key milestone at Pod Point as we participated in our first grid flex event – helping decarbonise the UK grid.

Pod Point is in a unique position to encourage our customers to make informed choices that are better for the planet, whether that's switching to a renewable energy tariff or charging when the grid is greener. We do this by showing that living with an EV is easy and in fact our customers find it a superior experience to their fossil fuel alternatives. The 2023 Electric Vehicle Association England survey found that 91% of EV drivers have no intention of returning to a petrol or diesel car.

Finally, we can't ensure driving doesn't cost the earth without a commitment from us to reduce our own emissions. We aim to source, manufacture and install our chargers as sustainability as possible, while selling as many as we can.

These factors form the three key pillars of our environmental strategy. We are aware that change doesn't happen overnight, so our three streams (Inform, Influence and Impact) highlight the journey we are on and together form our nine-point strategy.

### Enable

decarbonisation of transport and grid

**Inform:**
Inform customers of the benefits of EVs and flex

**Influence:**
Scale our charger network and grid load management capability

**Impact:**
Support efforts to decarbonise the grid on the journey to 2050

### Encourage

customers towards net zero

**Inform:**
Inform customers on how they can reduce their impact

**Influence:**
Provide data and tools to help customers reduce their impact

**Impact:**
Help our customers on their way to net zero

### Eliminate

our own emissions

**Inform:**
Understand and communicate our own environmental impact

**Influence:**
Established climate and sustainability programme

**Impact:**
Sustainability as BAU

1 https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf

# Enable the decarbonisation of transport and grid

## How do we define our impact?

For Pod Point, the green transition creates a massive business opportunity. Our largest environmental contribution is the role we play in enabling the decarbonisation of transport – the largest source of emissions in the UK. Adoption of EVs is the single most important technology to decarbonise the transport sector – and charging infrastructure is key to adoption.

National Grid estimates that up to 37.4 million EVs will be on the UK roads by 2050. Such numbers mean EVs will play a major part in the UK's electricity system. Energy flex markets are already well-established and the demand for EV charging flex will grow with the increased use of renewables on the UK grid. Future Energy Scenarios 2023 report estimates that Demand Side Response alone will reach over 13 GW by 2050[1].

1 https://www.nationalgrideso.com/document/283101/download

## Transport highlights

- In 2023, we added 50,726 chargers to our network and delivered 448 GWh of charging via our UK network
- Our customers avoided releasing circa 399k tonnes of $CO_2e$ into the atmosphere. By avoiding burning fossil fuels, we not only reduce emissions from transport, but are also reducing air pollution – which according to the Office for Health Improvement and Disparities is the largest environmental risk to public health in the UK
- Ultimately, there is no way to decarbonise the burning of fossil fuels for ICE vehicles. On the other hand, using electricity to charge EVs becomes 'greener' every year as the UK's grid continues to add renewable sources of clean energy. We anticipate this impact to become even greater as a larger number of customers adopt solar and battery storage at home

## Grid highlights

- We have made material progress in flex to date, entering two flexing markets (DSO and LCM). In 2023, we delivered a total of 111 MWh of flex energy to our customers
- We also introduced a new energy tariff for our new customers in partnership with EDF, enabling them to charge at a cheaper rate overnight

## Our impact in 2023

- 50,726 chargers installed and shipped
- 448 GWh charging delivered by our chargepoints
- Enabled 2.5 billion kilometres of low carbon travel
- Circa 399,000 tonnes of $CO_2e$ saved
- 111 MWh of flex energy delivered

## Looking ahead

As one of the UK's leading providers of EV charging, we will continue to expand our operations and grow our product offering. Next year will see us expand our UK Energy Flex services, where EVs can play a growing role. We will also be expanding to European markets, enabling even more drivers to make the move to electric.

**Environmental, Social & Governance** continued

**Environment** continued

# Encourage customers towards net zero

## How do we define our impact?

We focus on showing that living with an EV is easy and can reduce the cost of driving while also cutting carbon. By making EV charging simple and reliable via our end-to-end service, we increase EV adoption and, in turn, reduce the UK's transport emissions.

## Helping our customers reach net zero

During 2023, we introduced Grid $CO_2$ Insights to our Home customers. The feature is available to all our Home customers free of charge and shows 48-hour forecasts for their local grid's carbon intensity. For customers who have the flexibility to charge at any time, they'll be able to use our new Grid $CO_2$ Insights section of the app to make more informed decisions on the greenest time to charge.



## Encouraging women to adopt EVs

Today, 49% of driving licences are held by women[1]. However, when it comes to EVs, according to Auto Trader's report 'No Driver Left Behind', the gender gap seems to be widening – a third of men considered an electric car as their next vehicle compared to one fifth of women.

As the whole of the UK transitions to EVs and net zero, we believe that no one should be left behind on the journey. So, we are hugely proud to have partnered with She's Electric in 2023, joining them on their inspiring and educational UK roadshow where women had the opportunity to fully immerse themselves in the world of EVs and learn about the benefits of switching to electric cars.

Pod Point attended a total of six events across the UK between October and November, engaging with over 608 women through panel talks and giving one-to-one advice, to address questions and concerns about charging and EVs.

## Our impact in 2023

- Awarded What Car? Best Home Charger in 2023, as well as Which? accredited installation service
- Great customer reviews: 4.6/5 rating from over 38,000 customers on Review.io and 4.2/5 on Trustpilot from over 15,000 customers
- Market leading five-year warranty
- New Grid $CO_2$ Insights feature available to all home charge customers
- Over 608 women engaged around EV adoption over six events

## Looking ahead

We will continue to enable more customers to charge their EVs at home and work, focusing on building consumer trust with our award-winning product and maintaining our high customer satisfaction rating.

1 https://www.gov.uk/government/statistical-data-sets/nts02-driving-licence-holders

Environmental, Social & Governance continued

Environment continued

# Eliminate our own emissions

In 2023, we added another member to our Sustainability team, supporting the goal of driving our sustainability strategy and providing appropriate tools, policies and processes to reduce our emissions.

A key milestone for Pod Point is setting a target to halve our Scope 1 and 2 emissions from UK operations by the end of 2026, using our 2023 emissions as a baseline. Following the announcement of our Powering Up strategy in November, we have been working on our overall emissions reduction pathway. We expect our Scope 3 emissions to grow in the short-term given our growth trajectory and plans for international expansion, but to reduce in the long-term as we transition to net zero. At this stage, our plans beyond 2030 are not yet clearly defined as we work through our long-term emissions reduction pathway; therefore, we are focusing on clear Scope 1 and 2 emissions targets and the plans to hit them. We will be expanding our plans to include Scope 3 and evolving them beyond 2030 as our capabilities grow over the coming years, and we are committed to reaching net zero in line with UK Government's 2050 Net Zero Strategy and the 1.5°C Paris Agreement.

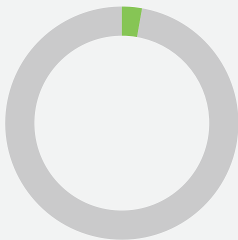
## How do we define our impact?

When it comes to our environmental performance, we focus on GHG emissions, energy management, waste, and material sourcing, in line with our Materiality Assessment on page 36. We also work closely with our supply chain to ensure sustainable sourcing and operating practices.

## Our GHG emissions

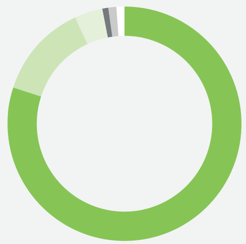
The table on page 41 summarises the GHG emissions for the last three years. The figures include our Scope 1, 2 and 3 emissions over which we have financial control. We follow the GHG protocol for our emission calculations. While we use activity data (e.g., fuel used, kWh energy consumed) for our Scope 1 and 2 calculations, most of our Scope 3 GHG emissions are estimated using financial data.

## Our performance




**Own operations**

| Scope 1 | Scope 2 |
|---|---|
| GHG emissions from our own use of fossil fuels | GHG emissions from our own use of purchased electricity |




**Our value chain, including supply chain and products**

| Scope 3 |
|---|
| GHG emissions from our value chain. These emissions are not under our direct control but we influence our suppliers, downstream distributors and customers |

## Environmental, Social & Governance continued

**Environment** continued

Our total GHG emissions for the year 2023 are 14,928 $tCO_2e$, 15% lower than 2022. The decrease is due to the reduction in Scope 3 emissions as we produced and installed fewer chargepoints. Within our own operations, emissions increased by 3%. The increase is due to higher fuel usage, increase in EV charging and more electricity and gas usage from the office. Our emission intensity increased by 15% to 294 $kgCO_2e$ per unit installed or shipped. However, our network utilisation went up, meaning per kWh transferred, we saw an emission decrease by 30%.

Within Scope 3, purchased goods and services remains the largest part of our Scope 3 emissions. We saw a 15% reduction, partly due to lower production volumes, but also due to better data collection.


A key focus for us is to improve our data availability for Scope 3 categories to move away from solely relying on financial data. This year, we made progress and the following Scope 3 categories are using activity data for 2023:

- **Employee commuting and homeworking:** a commuting and homeworking survey was issued to staff at the end of the 2023 to measure the average homeworking pattern as well as commute methods for those staff who have travelled to the office
- **Upstream transportation and distribution:** our logistics partners provided activity data specific to Pod Point operations
- **Waste generated in operations:** our waste contractors supplied us with waste types, weights, and disposal routes for waste collected from our operations
- **Business travel:** business travel by own vehicle was captured through expense claims and mileage data used

We also worked on ensuring consistency in supplier labelling and emissions factors we use, which resulted in a decrease to our Scope 3 figures for 2022. We included emissions from heating in our office via REGO-backed biogas, resulting in an increase in 2022 Scope 2 figures. We have and will continue to focus on improving the data availability and accuracy of our GHG emissions reports.

### Streamlined energy and carbon reporting

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Products** | | | |
| Total units installed and shipped | 50,726 | 69,689[1] | 66,002 |
| kWh energy transferred via our network (GWh) | 448 | 367 | 172 |
| Total electric driving enabled (m km) | 2,484 | 2,360[1] | 955 |
| $CO_2$ avoided via our connected network (1,000 t) | 399 | 278[1] | 127 |
| **$CO_2$ emissions** | | | |
| Direct emissions of $tCO_2e$ (Scope 1) | 414 | 409 | 293 |
| Indirect emissions of $tCO_2e$ (Scope 2) – market based | 61 | 50 | 6 |
| Indirect emissions of $tCO_2e$ (Scope 2) – location based | 45 | 34[1] | 6 |
| Indirect emissions of $tCO_2e$ from supply chain (Scope 3) | 14,453 | 17,026 | 13,553 |
| **Total GHG emissions ($tCO_2e$)** | **14,928** | **17,485** | **13,852** |
| | | | |
| Total emissions $gCO_2e$ per kWh transferred energy | 33 | 48 | 81 |
| Total emissions $kgCO_2e$ per unit installed and shipped | 294 | 255 | 210 |
| **Energy consumption (MWh)** | | | |
| **Fuels for transportation** | | | |
| Petrol | 1,155 | 755 | 394 |
| Diesel | 566 | 760 | 698 |
| Other/unknown | 0 | 65 | 25 |
| **Indirect energy** | | | |
| Electricity (office) | 28 | 15 | 17 |
| | (100% renewable) | (100% renewable) | (100% renewable) |
| Electricity (fleet) | 138 | 118 | 16 |
| Heating | 59 | 48 | 92 |
| | (100% renewable) | (100% renewable) | (100% renewable) |
| **Total (MWh)** | **1,946** | **1,761** | **1,242** |

1 Restated

## Environmental, Social & Governance continued

**Environment** continued

# Our supply chain (Scope 3) $CO_2e$ emissions in 2023

**Our Scope 3 GHG emissions (tonnes $CO_2e$)**

| Category | Description | 2023 | 2022 |
|---|---|---|---|
| 1 | Purchased goods and services | 11,710 | 14,728 |
| 3 | Fuel and energy related activities | 1,900 | 2,001 |
| 4 | Upstream transportation and distribution | 634 | 19 |
| 5 | Waste generated in operations | 21 | 41 |
| 6 | Business travel | 133 | 188 |
| 7 | Employee commuting and homeworking | 56 | 48 |

Given Scope 3 makes up 97% of our overall emissions, it's important for us to work with our suppliers to reach our climate ambitions. Our Sustainability and Supply Chain teams work closely together to find and reach sustainability improvements throughout our value chain.

Our approach is to ensure that any new suppliers we onboard meet our sustainability standards, and then work through our existing suppliers to bring them to the same level. For example, our tender process for new suppliers involves sustainability scoring criteria and the Sustainability team is directly involved in tender processes for any large new suppliers. We also reviewed our supplier onboarding process, Code of Conduct and Quality Manual to ensure sustainability KPIs and considerations are included and consistent throughout.

This year, we also engaged with the top ten of our suppliers by emissions to better understand their current sustainability position. For our biggest manufacturing partner Celestica, who make up 33% of our Scope 3, sustainability has been included into quarterly reviews. We provide scores to Celestica on their sustainability performance based on emissions, energy, waste, and water data we receive, as well as progress against set sustainability targets. We also work together on other improvement opportunities, for example logistics and packaging efficiency or material sourcing.

In 2024, we plan to formalise our Supplier Sustainability Programme to be rolled out throughout our supply chain. Further details on how we ensure a responsible and sustainable supply chain can be found on page 67.

## Environmental, Social & Governance continued

**Environment** continued

### Energy

**Office and employees**

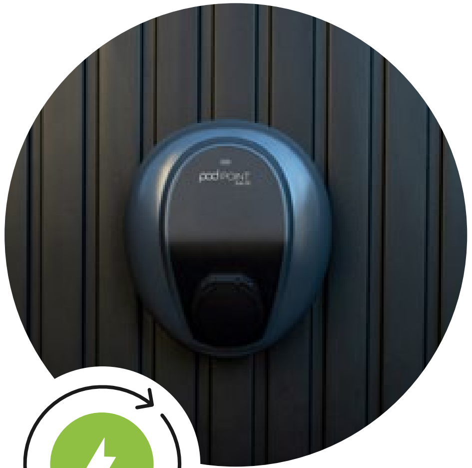
- In 2023, we sourced 100% of the energy for our office via a renewable tariff (REGO-backed)
- Our employees can benefit from an EV purchase scheme. Only EVs are available via the scheme

**Installations and our fleet**

- Back in 2021, we set a target to move between 75% to 95% of our installers' fleet to BEV or REx vehicles. At the end of 2023, only 6% of our fleet consisted of ICE vehicles, 26% were BEVs, 65% REx and 3% PHEVs. This year, we are going a step further and have set a new target to move our in-house fleet to 100% BEVs by end of 2025
- Our fuel usage has broadly remained the same between 2022 and 2023 despite an increase in customer appointments. Our operations team works on reducing the average mileage driven per appointment and encourage more of those miles to be electric. All our installers are eligible for a free Pod Point charger at their home, enabling them to charge their vehicle overnight
- A large proportion of our installations are performed by third-party partners. This year, we worked with our two largest third-party installers to improve data availability around their fuel usage. We will continue to work with our partners and encourage them to reduce their GHG emissions

**Energy supplied via our network**

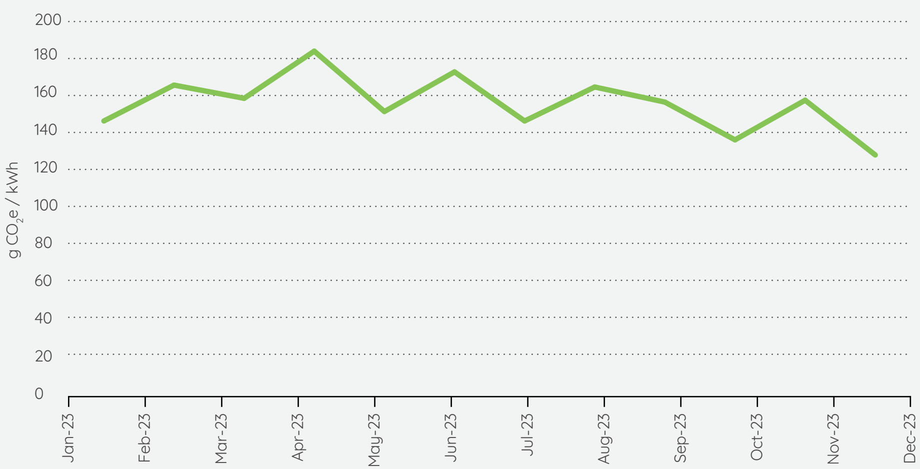
- Pod Point isn't responsible for sourcing energy for our network, but we still measure the energy supplied via our network and its carbon intensity. The total energy supplier through the Pod Point network in 2023 is 448 GWh
- This year, we improved the data availability around the carbon intensity of the energy supplied via the Pod Point network. We use the data available via National Grid ESO to measure half-hourly carbon $CO_2$e emitted. We found that in 2023, the average carbon intensity of charging on our network was 152 $gCO_2$e/kWh



**91%**

of our fleet is BEV or REX

### Charging carbon intensity




> We continue to improve our reporting capability and work with our partners to reduce their GHG emissions.

# Environmental, Social & Governance continued

**Environment** continued

## Waste and materials

**Waste from operations**

A key focus for our team in 2023 was to gather better data on waste produced during our operations. The largest source of waste for Pod Point is collected during and after our installation, most of which (97%) gets recycled or incinerated for energy. There is no hazardous waste in our operations, though we recorded a small amount this year from disposal of old paints in our office building.

| Waste | 2023 (tonnes) |
|---|---|
| Weight of waste from own operations | 348 |
| Weight of waste diverted from landfill | 336 |
| Hazardous waste | 0.5 |
| % of waste diverted from landfill | 97% |

**Packaging**

Most of the waste we produce comes from packaging. We are a member of the Veolia Compliance Packaging Scheme for reporting our obligations under the Producer Responsibility Obligations (Packaging Waste) regulations. We avoid using single-use plastic in our product packaging; only 2.4% of all packaging we use contains plastic and our Solo unit packaging has no plastic at all. Over half of all the packaging we use is either paper or cardboard. Our paper packaging comes from FCS certified sources and have 80% recycled content. We continue to work on reducing the quantity of packaging used and to improve its recycled content and recyclability.

**Materials**

When it comes to our chargers, we focus on durability. Our chargers come with a market leading five-year warranty. We're currently unable to fully recycle our chargepoints when decommissioned. Where possible, old chargepoints are collected and assessed to see if parts can be reused. Last year, 30% of replaced PCBs in our chargers came from a refurbished part. Any parts that can't be reused are responsibly disposed of in line with UK's WEEE regulation.

This year, we also completed cradle-to-grave life cycle assessment ('LCA') for two of our key products – Solo and Twin. The analysis helps us better understand how we can lower the carbon impact of our products, including energy and materials used to manufacture, deliver, and install our chargers. We plan to complete LCAs for our core product range by the end of 2025.

## Our impact in 2023

- Continue improving data quality and availability for Scope 1, 2 and 3 GHG emissions
- Increased the proportion of BEV or REx in our fleet to 91%
- Where we are responsible for sourcing energy (e.g. our office), we continue to do so via renewable tariffs
- Continued to avoid single-use plastic packaging and source any paper packaging from FSC certified suppliers
- Continued to use refurbished parts in our maintenance, where possible. 30% of PCB swaps included refurbished parts

## Looking ahead

- Halve our Scope 1 and 2 emissions by the end of 2026
- Move our in-house UK fleet to 100% BEVs by the end of 2025
- Complete cradle-to-grave LCAs for our core products by the end of 2025
- Certify our environmental management system to ISO 14001 standard
- Roll out Pod Point's Supplier Sustainability Programme

## Focusing on fleet

- Emissions from our fleet make up most of our owned emissions (Scope 1 and 2), which is why we are focusing on transitioning our fleet to fully electric
- 91% of our current vehicles are already BEV/REx – with 26% full BEV and 65% REx
- Our goal is to get to 100% BEV by end of 2025. A key challenge for our fleet is ensuring vehicles we use have adequate range. Our team is working on schedule and route optimisation to reduce average miles per appointment. We also continue to monitor the market for new van offerings that make the transition to BEV easier for all
- Our installers park their vans at home overnight, which means they have to charge their vehicles at home, rather than at a depot. We offer home chargers to our team and make reimbursement of electric miles as easy as possible. These and other initiatives help maximise electric miles we drive

TCFD disclosure

# Making significant progress

Last year, we demonstrated our commitment to aligning with the recommendations of TCFD through expanding and updating our assessment of climate-related risks and opportunities. This is an ongoing systematic assessment that will allow us to review and enhance our disclosures in respect of the potential risks and opportunities that climate change presents to our business, enabling us to better prepare for the future and ensure that our business strategy is resilient to future changes. We're pleased to have made further progress in 2023 in relation to TCFD, and our sustainability objectives more generally, and to report on our progress.

# TCFD compliance statement

This statement represents our climate-related financial disclosure, in line with UK Listing Rule LR 9.8.6R. Having undertaken an assessment of our disclosures, taking into account Section C of the TCFD Annex entitled 'Guidance for All Sectors' and Section E of the TCFD Annex entitled 'Supplemental Guidance for Non-Financial Groups' our report is consistent with the four TCFD recommendations and the 11 recommended disclosures set out in Section C of the TCFD Annex, as summarised in the following table. This statement covers the financial year 1st January 2023 to 31st December 2023. Our climate disclosures can be found on pages 40 to 43.

Alignment with TCFD disclosures

| Recommendation | Disclosures | Page reference |
|---|---|---|
| **Governance**<br>Disclose the organisation's governance around climate-related risks and opportunities | Describe the Board's oversight of climate-related risks and opportunities | 47 to 48 |
| | Describe management's role in assessing and managing climate-related risks and opportunities | 47 to 48 |
| **Strategy**<br>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term | 51 to 53 |
| | Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning | 51 to 53 |
| | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 49 to 53 |
| **Risk management**<br>Disclose how the organisation identifies, assesses and manages climate-related risks | Describe the organisation's processes for identifying and assessing climate-related risks | 54 to 55 |
| | Describe the organisation's processes for managing climate-related risks | 54 to 55 |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management | 54 to 55 |
| **Metrics and targets**<br>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes | 56 to 57 |
| | Describe Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and the related risks | 40 to 43 |
| | Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets | 56 to 57<br>121 to 124 |

# Governance

Board oversight of climate-related risks and opportunities is provided by the ESG Committee, which is supported by an Executive ESG Working Group.


Together, these teams ensure clear allocation of responsibilities so that all working groups, committees and ultimately the Board understand their role and responsibilities in respect of the assessment and management of climate-related issues, and make sure that it is embedded within our strategy. All Board members receive regular updates on climate-related issues as part of ESG updates contained in the papers for every Board meeting, including updates on existing and emerging regulatory requirements related to climate change. This helps to develop the Board's understanding of climate-related issues and ensure that its awareness of its legislative and governance obligations is up to date. Any specific impacts on Pod Point and its markets are discussed by the ESG Committee, to determine the appropriate course of action. The Board will consider these updates at least six times per year, at each Board meeting. Additionally, as detailed on page 67, relevant training will be provided to our people covering climate-related issues, and in 2024 consideration will be given to academic qualifications or appropriate courses being undertaken by relevant employees and Non-Executive Directors.

The Audit & Risk Committee is responsible for assessing and accounting for ESG and climate-related risks as part of the Company's risk management process and its financial statements and non-financial disclosures. More information can be found on this in the risk management section on pages 76 to 80. The Chair of the Audit & Risk Committee is also the Chair of the ESG Committee enabling important synergies between the development of our climate strategy and assessment of climate-related opportunities, and our assessment of climate-related risks. The Audit & Risk Committee meets at least four times per year. In overseeing the audit tender process during the year, the Chair of the Audit & Risk Committee, together with a member of the ESG Working Group, interviewed each audit firm's ESG specialist to ensure that they had sufficient experience and expertise appropriate to our business.

The Remuneration Committee is responsible for determining the Remuneration Policy, including how climate-related risks and opportunities and other ESG targets are taken into account in determining rewards and incentives. Further details on our climate-related performance measures can be found on page 121 to 124 of the Directors' Remuneration Report.

## Environmental, Social & Governance continued

**TCFD disclosure** continued

Our Group General Counsel, who is part of the Senior Management Team, leads the ESG Working Group. The CEO, CFO and CPO are involved as members of the Working Group, in addition to the Head of Sustainability and the Company Secretary. Our Head of Sustainability also reports to the Senior Management Team, providing updates on progress against sustainability actions and agreed targets and metrics. This ensures there is an awareness of climate-related issues within senior management and that they are considered in the context of the Company's strategy, budgets, business plans and decisions. The ESG Working Group reports to the ESG Committee quarterly on all matters relating to climate and ESG, enabling that committee to oversee and challenge the Group's progress against the sustainability strategy and monitor our climate-related metrics through a quarterly KPI report. The ESG Committee in turn reports to the Board at least four times per year. The Board includes a number of Directors with experience of sustainability and climate-related issues, gained through their other roles and directorships.

Climate-related risks and opportunities are considered as part of the Senior Management Team's risk assessment, which feeds into both the Audit & Risk Committee, as part of its oversight of risk management, and the ESG Committee. The Chairs of the Audit & Risk and Remuneration Committees, as well as the CEO, sit on the ESG Committee, enabling the Board to give sufficient consideration of climate-related issues when reviewing and guiding strategy, budgets, remuneration incentives and other decisions. Additionally, all major product development and business projects are subject to a milestone process, which involves the CEO and CFO. Sustainability considerations are a key part of this process, ensuring that climate-related risks and opportunities are considered and acted upon at an appropriate stage. Further details of our governance structures relating to ESG and climate-related issues can be found on pages 54 to 55 and 65 to 67.

Performance against our metrics and targets linked to our climate-related risks and opportunities and our materiality assessment, as set out on page 36, will be monitored by the ESG Committee at its quarterly meetings and reported to the Board.

### Governance of climate -related matters

# Strategy

## Our approach

Pod Point's purpose is to ensure that driving shouldn't cost the earth. Our mission is to make living with an EV easy and affordable for everyone. In addition, our strategy is to focus on scaling the business in the Home markets in the UK and internationally, as well as the Workplace. With this scale of chargepoints, we intend to develop recurring revenue streams in Energy Flex markets, enabling players in the energy industry to reduce costs. This will be part of our vision, to power up 1 million customers in a profitable network.

In line with our purpose, mission, vision and historical reporting, and based on our climate risk assessment work, our environmental strategy is currently to focus on:

- Enabling decarbonisation of transport and grid by developing technologies to allow us to use our chargepoints to provide load management to the national grid and other energy market participants
- Encouraging our customers towards net zero by developing technologies to help them reduce the carbon impact of charging and driving their vehicles
- Eliminating the GHG emissions of the Group

Of course, we are very aware that we have a responsibility to address other environmental considerations such as plastics, packaging, waste and others. However, we consider that a focus on reducing GHG emissions is strongly linked to our risk assessment, and directly aligned to our vision. Our environmental strategy is therefore primarily focused on reducing GHG emissions at this stage.

More specifically, during 2023, our environmental strategy comprised two elements – firstly, to work towards full compliance with our obligations under SECR and TCFD; and secondly, to prepare ourselves to go beyond our obligations in the area of GHG emissions, as further described on pages 40 to 43.

## Environmental, Social & Governance continued

TCFD disclosure continued

Specifically, we intend to continue to:

**Define**
- The amount of GHGs which are emitted in the production of our products
- The amount of carbon which is emitted in the installation and other services associated with our products
- The average carbon intensity of each kWh of energy provided by our charging network

**Develop**
- The internal tools required to allow our teams to consider the GHG impact of each decision made within our business against the metrics defined above
- Tools to allow our customers to easily optimise their charging to reduce their carbon intensity
- Technologies to allow our network to be used for load management to in turn allow a greater percentage of renewable assets in the UK generation base

**Embed**
- Consideration of GHG intensity into every decision point across our business

**Measure**
- Qualitative carbon reduction targets each year for our teams to stretch us and ensure we make strong progress against reducing the overall GHG intensity of our business

Our purpose, vision, mission and business strategy are fully connected to our climate-related strategy. This is made explicit through the KPIs that measure progress in our business strategy as set out in the Strategic Report, such as millions of electric miles travelled and tonnes of $CO_2$ avoided.

As described below on pages 56 and 57, we have further developed our framework of relevant metrics. These include GHG emissions in Scope 1, 2 and 3, transition towards 100% BEV vehicles in-house, continuing reductions in fossil fuel usage, reduction in volume and nature of waste, increasing the proportion of procurement spend through sustainable suppliers, and linking executive remuneration to climate considerations.

Our regular risk management cycles, and quarterly and annual business planning cycles, support us in understanding our climate-related risks and opportunities. Where sufficiently appropriate and material, these translate into mitigation strategies or business development initiatives that form part of our budgeted activities.

We identify our climate-related risks and opportunities, assess whether their impacts will be felt over the short, medium or long term, and quantify the potential financial implications.

We describe the impact of these risks and opportunities on our business, strategy, and financial planning. We also assess our resilience across various scenarios.

During 2023, our business was defined almost entirely as a single sector, single country activity. During 2023, Pod Point served the electric vehicle charging market in the UK and so we have not separated out our analysis of the issues by sector or geography.

## Environmental, Social & Governance continued

TCFD disclosure continued

### Material risks

During the year, to better understand the implication of climate change on our business model, we held a review of our risks and opportunities, expanding the scenarios and working through their potential financial impacts over the timeframes over which they are expected to materialise.

We categorise risks and opportunities into transition risk and physical risks. Transition risks arise from the transition into a lower carbon economy, while physical risks relate to the physical effects of climate change.

The likelihood and potential impact of each risk were rated in line with our Group's broader risk assessment criteria as set out in the table below. The likelihood assessment reflects the probability of the risk materialising and having a material impact on the Group. For this analysis, the impact refers to the possible financial effect on the Group, where severe financial impact is over £15 million. The scores across these two categories are added up to give an overall low, medium or high-risk score.

In 2023, we developed and expanded our scenario analysis from just one 2°C scenario, to three scenarios and considered how financial impacts will vary across them. The three scenarios are:

- **2°C orderly**: early, gradual, and coordinated effort to a net zero economy
- **2°C disorderly**: uneven commitment to climate policies, action is late, disruptive and/or unanticipated, resulting in increased exposure to transition risks
- **4°C**: limited action leads to significant global warming, resulting in increased exposure to physical risks

For our climate risks and opportunities table presented on pages 52 to 53, we have included the impact of the 2°C disorderly scenario as we consider this to be the most likely.

Following on from 2022, we have continued to define 'short term' as to the end of 2025, 'medium term' to the end of 2029, and 'long term' from 2030 onwards. Government policy, whether current or future, has continued to refer to EV targets for 2030, so represents the far horizon of known policy and what we would see as long term. Our internal planning and forecasting looks into 2025 for going concern analysis and so represents our short-term horizon. Between short and long term is our resulting medium term. Our quantitative modelling focused on short to medium-term time frames, with more high-level data used for longer term. As our capability grows, we will continue to improve our financial forecasts beyond 2030.

In 2023, we held a climate-related risks and opportunities workshop with management to review the climate-related risks and opportunities affecting the Company, consider any updates to our business strategy and financial plans, and review our related metrics and targets. The outcomes, alongside the strategy for mitigating risks and maximising opportunities, were also reported to the ESG Committee. The ESG Committee has ongoing oversight of the Company's performance against climate-related targets, as well as other relevant ESG metrics as outlined on pages 47 to 48.

The ESG Committee reviews the Company's performance against the metrics forming part of the ESG Dashboard on a quarterly basis and develops and adjusts the action plan to ensure any changes in climate-related risks are being appropriately mitigated and opportunities are capitalised upon.

Climate-related risk, alongside the other risks to the Group, is also assessed on an ongoing basis through the wider Company risk management process, as governed by the Audit & Risk Committee and described on pages 76 to 80.

**Group climate-related risk assessment criteria**

| | | Likelihood rating | | | | |
|---|---|---|---|---|---|---|
| **Impact rating** | **Profit impact[1]** | Remote | Unlikely | Occasionally | Probable | Has/will occur |
| Severe | ≥£15m | | | | | **High** |
| Major | ≥£5m - <£15m | | | | | |
| Serious | ≥£2.5m - <£5m | | | **Medium** | | |
| Minor | ≥£1m - <£2.5m | | | | | |
| Insignificant | <£1m | **Low** | | | | |

1 The profit impact represents a cumulative assessment basis, measured against the discrete short and medium-term horizons as set out in the disclosure above

# Environmental, Social & Governance continued

## TCFD disclosure continued

Key: Low Medium High

| TCFD category | Climate-related trend | Potential financial impact | 2°C disorderly scenario<br>Impact short term | <br>Impact med term | <br>Impact long term | Strategic response, resilience and mitigation |
|---|---|---|---|---|---|---|
| Transition risk<br><br>Policy and legal | Environmental regulation/carbon pricing | Adherence to increasing government legislation designed to reduce emissions (e.g. carbon pricing) increases operating costs. Weak performance could result in reputational damage and shareholder concern via regulatory disclosures and possibly fines or sanctions | Low | Medium | Medium | We already measure our Scope 1, 2 and 3 GHG emissions and energy efficiency. We will be looking at paths to net zero on the back of the Powering Up strategy announced in November and how we can reduce emissions further across our value chain<br><br>Next year, we will also be accrediting our Environmental Management System to ISO 14001 standard<br><br>The ongoing improvements to our ESG reporting have increased our resilience to risk in this area |
| Transition risk<br><br>Policy and legal | Environmental reporting and public climate commitments | Growing reporting requirements increase operating costs. Inadequate reporting could lead to non-compliance, poor decision making, reputational damage and/or reduced access to financing | Low | Medium | Medium | A key focus for our ESG Committee, ESG Working Group and Sustainability team is continually improving our environmental reporting capability. We track our core sustainability metrics monthly and review them at quarterly ECG Committee and Working Group meetings. We are improving our data availability through life cycle assessments<br><br>Given the nature of the Pod Point brand and our purpose, we consider ourselves to be resilient to this risk |
| Transition risk<br><br>Market | Supply chain resilience | Growing shift towards greener products and suppliers increases demand for certain materials. Difficulty around sourcing and availability of sustainable materials and suppliers increases development and production costs | Low | Medium | Medium | Our Supply Chain and Sustainability teams work together to integrate and access sustainability performance as part of our supplier due diligence process at tender and renewal stages. Suppliers are required to meet certain environmental and sustainability standards, which we monitor through accreditations (e.g. EcoVadis, ISO 14001, etc.)<br><br>Our life cycle assessment results are being integrated in future hardware development roadmap, ensuring we are on top of material trends<br><br>To improve resilience in this area, we have strengthened our relationship with our primary manufacturing partner, Celestica, and retain diversification in our supply chain via other manufacturing partners |
| Transition risk<br><br>Market | Skills shortage impacting ability to scale EV infrastructure | Growing demand for green infrastructure (EV charging, solar panels, heat pumps, etc.) leads to increase in cost of labour and possibly labour shortages | Low | Low | Medium | We already work with EDF to support the training of smart meter engineers to install EV infrastructure. We will continue to support and explore such partnerships in future<br><br>We have a skilled internal workforce and retain strong technical expertise in the installation of EV charging infrastructure, including the ability to train other parties. We also maintain a strong network of third-party installer relationships |
| Physical risk<br><br>Acute and chronic | Increase frequency of climate events and changes in long-term climate shift. | Increase frequency of severe weather and long-term weather trends including heat, cold, precipitation or flooding causes disruption to operations or damage to our infrastructure | Low | Medium | Medium | We monitor weather forecasts to ensure installer safety. Installers are also advised to make additional assessments on the day to ensure safety of operations<br><br>Our chargepoints require minimal assembly out in the field, reducing exposure to elements. We further test our equipment to withstand extreme weather<br><br>We are increasing our resilience in this area with the development of our next generation of products, which includes a more rigorous set of testing for weather extremes |

## Environmental, Social & Governance continued

TCFD disclosure continued

### Material opportunities

We used the same methodology to assess our climate-related opportunities, but rather than looking at negative financial implications, assessed the market share and revenue growth opportunities. It's important to note the material financial opportunity from the expected growth of the electric vehicle market and the subsequent need for charging and associated grid flexibility. This is discussed in more detail on pages 14 to 21. As one of UK's largest home charging providers, we're well-positioned to make the most of this opportunity.

### Financial planning

Based upon the analysis carried out to date, we believe that there is no immediate material financial risk or threat to our business model from climate-related risks. However, we have considered climate-related risk as part of our viability assessment set out on page 90, for example assumptions around cost inflation, which could in part be driven by climate-related factors including supply chain disruption and increased installation costs due to extreme weather events and carbon pricing.

Our regular financial planning and forecasting processes consider a wide range of internal and external sources of information, as well as risk variables – including those related to climate change. We have considered potential impacts on our financial statements in relevant areas such as impairment of assets and depreciation rates. Based upon our current assessment, we do not believe that there are any adjustments required to our financial statements in relation to climate risks.

Key: Low Medium High

| | | | 2°C disorderly scenario | | | |
|---|---|---|---|---|---|---|
| **TCFD category** | **Climate-related trend** | **Potential financial impact** | **Impact short term** | **Impact med term** | **Impact long term** | **Strategic response, resilience and mitigation** |
| Transition opportunity<br>Policy and legal | Environmental regulation/carbon pricing | Increased requirement to reduce GHG emissions by businesses leads to greater demand for our products and services. Government regulation to support or accelerate adoption of EVs will also increase our revenue | Medium | High | High | Technology development to support the decarbonisation of transport and grid is a big opportunity for Pod Point and core to our strategy and product development<br>We continue to focus on how we can help customers reduce their GHG emissions in our marketing and branding<br>We also continue to invest in our supply chain management to support our ability to scale with increasing demand |
| Transition opportunity<br>Technology | Green products and services | Increased revenue resulting from the introduction of new or increased demand for existing product and services | Low | Low | Medium | |
| Transition opportunity<br>Market | Change in sentiment towards EVs | Public focus on climate change continues to intensify, with more making the switch to electric ahead of government-set timelines. General understanding around the benefits of EVs improves, also increasing adoption and in turn our revenue | Low | High | High | |

# Risk management

Identification and assessment of climate-related risks has been integrated into our broader risk management process. Climate-related risks are subject to the same governance, review process and management attention as other risks on our risk register. In 2023, we held a dedicated workshop reviewing the climate-related risks and opportunities affecting our business. The analysis from this workshop formed the basis of our future scenario and financial planning, supporting our conclusion that climate related risks are not currently material risks to the Company.

Our approach to the assessment of climate-related risks is consistent with the way in which we identify, score and prioritise all risks, by considering the impact and likelihood of their occurrence. We therefore determine the relative significance of climate-related risks against other risks that the business faces by ensuring we remain consistent and proportionate as part of that risk assessment, as explained below. Further detail on the Company risk management processes can be found on pages 76 to 80. To consider the materiality of climate-related risks and to prioritise them accordingly, it is necessary to consider certain characteristics that arise in the context of climate change over the short, medium and longer term. We have set out below some of the specific characteristics of climate-related risks that our Senior Management Team, Sustainability team, Audit & Risk Committee, ESG Committee and Board consider together as part of the ESG governance processes and risk management process set out on pages 47 and 76 respectively.

**Holistic view** – climate-related risks rarely affect a single, discrete part of the Company. We look broadly at the impact of climate change on our business strategy, the markets in which we operate, the technology we use and our brand and reputation. We also consider the physical risks posed by climate change on our product range and operations. We have referenced these classifications in our climate-related risks and opportunities disclosures set out on pages 51 to 53. By their nature, climate-related risks intertwine with and impact across functions and departments, and therefore require a wide lens and deep consideration and collaboration from teams across the business.

**Longer planning horizons** – given the slow incremental nature of climate change, we consider climate-related risks across short, medium and much longer-term timeframes than traditional planning horizons. These planning horizons are defined above on page 51.

**Proportionality** – the size and scope of climate-related risks are assessed alongside other business risks by looking at their potential financial impact on the Company over the short, medium and long term. The methodology for this assessment is set out above on page 51. We are a mission-based Company driven by the fight against climate change. We therefore assess climate-related risks against other risks as well as the opportunities that climate change presents, in order to ensure that our response is proportionate.

**Evolving regulation** – an evolving policy and regulatory landscape is an inevitable consequence of society's attempts to grapple with the dynamic challenge of climate change. We consider the impact of existing policy and regulations, and possible new or changing requirements that may be introduced across different time horizons. Our climate-related risks set out on page 52 (particularly those related to transitioning markets) reflect the risks posed to the business of governmental policy and regulatory sanctions affecting the markets in which we operate.

**Consistent approach to risk** – we believe it's important that our assessment of climate-related risks is consistent with our assessment of all risks affecting the business. Therefore, we use the same risk terminology and classification frameworks that are used to assess all business risks. This helps give us a clear picture of how the business is, and could be, impacted by climate change when considered together with all other risks. It is also the same process by which we manage climate-related risks and decide upon how the business should respond, mitigate and/or control those risks. In addition, we consider how such risks may also be mitigated by wider industry, societal or regulatory developments which may emerge over the defined planning horizons to address such risks.

In determining our response to climate-related risks, we consider the factors above and develop appropriate management and mitigating actions. Identified risks are allocated to an accountable owner and, together with the Senior Management Team and/or ESG Working Group, a suite of management and mitigation actions are agreed, implemented and tracked to completion.

## Environmental, Social & Governance continued

**TCFD disclosure** continued

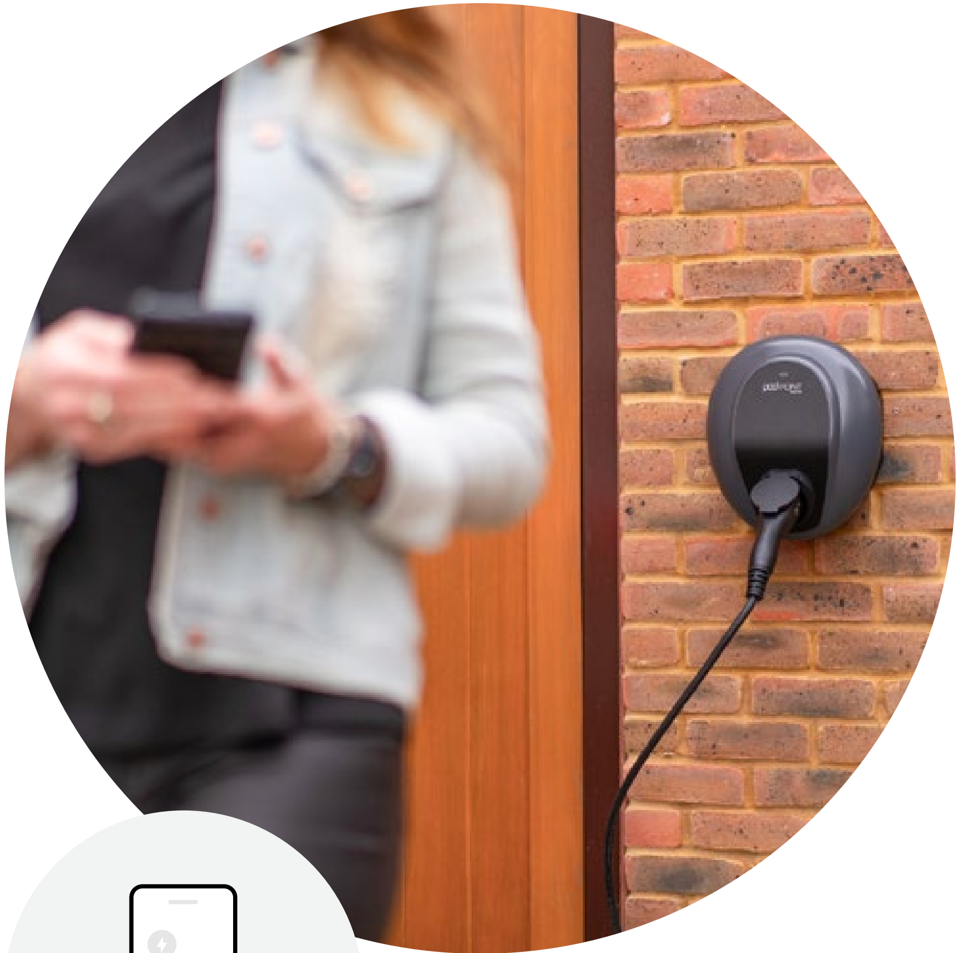
Climate-related risks identified by our Senior Management Team and ESG Working Group are reported to the ESG Committee and the Audit & Risk Committee as appropriate for further consideration as part of our financial planning and scenario analysis.

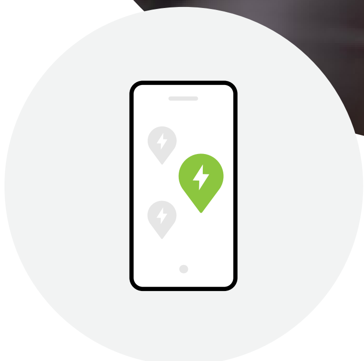
Our ESG Working Group and Sustainability team apply the same methodology as part of our broader climate scenario analysis, assessing the impact of climate-related risks and opportunities to the business across short, medium and long-term horizons. This review considers the breadth of our business across different routes to market (e.g. home, workplace, destination and en-route) as well as the impact of all of our customers and each of our different internal functions and business chargepoints (e.g. supply chain and installation teams). Ultimately, our climate-related risks and opportunities are reviewed and approved by the ESG Committee and the Board.

Overall, given the vision of our business to make driving not cost the earth, climate change presents material opportunities for the Company to grow as set out on page 53. While we've identified some risks to the Company arising from climate-related matters, we do not consider any of these to be material risks given the low impact or likelihood of occurrence and given the significant strides being taken as a Company to mitigate their effects, as stated in more detail in our sustainability strategy on page 35. We have assessed and prioritised these according to the same impact/likelihood methodology as used in our risk management process.

> We look holistically at the impact of climate change to our business strategy, the markets in which we operate, the regulatory landscape, the technology we use and our brand and reputation over different planning horizons.

**Daniel Kaufman**
Group General Counsel





# Metrics and targets

We use multiple metrics and targets to monitor the financial impact of physical and transitional risks and opportunities.

The Group's climate-related metrics and targets are reviewed and set by the ESG Committee, a committee of the Board. The Committee considers TCFD and other industry guidance when selecting most relevant metrics to assess our risks and opportunities. From the TCFD cross-industry metrics guidance, we believe that GHG emissions and remuneration metrics and targets are the most material. We don't currently use internal carbon pricing but will continue to keep this under review in future. The Group also uses other relevant environmental metrics to assess its performance, which have been disclosed on pages 37 to 44. As our assessment and understanding of climate risks evolve, we will continue to update our metrics and targets in line with its response. We already integrate sustainability metrics as part of our project stage gate process and the Senior Management Team receive monthly updates on progress against our sustainability plan.

## Our environmental targets

### Target 1:

Halve Scope 1 and 2 GHG emissions from UK operations by the end of 2026 (2023 baseline)

### Target 2:

Move our UK fleet to 100% BEV by the end of 2025

### Target 3:

Develop and implement Pod Point's Supply Chain Sustainability Programme

### Target 4:

Minimum of 15% of Executive Director variable remuneration to be subject to sustainability related performance measures

## Environmental, Social & Governance continued

### TCFD disclosure continued

In line with TCFD cross-industry guidance on climate-related metrics, we monitor our Scope 1, 2 and 3 GHG emissions and work with relevant teams to continually improve data accuracy and availability. While Scope 1 and 2 are a small part of our total emissions, given our sustainability and EV focus it's important for us to transition our own fleet to electric and reduce our own emissions. This year, we have set an ambitious target to reduce our Scope 1 and 2 emissions by 50% by the end of 2026. This will primarily come from investment into decarbonisation of our internal fleet and transitioning to full battery electric vehicles by the end of 2025.

We use our Scope 3 emissions to monitor and manage our supply chain risk, prioritising suppliers that have highest emissions within our value chain. In 2023, we engaged with our top ten suppliers by emissions and reviewed our onboarding process to ensure any new suppliers meet our environmental standards (for example, asking our supplier to have in place or develop an emissions reduction plan). By the end of 2023, we received emissions-related data from all ten targeted suppliers. We will continue to engage with more suppliers and in 2024 plan to formalise our full Supplier Sustainability Programme that will be rolled out throughout our supply chain.

We haven't yet set Scope 3 reduction targets, and given our growth plans, we expect our emissions to grow in the short-term, but to reduce in the long-term as we transition to net zero in line with UK Government's 2050 Net Zero Strategy. Following the announcement of our Powering Up strategy in November, we are working through a detailed transition pathway, and are currently focusing on clear medium-term emissions targets and plans to hit them. Full disclosure of our emission data can be found on pages 40 to 42.

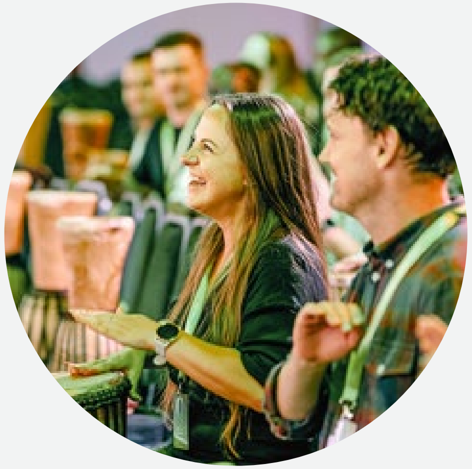
In addition to emissions data, we use product LCAs to identify areas of high environmental impact. The results from LCAs completed in 2023 are being used to inform our hardware roadmap to mitigate both transition and physical risks identified. The assessment also helps us better track the material use in our products and packaging and set goals around circularity. Our target is to have LCAs completed for all Pod Point products by the end of 2025.

A minimum of 15% of Executive Directors' variable remuneration is subject to sustainability related performance measures, in order to drive meaningful improvements. These are set out in more detail on pages 121 to 124 of the Directors' Remuneration Report.

Further details on the range of metrics we use to assess our impact on the environment can be found on pages 37 to 44.

Social responsibility

# People are central to our success



We aim to attract, engage and retain the most talented, diverse group of people who are passionate about achieving our vision and making real change to the world.

2023 was a challenging year, with significant change and uncertainty, which undoubtedly affected the team and our culture. Refocusing on our culture, to promote greater responsibility and accountability, is a key enabler of our transformation plan, an aspect recognised as important by our shareholders.

> **We also like the operational change to increase individual accountability from a culture based on collective goals.**

Shareholder comment following our Capital Markets Day

## The value we delivered in 2023

Despite a challenging year, there were some positive highlights:

- Promoted or transferred 7 Pod Pointers into new roles internally
- Continued our diversity and wellbeing taskforce focus
- Ran a successful Black History Month campaign
- Introduced a refocused process on managing poor performance through performance improvement plans
- Implemented stronger internal communication activities
- Professionalised HR by creating a new role of Chief People Officer, with an experienced interim in place

## Our values

Our business is powered by its people and our values are a key part of being a Pod Pointer – a combination of our people being talented in their chosen fields, caring about our vision, aligning to our values, and also all the little quirks that make us unique.

We know that we all have different talents, interests, likes and dislikes, passions and obsessions, and so we bring something a little bit different to the table, charged by our purpose and exemplifying our core values – human, industrious, guiding and visionary. Work is underway to revisit these to ensure alignment with our new Powering Up strategy.

# Investing in our people

Our business is built on the skills and commitment of our people to make a difference to the society in which we all live. Throughout 2023, we focused on attracting, engaging and retaining passionate individuals committed to helping us achieve our mission.

### Attracting passionate people

We continue to interview based on a culture-first approach to ensure we attract people who are driven by our mission. We have relaunched our employee referral programme and will be monitoring and evolving this based on success and feedback.

**7**
Internal transfers

**81%**
Participation rate in the April Engagement Survey

**14**
All-hands meetings

## Powered by people

### Driven by purpose

**Every Pod Pointer believes in our mission and is committed to a sustainable future with EV charging at the heart of what we all do.** In 2024, we plan to build our updated purpose, vision and mission into revised values and people processes.

### Be your whole self at work

**We celebrate individuality and the things that make you 'you'.** It's what defines Pod Pointiness and makes this a great place to be, somewhere you can be the real you. We champion differences, respect others and have fun!

### Succeeding together

As we transition at the end of the year to our new strategy of Powering Up, we're aligning our ways of working to ensure a focus on responsibility and accountability, through collaboration and personal achievement. **We want to ensure a workplace where people can be at their best** for themselves and for the business. We provide the tools and the environment to succeed.

# Environmental, Social & Governance continued

Social responsibility continued

## Engaging our people

We continued to operate as a remote-first Company through 2023, transitioning in the second half towards more in-person collaboration. As we move to our new offices in Q1 of 2024, which will be more conducive to in-person meetings providing more meeting space, and rooms for confidential conversations, supporting hybrid meetings, we aim to encourage people to join us more regularly without the need to mandate. We no longer support the employment of people overseas (new hires or transfers), although we continue to engage with our existing overseas employees. We have widened our approach to short-term working from abroad to provide some additional benefit and flexibility. We continue to champion healthy and safe places of work whether that be in our offices or at an employee's home or chosen place of work.

We are adopting the Hoshin Kanri approach to the setting of Company, departmental and personal objectives, to ensure alignment through the business, which will enable us to assess the productivity of our teams on an ongoing basis. Our line managers will set objectives for each individual, which feed into the departmental and Company objectives. These will be reviewed regularly to ensure individual performance meets the requirements of the role, and collectively meets the team and Company targets.

During the year, we introduced a new employee engagement survey, facilitated through CultureAmp, one of the most renowned providers of employee engagement. Our average participation is 69% and we run at least two full surveys and a number of pulse surveys, the latter of which focus on areas of development or improvement. We create action plans at Company and functional level, and track their progress regularly. Our eNPS rose from seven in 2022 to a high of 22 in April 2023, but fell in the latter half due to the uncertainties internally, created by a change of leadership and the lack of clarity on our existing strategic direction, as we shared with our workforce the true measurements of our business success and the need for significant change. Rebuilding our culture is a leadership priority.

In response to employee feedback, we have introduced more communication channels and regular cadence of all employee meetings (all-hands), functional meetings, team meetings, and regular newsletters. We employed for the first time an Internal Communications Specialist.

## Retaining our highly-talented team

To ensure we retain our colleagues, we believe we need to help people succeed and drive performance. Primarily in 2023, this was predicated on providing flexibility in working practices. For example, we continue to provide support to set up workspaces at home to suit individual needs through an assessment with Worklife Ergonomics. We're also moving to a new office location in 2024 for those who want to work in person, and we will be encouraging more hybrid working.

We continue to provide functional training for all our teams to enable them to develop their careers at Pod Point. In 2023, we enabled seven internal transfers across our teams. This was achieved through the support of HR business partnering, which helps line managers to better lead their teams and plan their progress through the Company. We have introduced an additional step in the promotion process for people managers' promotions to strengthen our decision making and create strong management talent.

We believe that learning is wider than job-specific training, and that staying curious and eager for new knowledge is vital. Accordingly, we continued to operate our Pod Point Academy throughout 2023, which aims to provide regular opportunities for all Pod Pointers to learn, share and develop, as both audience and presenter. Through the Academy, monthly speakers address the team remotely, and during the year we heard about a diverse array of subjects including sustainability at Pod Point, accelerating the net zero journey, grid flexibility, the history of Pride and the LGBTQ+ rights movement, experiences, insights and thoughts on Black History month from our own panel of Pod Pointers and the role of the Board. We also continued to run our Management Academy, which we plan to evolve in 2024. To help our people do their best work, we continued our investment into mental health first aider training. We replaced our Employee Assistance Programme with Tellus EAP, which continues to provide 24/7 online support for our colleagues. As a result, we were able to offer additional services such as six counselling sessions per employee per year, resources platform and tools, legal and financial support consultation, perks and rewards.

Although we are not accredited by the Living Wage Foundation, we continue to support and be compliant with the current Living Wage requirements.

## Focusing on our foundations

As we've grown over the years, we've outgrown some of our ways of working; too much flexibility can lead to a lack of consistency in implementation. We need to grow our internal processes to represent the size of our organisation, to enable our managers to consistently apply working practices, and for employees to have clarity. We have been focusing on reviewing policies, processes and contracts of employment. This will continue into 2024 in force.

## Environmental, Social & Governance continued

**Social responsibility** continued

### Diversity and inclusion

As expressed by our equality policy, we're fully committed to inclusivity and equality of opportunities for all employees and job applicants irrespective of their age, race, sex, disability, sexual orientation, religion or belief. This covers all aspects of an employee's working arrangements including training, career progression and promotion.

It is fundamental to our beliefs that diversity benefits the health of our team and our business. We actively seek to encourage inclusivity and belonging, continuously looking to enhance our activities to promote belonging. Bringing your authentic self to work and being safe to be yourself is something we pride ourselves on.

Our Equality, Diversity and Inclusion (EDI) Taskforce focuses on how we can attract and engage a more diverse set of Pod Pointers as we grow – and we've held a number of awareness sessions to promote our differences through our Pod Point Academy. In October, we held a series of very successful Black History Month activities, and we seek to create additional supporting activities for various groups.

We remain committed to providing all Pod Pointers with the opportunity to develop and advance, which includes giving full and fair consideration to all employment applications from people with diverse characteristics. In the event of employees becoming disabled, we make every effort to ensure that the training, career development and promotion opportunities available are, as far as possible, identical to those of non-disabled employees. To support our commitment to recruiting, retaining and developing disabled employees, we've achieved Disability Confident Level 1 commitment (accreditation).

| | Men | | Women | | Total | |
|---|---|---|---|---|---|---|
| | No. | % | No. | % | No. | % |
| Group Board | 5 | 55% | 4 | 45% | 9 | 100% |
| Senior Management Team (SMT) | 4 | 57% | 3 | 43% | 7 | 100% |
| Direct reports of SMT | 23 | 70% | 10 | 30% | 33 | 100% |
| Other employees | 362 | 68% | 172 | 32% | 534 | 100% |
| **Total** | 394 | 68% | 189 | 32% | 583* | 100% |

* Although included in the 583, Non-Executive Directors are not employees of the Group and the table excludes employees who identify as non-binary or gender is not known.

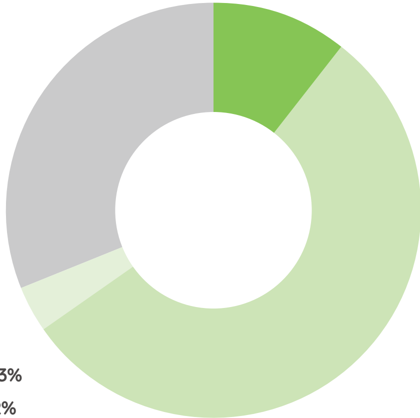
## Environmental, Social & Governance continued

**Social responsibility** continued

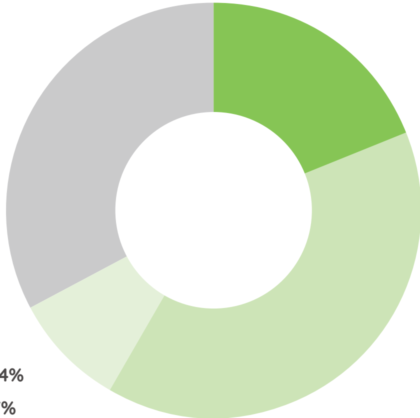
Excluding the Board, the ratio of women to men in our workforce is 32% (2022: 31%). Our gender pay gap report can be found on the Pod Point website.

Further information on diversity can be found on pages 110 to 111.

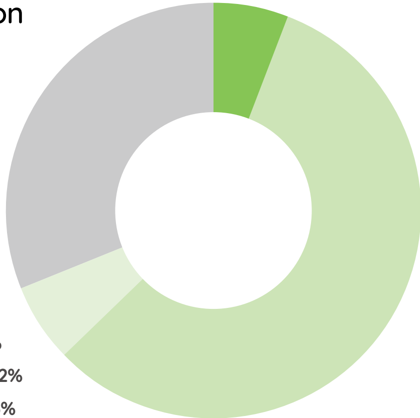
### Ethnicity




### Religion




### Sexual orientation



# Our plans for 2024

In the year ahead, our focus will be on organisational design and rightsizing, creating great foundations by enhancing our ways of working, driving up in-person collaboration and meetings, and cultural evolution. We'll also be looking to have clear metrics and measures that help us identify areas for improvement in our diversity both in recruitment and retention.

Additionally, we will:

- launch our new values to align to our updated purpose, vision and mission, and from that we'll continue to enhance our external brand through social media posts, which influence potential candidates
- strengthen our focus on development planning for all Pod Pointers to drive productivity, engagement, internal progression and promotion
- continue to run employee engagement surveys, identifying areas for improvement and action planning
- focus on creating individual objectives aligned to our strategy, helping each individual know how they are contributing to the success of the business
- enhance our internal communication and ability for all employees to understand in a straightforward and simple approach how the business is doing on a regular basis
- continue to focus on EDI and wellbeing


> In 2023, our team told us that they needed more communication while working remotely. So in 2023, we launched an intranet where our teams can find all the information they need on Company policies, processes and team briefings.

Environmental, Social & Governance continued

Social responsibility continued

# Health and safety

Health and safety remain at the core of our business and directly connected to our purpose and vision. We work hard to ensure that people are not being harmed during the course of our work throughout the organisation, based around the key threads of competence, trust and empowerment. We focus on ensuring that competency in every role is established, aided by a robust management structure with room for dynamic, adaptable processes/risk assessment. This ensures that safe decisions can be made and any unexpected situations or hazards can be managed as quickly, but also as safely, as possible.

Our people are encouraged and enabled to make good, safe decisions at every point through the development, sales, planning and installation stages of our work, and once installed. Through training, development, open discussion and encouragement, we work with our people and partners to see themselves as key to delivering a safe working environment.

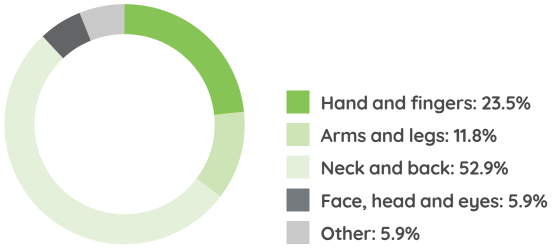
We conduct site visits for both quality assurance and health and safety purposes. We continue to encourage open and honest reporting across all areas of the business, treating any incident as a learning opportunity. Our reporting process is complemented by an incident report template to support the recording, investigation and follow up of lessons learned or changes to be implemented for more significant incidents that may require it.

During 2023, we have focused on a number of areas to improve our approach to health and safety, including:

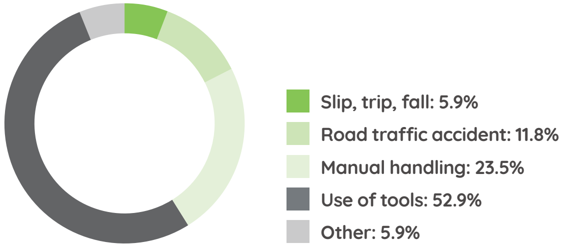
- Training all field operatives in dynamic and realistic manual handling, based around their work tasks and situations. We also extended the training to Commercial Project Managers and Domestic Project Managers to give a broader appreciation of the work carried out by installers and the challenges they face. The feedback from all groups was very positive, and the discussions during and following the training have been of higher quality and more focussed on delivering the right, safe outcome than prior to the training
- Implementing improvements to the way occupational health and ergonomics are used to support our people. This has included work to assess individual capability when recovering from long-term health conditions, with an aim to support individuals as they await medical intervention
- Reviewing the information flow around commercial contracts to ensure that key health and safety requirements and information are being delivered to the installation team, therefore reducing risks
- Revising our supporting documentation around the Construction (Design and Management) Regulations 2015 and improving our ways of working to deliver better project delivery and the highest levels of health and safety

Statistically, performance remains at a high level, with one RIDDOR reportable incident in 2023 (2022: 0). Our Lost Time Injury ('LTI') frequency rate stands at 0.16 LTI per 100,000 hours worked (2022: 0.26). We encourage reporting of any incident, injury or concern, with no acceptable threshold to ensure there are no barriers to reporting.

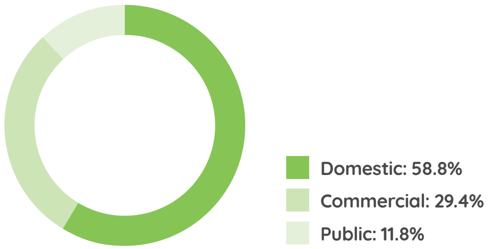
### Body part injured




### Injury causation




### Incident location




## Our plans for 2024

During the year ahead, we'll continue to improve our approach to health and safety. As the business grows, we'll focus on the following areas:

- Ensuring that health and safety risk management remains consistent and robust through the transformation of the business
- Reviewing competencies for the revised organisational structure
- Working with line managers to understand and address pre-existing medical conditions and risk mitigation
- Working with stakeholders to develop risk management strategies appropriate to EV charging in response to the Building Safety Act and the Interim Guidance on EV Charging

Governance

# Acting responsibly

## The purpose and values of Pod Point are front and centre in our organisational DNA.

Doing business responsibly, in an appropriate and compliant manner, ensures the long-term sustainability of our business for all our stakeholders. Our teams are aligned with our values and culture, and know what is expected of them – they know that they can bring concerns to leaders and that they will be listened to.

Compliance is the minimum acceptable standard at Pod Point, and we've established a clear commitment to ensuring that our business activities are conducted in accordance with all applicable laws and regulations.

### Acting ethically

At Pod Point, we're committed to conducting business in an ethical and honest manner. We maintain a framework of policies, which operate across the business, to ensure that all employees understand the expectations that come with working at Pod Point. Policy owners are responsible for ensuring that policies remain relevant, identifying and addressing new policy areas and advising on implementation and monitoring. Key policies are reviewed by the Board at appropriate intervals to ensure that the Board has oversight of the business' approach to specific areas.

New employees are required to read and complete training on key policies, and updates are communicated across the Company so that everybody reviews relevant policies at regular intervals. During the year we have enhanced our training in specific areas, including anti-bribery and corruption and anti-money laundering, with all employees required to undertake the training through a new third-party e-learning platform. Re-training will take place at appropriate intervals.

### Governance of ESG

ESG is at the heart of why Pod Point was founded – and it's embedded within our governance framework. This ensures that everything we're working on is not only aligned to our strategy but also reflects the issues that matter the most to all our stakeholders, including our people, our investors, the environment and society at large. The framework ensures that progress can be tracked and monitored on a regular basis, and that stakeholder feedback can be actively addressed.

The ESG Committee, chaired by Dr Margaret Amos, who is also Audit & Risk Committee Chair, is responsible for overseeing our ESG strategy, and for monitoring our progress against climate-related goals and targets. The ESG Committee's terms of reference, which are reviewed annually, cover all elements of its ownership of ESG including the relevant disclosures.

In particular, the ESG Committee is charged with ensuring that when defining and implementing the Company's ESG strategy and action plan, due consideration is given to applicable laws and regulations including the UK Corporate Governance Code, the general duties of the Directors set out in the Companies Act 2006, and the requirements of the Listing Rules, as well as the agreed terms of reference for the ESG Committee. In doing so, the ESG Committee has had regard for the promotion of the success of the Company for the benefit of its members as a whole as part of the Directors' duties set out in s.172 of the Companies Act 2006. For further details, please see page 69.

The ESG Committee met four times in 2023, and reports as a standing agenda item to the Board. Thereafter, the Board assumes ultimate responsibility for ensuring that ESG and, in particular, climate-related matters, are considered as the Company's strategy and opportunities are defined, including in relation to setting the Company's performance objectives.

## Reporting and information flows

R Reporting
I Information

### Pod Point Group Holdings plc Board

- Oversees all aspects of ESG, including climate, environment, culture and community involvement
- Ultimate responsibility for determining strategy and prioritisation of key focus areas
- Ensures the Group maintains an effective risk management framework, including over climate-related risks and opportunities
- Approval of Annual Report disclosures on climate and ESG
- Oversight of culture and values
- Provides rigorous challenge to management on progress against goals and targets

### Board committees

**ESG Committee**

- Oversees the embedding of the Group's ESG strategy, climate, environment, culture and community involvement, on behalf of the Board
- Reviews key metrics and targets including shareholder reporting on climate and ESG
- Oversees the Group's ongoing commitment relating to TCFD

**Audit & Risk Committee**

- Supports the ESG strategy by ensuring the risks including climate-related risks and opportunities are effectively managed
- Oversees the Group's financial statements and non-financial disclosures, including ESG and climate-related disclosures
- Oversees whistleblowing programme

**Remuneration Committee**

- Supports the ESG strategy through alignment of the Group's incentive plan to appropriate ESG targets

### Management groups

**ESG Working Group**

- Works on detailed environment, climate, societal/community and engagement elements of strategy
- Reviews data collection and reports
- Oversees implementation of specific TCFD/ESG programmes
- Coordinates the evaluation of ESG and climate-related risks

**Senior Management Team**

- Responsible for overall risk management framework
- Responsible for the preparation of Pod Point's corporate reporting
- Maintenance of the system of internal controls
- Accountable to Board for ESG strategy and KPIs and targets

The ESG Working Group is an Executive Group chaired by our Group General Counsel and attended by various senior employees, including the CEO, CFO and Head of Sustainability. While the ESG Committee provides strategic oversight, the majority of activity is now delegated to the ESG Working Group, which is responsible for the practical implementation of our ESG activities. The ESG Working Group reports to the ESG Committee, which in turn reports back to the Board.

The Group coordinates the execution of our key ESG initiatives and ensures information flows between the ESG Committee and management. The Chair of the ESG Committee is invited as an observer at meetings of the ESG Working Group. The group meets at least quarterly to monitor and track progress against the ESG Working Programme and to support the Senior Management Team on ESG-related matters – such as assessing climate-related risks as part of our risk management process, further details of which can be found on page 54.

In addition, our Head of Sustainability reports into and is accountable to the Senior Management Team. During the year, we have strengthened the team with the recruitment of a Sustainability Manager. The Sustainability team has a clear brief: to accurately measure the carbon intensity of certain of our products and services; to provide the tools to the business to allow carbon intensity to be considered in all decision-making; and to help define and monitor the other key environmental and sustainability targets we set as part of our sustainability strategy.

Further details of our governance structure can be found on page 100.

## Environmental, Social & Governance continued

**Governance** continued

### ESG training

In order to ensure that there is sufficient knowledge of sustainability and climate-related issues within the business and on the Board, sustainability qualifications or courses are being considered for relevant employees and members of the Board. During the year, the Head of Sustainability ran an internal Academy for employees at which sustainability and the environmental approach of Pod Point was discussed. Further employee training will take place during 2024.

### Responsible and sustainable supply chain

We have a robust supplier selection process to ensure that we engage with suppliers that have governance structures, business policies and standards that are aligned with and complement our own. This now covers both manufacturing and operations, and is being extended to the entire organisation.

When dealing with suppliers, we have:

- Expanded our supplier onboarding review to ensure that all suppliers meet our standard requirements covering health and safety, quality, ethics, human rights, sustainability and data protection across the entire organisation
- Enhanced our sourcing methodology and tender process to include an expanded sustainable procurement section, which drives value for money, and award based on our sustainability criteria as well as ethics, quality, cost and service
- Developed new contract templates, which support our sustainability agenda and drives ESG improvement targets and other key requirements from our strategic and high-spend suppliers
- Optimised the contractual process to scale of spend
- Introduced new levels of spend control to consolidate spend on preferred suppliers to maximise ESG impacts
- Improved ongoing assurance in respect of required levels of certification/accreditation, supported by regular monitoring and reporting of supply chain performance

We monitor the performance of our suppliers to ensure that they meet generally accepted minimum standards and encourage ongoing performance improvement and development of the relationship. This is achieved by:

- Conducting quarterly reviews with our strategic suppliers, driving collaboration and continuous improvement
- Development of the Pod Point Quality Manual and Supplier Code of Conduct, both of which define the high standards we expect of our suppliers
- Ensuring that all suppliers have key contacts at Pod Point, together with escalation paths to maintain open and honest communication
- Monthly metric sharing
- Quality audits covering end-to-end manufacturing and supply process
- The development of policies to manage non-compliance with our standards

Available on our website, our modern slavery statement demonstrates our approach to protecting human rights and preventing modern slavery across our business and supply chain. It demonstrates our progress across all of our supplier base, both production and non-production, highlighting the risk profile of specific suppliers plus plans to ensure we have relevant monitoring solutions in place, giving us confidence that we are working with the right suppliers.

# Cyber and data security

Cyber attacks are part of the technology landscape today and will continue to be in the future. All organisations, governments and people will be subject to cyber attacks and some will be successful.

As we provide connectivity services and handle personal data, we are focused on how we prevent, detect and respond to attacks to minimise the impact. Our cyber security strategy, the implementation of which sits with our Chief Information Officer ('CIO'), sets out how we will provide sustained cyber security and comprises the following elements:

- Security starts with awareness among employees at all levels
- A risk-based approach to focus resources where they are most needed and effective
- Protection of Company and customer data
- Appropriate network security and access controls
- Zero-trust principle

We are implementing an operating model based on National Cyber Security Centre best practices and frameworks, which are aimed at helping an organisation achieve and demonstrate an appropriate level of cyber resilience in relation to the essential functions performed by the Company.

Every employee has responsibility for cyber security and must follow our internal policies, be sensitive to threats and report suspicious activity. We deliver monthly cyber security training courses through an online cyber training platform. This is also used to run quarterly email phishing tests. For both of these, additional training is offered to employees who don't reach an acceptable standard.

Cyber security is monitored by the Audit & Risk Committee through the Technology Sub-Committee, which met three times during the year.

Additionally, there is growing regulation around data protection and data privacy. A breach or failure of our or a third-party's digital infrastructure, including control systems, due to breaches of cyber defences, negligence, intentional misconduct or other reasons, could disrupt our operations and result in the loss or misuse of data or sensitive information, including employees' and customers' personal data. Our Data Privacy team, who report to our General Counsel, work with our cyber security team to ensure that we implement appropriate technical and organisational measures to protect personal data being handled within the business.

During 2023, we have focused on the following improvements in our infrastructure, processes and procedures:

- Gained Cyber Essentials Plus certification
- Implementation of Google Identity Platform on all customer-facing systems
- Addressing security vulnerabilities identified through internal audits and investigations
- Designing and delivering new data protection employee induction and training, and enhancement of supplier onboarding and risk assessment
- Creation and implementation of a data breach policy, data breach reporting and data breach management processes
- Creation and maintenance of a record of processing activities
- Improved subject access request process, dashboard, and reporting
- Data flow mapping for key business data processing activities

In 2024, we will continue to improve our approach to cyber and data security through a number of improvements, including:

- Engagement of a full-time CIO
- Restricting access to Company network and data assets to recognised devices and tokens
- Exploiting additional security features of the Google Identity Platform
- Enhanced data protection guidance on marketing and advertising
- Programme for improved information security awareness
- Implementation of an internal data protection helpdesk and a data protection workload task management system
- Transition to new external data protection training providers

Section 172 statement

## The Pod Point team is dedicated to engaging with, and providing value to, our wide range of stakeholders.

The Directors are aware of their duty under Section 172(1) of the Companies Act 2006, to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequence of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement under section 414CZA of The Companies Act 2006.

The Board believes that maintaining strong relationships with, and considering the interests of, all our stakeholders is fundamental to delivering sustainable long-term success. Engagement with stakeholders is direct, with Board members themselves, or indirect through senior management and their teams. The Board considers the needs of and potential impact on our stakeholders when discussing and deciding on issues of strategic importance. The Board and Senior Management Team continue to develop governance and decision-making processes to ensure that the interests of stakeholders are at the heart of strategic decision-making and firmly embedded in the culture throughout the Company.

The Board therefore confirms that throughout the year under review it acted, and continues to act, to promote the long-term success of the Company for the benefit of shareholders, while having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

## Customers

### Our approach

Our customers are EV drivers, car manufacturers, business owners, third-party installers/ wholesalers and energy supply companies – and they're at the heart of everything we do and how we do it. Our primary aim is always to provide them with the highest levels of service, innovation and reliability – so that they trust us, recommend us and keep coming back to order more chargepoints and services. We are partnered with 14 OEM brands and over 150 fleet companies providing home charge solutions to customers ranging from end-user van drivers, company car drivers and customers benefitting from salary sacrifice agreements. We have enabled some of the largest workplace charging installs across the UK.

### How we engaged

- Discussed product and proposition innovation with our Pod Point owners' consumer group (Pod Point Labs), OEMs, and commercial customers
- Created a new Dealer team tasked with developing relationships and winning contracts with our dealers and to deliver in-person and remote training sessions for our dealer client base.
- Met with OZEV to discuss initiatives that would increase the uptake of the domestic rental grant
- Undertook widespread consultations with the wholesale and electrical contracting industry and via OZEV
- Worked directly with homebuilders, workplace landlords, and workplace tenants
- Conducted interviews with third-party installers to understand their perspective on the installation journey, to drive future innovations such as our Installer App
- Commenced engagement with prospective international partners on various opportunities for distribution partnerships to support our international expansion
- Invested in building a Customer Insight team to better understand our customers and future EV drivers, helping to bring the 'voice of the customer' into the business
- Through the process of Which? Accreditation, we received customer feedback on our products and services

### What we discussed

- The need for additional product features including solar integration, OCPP and ISO 15118
- The importance of including references to EV charging solutions through the EV ordering process to better inform customers of the charging options available
- Building the base level of EV charging knowledge across dealerships to ensure they are correctly qualifying potential EV customers
- Driver charging behaviours and demands in the domestic and commercial setting; demographic and socio-demographic insight; and chargepoint locations versus driver demand
- Our home charger Solo product, cost, charging speeds, connector types and the survey and installation process
- The changes in building regulations and the extent to which prospective homebuilders' customers expect EV charging as a standard proposition
- The benefits of the landlord, workplace and EV infrastructure grants, and how these can be used to facilitate the installation of EV charging infrastructure across multiple workplace locations

### Outcomes of engagement

- The acceleration of the launch of our Solo 3S chargepoint, including additional standard features such as solar integration and OCPP compatibility
- The launch of Klarna to provide flexible payment options for our consumers
- As a result of our Dealer team's efforts, we have partnered with several of the top 100 dealer groups including Acorn Group, West Way Group, Halliwell Jones and Williams Group, and over 180 dealer sites are signed up to our Dealer Incentive Programme
- Increased investment in our brand and marketing presence to enable delivery of more funded and finance home charge bundles through our key partners
- Launch of our Grid $CO_2$ insights feature on the Pod Point App to provide drivers with visibility of when the $CO_2$ per kWh of electricity from the national grid is at its lowest, enabling them to make informed decisions to reduce their carbon footprint in charging their EV
- Development of our Installer App, which targets improvements in installation efficiency and quality, whilst creating foundations for deeper installer engagement

## Partners

### Our approach

We work closely with a number of key partner organisations that play a vital role in supporting us in our vision to enable driving that doesn't cost the earth. These include our strategic manufacturing partners Celestica and iPRO – the manufacturers of our in-house designed and branded AC chargepoints. This extends to our operations and our selected chargepoint installation partners.

### How we engaged

- Regular virtual and in-person meetings and site visits with key senior stakeholders within critical partners
- Quarterly business reviews to ensure that all standards are being maintained and improved
- Formal supplier audits with our key suppliers, supported by a Code of Conduct and with clear processes for dealing with non-compliance
- Broadened our approach to ensure we engage and develop suppliers critical to the business
- Further development of key policies and procedures to enhance our approach to supplier relationship management
- Clear contractual KPIs and SLAs giving structure to the relationship

### What we discussed

- The impact of macroeconomic issues on the surplus of key components within the supply chain and how we balance the outcome with our key suppliers
- Changes to ethical, environmental and quality performance
- Auditable ESG metrics with our key suppliers and development of improvement activities and targets
- Enhancements to our forecast to commit process, enabling our supply partners to be fully involved in the end-to-end delivery to maximise their responsiveness to changes
- Clear actions to improve supplier performance
- Next-generation products

### Outcomes of engagement

- Continuity of supply to our customers, aided by strategic suppliers, resulting in no gaps to delivery, despite challenging global supply chain issues
- Minimised financial impact by control of spot-buy and excess inventory through active engagement with partners
- De-risking supply chain by increasing the number of suppliers providing critical components supported by our partners
- Widening engagement to include engineering to support development of next generation products
- Working with our manufacturing partners to locally source raw materials to maximise cost improvements and ESG metrics
- Maintained strategic relationships with key partners by having regular senior stakeholder engagement with clear KPIs
- Meeting of all critical deadlines to support our product enhancements
- Continued balancing across key manufacturing suppliers to maximise cost benefits
- Improved quality standards through management of parts per million improvements

## People

### Our approach

We strive to create a diverse working environment where our people fulfil their potential, feel valued at all times, and embody the Pod Point culture and values.

### How we engaged

- Our CEO led monthly all-hands meetings, providing a platform for open dialogue, and Q&A sessions and ad hoc meetings to address crucial events
- We continued to enrich the knowledge base of our workforce through regular Academy sessions, in which internal and external speakers shared insights and facilitated discussions on a wide range of topics
- We provided regular updates and established a Sustainability Academy, empowering employees to contribute to our eco-friendly purpose
- At Pod Point, employee feedback is invaluable. We gathered insights through pulse and engagement surveys during the year
- Karen Myers and Norma Dove-Edwin hosted a virtual session with employees on the role of the Board and engaged in a Q&A session
- To encourage candid feedback, we introduced an anonymous 'Raise Your Hand' online form during our monthly all-hands meetings. Leadership actively reviews submissions and addresses them individually or collectively during these meetings
- We established a Wellbeing Taskforce. This initiative included a dedicated wellbeing survey and a wellbeing hub on the intranet
- Our Non-Executive Director responsible for workforce engagement, Karen Myers, conducted a site visit with the Head of Health & Safety, attended a CEO all-hands meeting and attended a Health and Safety Committee meeting
- Our EDI Taskforce orchestrated an impactful month-long Black History Month campaign

### What we discussed

- The significant leadership transition with the change of CEO, introducing Andy Palmer as interim CEO
- Our business performance and updated market guidance for 2023
- Changes to our purpose, vision, and mission to reflect the changes within our business and what we want to achieve
- Introduction of our new strategy, Powering Up, which will accelerate growth and make our business more sustainable for the future
- Diversity and inclusion were central to our discussions. We celebrated Black History Month with a comprehensive campaign, initiated by our EDI Taskforce, which included educational activities, panel discussions, and community engagement
- Pod Point's environmental strategy and sustainability priorities
- Our Board members engaged with employees in discussions about the purpose and functioning of the Board, its responsibilities, and executive remuneration

### Outcomes of engagement

- As a direct response to our employees' feedback, we reinstated monthly town hall meetings from January 2023 to foster open communication and transparency between senior management and all employees
- As requested by employees, we introduced our new intranet platform to provide access to up-to-date and relevant information, empowering employees to stay informed and engaged
- Recognising the diverse needs of our workforce, we introduced a comprehensive family-friendly leave policy covering adoption, fostering, and surrogacy in addition to maternity and paternity leave, demonstrating our commitment to supporting all aspects of family life
- In response to valuable feedback from our people, we have taken significant steps to enhance our performance management processes. We have implemented measures to improve tracking and actions related to performance issues, and are in the process of introducing a new sickness policy to better support our employees
- We actively encouraged our employees to disclose diversity data, a crucial step in our journey to monitor our diversity and inclusion statistics. This data enables us to assess our performance in this vital area and implement targeted initiatives to enhance diversity and inclusivity

## Society and environment

### Our approach

Our vision is to enable driving that doesn't cost the earth, by helping people switch from ICE cars to EVs and by looking at our own impact on the environment. We've already played an important role in developing the UK's EV charging infrastructure – and now we're poised to do even more.

### How we engaged

- We helped establish ChargeUK, the new trade association for the UK's EV charging industry, as a founder member
- We joined the Association of Decentralised Energy to support development of effective flexibility policies and markets to realise the huge potential value of flex
- Pod Point continued to work with various forums (including on-going membership of Energy UK) to support the industry in developing charging infrastructure within the UK
- Our CEO and Head of Policy and Public Affairs spoke at the Financial Times' Future of the Car Summit 2023 and Sustainability Live London 2023 respectively
- Following participation on the PAS1899 'Electric vehicles – Accessible charging – Specification' steering group, we directly engaged with BSI and other stakeholders to develop an upcoming workable related standard
- Increased presence in the media and on social media
- Through our ESG Committee and ESG Working Group, we tracked the progress of our sustainability initiatives to drive improvements in our environmental performance and the environmental performance of our supply chain

### What we discussed

- Upcoming government policies, in particular: the pushing out of the 2030 date for the ban on ICE vehicles; the Public Charge Point Regulations; the Rapid Charging Fund; the ZEV Mandate; and the Local Electric Vehicle Infrastructure regulations. Even where policies aren't directly impactful to Pod Point's core business, establishing the right policy framework for the delivery of EVs and EV infrastructure in the interests of drivers is imperative
- Ways to accelerate the rollout of public charging infrastructure – planning, grid connection and other barriers to reform that make charger deployment quicker. A ChargeUK paper has made this clear
- A proposal to modify the Renewable Transport Fuels Obligation to include electricity as a renewable fuel type, as it is in Austria, Belgium, France and the Netherlands. This mechanism would provide a revenue stream from oil companies to facilitate EV charging infrastructure rollout
- Ways to ensure charging infrastructure is suitably inclusive and accessible for all drivers, without impeding the rollout of chargepoints
- The best approach to making potential demand side response assets viable components of a flexible national energy infrastructure, including market structure and specification, and metering standards
- Ways to dispel publicly held myths about range anxiety and other barriers to adoption of EVs
- Product lifecycle assessment and improving the environmental performance of our products

### Outcomes of engagement

- ChargeUK has become a powerful advocacy group, with excellent links to government at all levels, from Number 10 to the Cabinet Office and HM Treasury, as well as the more conventional Department for Transport, Department for Energy Security and Net Zero and OZEV
- Pod Point's policy engagement, by leveraging industry links, has had positive material impact, particularly in shaping the Public Charge Point Regulations measures
- Pod Point has seen a positive response from event attendees and in social media, and its outbound speaking and promotional activity
- The ESG Committee reviewed and approved Pod Point's Environmental Strategy – Enable, Encourage, Eliminate
- The ESG Committee monitored completion of the 2023 core environmental sustainability activities and approved the core activities for 2024

## Shareholders

### Our approach

We aim to deliver shareholder value over the long term and engage regularly with our shareholders. This not only ensures that investors understand our strategy, objectives and progress, but also enables our Board to access the wealth of experience and expertise that our major shareholders can provide.

### How we engaged

- We held our virtual AGM in June 2023
- Investor roadshows were held following our preliminary and interim results announcements
- At our first Capital Markets Day held in person in November 2023
- At scheduled and ad hoc meetings with current and potential investors providing information on our Company and responding to important events
- We engaged in dialogue with our major shareholders on a number of different subject matters
- We solicited input from a number of our larger shareholders on our sustainability materiality assessment

### What we discussed

- Our financial results and performance, providing opportunities for our shareholders to ask questions to better understand our business
- Our change of CEO and appointment of Andy Palmer as an interim CEO whilst recruitment took place
- Updated market guidance for the 2023 financial year
- Our new Powering Up strategy and the milestones we aim to achieve
- New commercial opportunities in European markets and financial support from EDF
- Executive remuneration
- Sustainability and the relative importance of various ESG matters to them
- AGM resolutions

### Outcomes of engagement

- The Board approved our new strategy to accelerate and focus business performance
- Executive incentivisation to drive our growth strategy has been approved by the Remuneration Committee
- The purchase of own shares resolution has been removed to protect against an increase in the controlling shareholder's voting rights
- Based on the results of the materiality assessment, material issues identified by shareholders have been included in our sustainability priorities
- Agreement of a £30 million credit facility with EDF

# Non-financial and sustainability information statement

This section of the Strategic Report constitutes the Company's Non-Financial and Sustainability Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006. The information listed is incorporated by cross-reference.

| Reporting Requirement | Where to find more information in this report | | Supporting policies and procedures |
|---|---|---|---|
| | **Section** | **Page(s)** | |
| Business model | Business model | 17 to 21 | – |
| Non-financial KPIs | KPIs | 33 | – |
| Principal risks | Risk management | 76 to 89 | – |
| Environmental matters | Environment (ESG) | 37 to 57 | Our Environmental Policy can be found at pod-point.com/legal/policies |
| Climate disclosures | Environment (ESG) | 37 to 43 | |
| | TCFD statement | 45 to 57 | |
| Human rights | Governance (ESG) | 67 | Our Modern Slavery Statement can be found at pod-point.com/legal/modern-slavery-statement |
| Employees | Investing in talented people (ESG) | 58 to 63 | – |
| Social matters | Social (ESG) | 64 | – |
| Anti-bribery and corruption | Governance (ESG) | 65 | Our Anti-bribery and Corruption Policy can be found at pod-point.com/legal/policies |

The Strategic Report was approved by the Board on 17th April 2024.

By order of the Board

**Anita Guernari**
Company Secretary

# Risk management

## Effective risk management is essential to the achievement of our strategic objectives and driving sustainable business growth.

We aim to maintain an appropriate balance between protecting the Company against specific risks and encouraging the appropriate and monitored risk-taking and innovation that allows us to take advantage of business opportunities.

Our approach to risk management has always been an integral part of our overall governance and management approach, and is centred around identification, assessment, monitoring and management of risk.

In 2023, we undertook a full evaluation of our risk management process. By considering feedback from our Board and Senior Management Team, we have implemented a number of changes that we believe will improve the effectiveness of our process. We have referred to some of these changes in this section.

Risk management continued

## Responsibility for risk

With respect to risk, we believe the role played by our operational teams and management is just as important as the role played by the Senior Management Team, the Audit & Risk Committee, and the Board. While the Board has overall responsibility for the assessment and management of risk, it is our open culture of ownership and responsibility for the governance of risk that sets the tone across the business.

## Risk identification

Our approach to risk combines a top-down strategic view that meshes with a bottom-up reporting and escalation culture. It is critical to empower our people to speak up and to provide the right conditions for risk identification, discussion and escalation.

The strategic view involves assessing our external environment in order to evaluate the risks to which we are comfortable being exposed, as we pursue our performance objectives – this is our risk appetite.

The bottom-up reporting culture allows for the identification, management and monitoring of risks in each area of the business, thus ensuring that risk management is embedded in our everyday operations.

Our Senior Management Team critically assesses all risks identified as part of the process, challenging our collective thinking to ensure that all risks have been considered and no 'blind spots' remain. Together we work to ensure identified risks are accurately and appropriately described in our risk register before we start a process of risk scoring and tracking of risk mitigating action for each risk.

## Risk measurement and tracking

We developed our risk register so that the key risks we identify can be scored, with actions taken to mitigate and control them tracked and monitored. Our risk register has been continuously developed since it was first established during the IPO process. As part of our review process in 2023, a new and improved risk register tool has been introduced, building on the feedback received during the process. The risk register is owned and developed by the Senior Management Team.

The risk register sets out the key strategic and climate-related risks identified by the Senior Management Team plus those risks identified in each of our business segments and functions. The risk register assigns an owner to each risk, together with an assessment of the impact and likelihood of occurrence. It scores the risk in two ways: on an inherent unmitigated basis; and on a mitigated basis having taken account of internal controls and appropriate steps being taken to minimise impact or reduce the likelihood of occurrence. The register also keeps a record of actions to be undertaken in the future to further mitigate the impact of the risk. We track ownership and completion of agreed mitigation actions, reporting on progress from one review cycle to the next and ensuring that mitigating actions are embedded in action plans in the relevant functions.

The risk register helps to identify the actions required going forward to:

- ensure greater consistency of controls across the business
- consider the need for additional controls or a change to current systems and processes
- protect the business from unexpected events and to develop resilience to minimise their impact
- minimise the risk of contagion between risks (i.e. where one risk triggers another have a cumulative effect on the Company)
- improve the efficiency and effectiveness of financial and operational systems and processes
- track our Principal Risks and Uncertainties and to assess whether they are intensifying or abating

We have developed a scoring methodology to track the changing risk profile of our Principal Risks and Uncertainties. Five 'indicator risks' from our risk register have been assigned to each of our Principal Risks and Uncertainties. The indicator risks have been identified by our Senior Management Team and selected because they are most closely related to (and contribute towards) the relevant Principal Risks. As part of our risk review process, we aggregate the risk scorings for the indicator risks assigned to each Principal Risk – giving us an overall risk score for each Principal Risk. Tracking this data from one review cycle to the next is valuable. It highlights trends and indicates whether our Principal Risks are intensifying or abating, and provides us with insights into the effectiveness of the actions we are taking. This information helps our Senior Management Team and Board monitor the evolution of our Principal Risks and Uncertainties and to act where necessary. Our Senior Management Team can also replace the indicator risks at any time if they become less relevant compared to others, including by any new risks added to the register from time to time.

## Risk management and monitoring

Performance monitoring of risk management activity must ensure that the treatment of risks remains effective and that the benefits of implementing risk control measures outweigh the costs of doing so. Performance monitoring is a continual review not only of the whole process, but also of individual risks or projects and of the benefits gained from implementing control measures. For the year ended 31st December 2023, the Board considered that our risk management processes remained effective.

**Our process for managing risk is:**

**(i) Identify realistic risks**

This involves looking externally at the market, and internally at financial and business operations, to establish the events and trends that could impact us. This is an ongoing activity as part of daily engagement between management and teams across the business. As part of our biannual review, our Senior Management Team dedicates time to reviewing and updating our assessment of existing risks tracked on our risk register and our Principal Risks and Uncertainties, as well as horizon scanning for emerging risks that may impact us in the future.

**(ii) Analyse their potential impact and likelihood**

For all risks identified, we assess the likelihood of their occurrence and the potential consequence or impact of that occurrence on both an inherent (unmitigated) and a mitigated basis, after having accounted for appropriate steps being taken to control, monitor and minimise their impact.

## Risk management continued

In dedicated deep-dive workshops, our Senior Management Team also considers risk contagion and risk combinations, assessing the cumulative impact on the business of one risk occurring and triggering the occurrence of another; or more than one material risk occurring at the same time.

**(iii) Score risks to prioritise their management**
The likelihood and impact of each risk on business performance is calculated in order to score each risk and enable prioritisation of resources towards actions recorded on the risk register. We also use these scores to calculate our overall scoring for each of our Principal Risks and uncertainties as described above.

**(iv) Address risks to minimise their impact**
Once scored, we establish which risks are considered acceptable and which need to be further addressed. For acceptable risks, appropriate mitigation steps are assigned for implementation and tracking. For unacceptable risks, strategies are developed to avoid them to the extent possible and plans made so that the business is ready to deal with them and minimise their impact should they occur. The outcome of this step is a prioritised list of risks and actions which the business can act upon and allocate resources towards. We track completion of mitigation actions on a quarterly basis with a deep dive every six months as part of the review cycle.

**(v) Continually monitor the situation**
We continually check for risks occurring, new risks emerging and changes in the assessment of existing risks in order that these can be reviewed and dealt with competently. The risk register is reviewed on an ongoing basis by the Senior Management Team, with a formal biannual review by the Board, with the Audit & Risk Committee conducting an in-depth annual review.

Our risk management framework and internal control environment can be seen in the following diagram.

**Our risk management framework and internal control environment**

### Board

Overall responsibility for the Group's strategy and risk management

Determines risk appetite in line with Group strategy and approves the Group's risk management framework

Approves the annual budget and three-year plan

### ESG Committee

Monitors and reviews material safety, health, environment and other sustainable development risks, including climate-related risks and opportunities

### Audit & Risk Committee

Reviews and monitors the adequacy and effectiveness of the Group's internal control and risk management processes

Ongoing review of the principal risks through the course of the year

Approves the annual internal audit plan

Ensures additional lines of assurance over risk management in the form of independent assurance and internal and external audit

### Senior Management Team

Formulates risk management policies in terms of the approved risk management framework to ensure risks are managed within accepted tolerance levels

Assesses and monitors risks on an ongoing basis

### Sustainability Team

Works closely with the Senior Management Team with respect to identification of climate-related risks and the implementation and oversight of strategies for management and mitigation of climate-related risks across the business

### Group functions

Responsible for identification of existing and emerging risks in relation to their functional area. Responsible and accountable for implementation of strategies to manage and mitigate business risks in the relevant functional area

## Changes to principal risks

In 2023, our Principal Risks and Uncertainties evolved as a result of changing macroeconomic and supply chain conditions. We also identified new Principal Risks and Uncertainties facing the business as a result of key strategic decisions taken in 2023 and the launch of our Powering Up transformation plan. See page 22 for more details.

- **High lead times for specific commodities or loss of a major supplier could have a material adverse effect on supply to Pod Point impacting our ability to produce volume quantities of our chargepoints:** As reported in our 2022 report, our transition to Celestica Inc, a global leader in manufacturing and supply chain solutions, has been successful, providing greater production resilience and quality and, by working closely with our product design and procurement teams, they have helped us to unlock bill of materials cost savings in the region of 7.5-10.5% during 2023. As a result, we have become more reliant on Celestica as our primary manufacturer. Celestica produces in excess of 80% of our chargers sold. There is a risk in having a high dependency on one manufacturer; however, Celestica is recognised as a global tier one electronics manufacturing services (EMS) company with a market capitalisation of more than US$ 5 billion, giving it a robust credit standing. As with any manufacturing business, supply chain disruption leading to high lead times on critical componentry could impact production volumes. As additional mitigation measures, our Supply Chain team is building relationships with alternative EMS providers and working with our Product team to diversify componentry sourcing. We have also reviewed our business continuity planning, to ensure we are prepared in the event of any disruption to production on Celestica's side. We have elaborated on this risk in more detail on page 83.
- **Delays to product development:** Previously this Principal Risk and Uncertainty had been characterised by delay caused by challenges faced as a result of global macroeconomic conditions affecting our supply chain during 2021 and 2022 following the Covid pandemic. Whilst global supply chain conditions affecting Pod Point have improved, the risk of product development delay and the failure to innovate at pace to stay ahead of competition and to meet evolving customer requirements, remains a critical consideration for the Company, impacting our ability to capture greater market share in the domestic and commercial segments as part of the transformation plan. Our Product and Customer Insights teams have implemented a number of mitigations to reduce this risk as described on page 82.
- **Successful execution of our international expansion plans and our cost-out transformation are both imperatives for the Company**: Delivering them simultaneously creates additional challenges and risk. As part of detailed planning ahead of the announcement of our strategic Powering Up transformation plan, we recognised the complexities of undertaking our international expansion plans at the same time as driving cost optimisation within the Company. We have applied strong project management expertise and resources against both projects and are seeking to mitigate the risk of delay by pursuing a 'capital-lite' approach to international expansion, together with leveraging our relationships with EDF in France, Belgium and Italy. We have described this new Principal Risk together with the various mitigations that we have taken in more detail on page 88.
- **Value from energy flexibility services could be impacted by regulatory developments or unexpected changes in customer demand or behaviour:** During 2023, our extensive market research supported by a leading international strategy consultancy, indicated that there could be significant value to be realised from the provision of flexibility services, as described in more detail on page 15. We are pleased to say that early results from Energy Flex, as illustrated on page 24, reinforce our confidence in the future opportunity in this space. However, as with all innovation in nascent markets, evolving regulation and the inherent unpredictability of customer behaviour presents a risk that Pod Point does not achieve the full anticipated value or scale from providing flexibility services that our research and planning indicates. We are moving fast and our current customer participation results are strong. To date, grid flex revenue is beating expectations, reinforcing the business case and, currently, making us a UK market leader. The confirmed introduction of a modification to the Balancing and Settlement Code in November 2024 will enable charging point operators (that register as a 'virtual lead party' or work with one) to participate directly in wholesale energy markets through selling flexibility in the assets they manage, without needing to become a licensed electricity supplier. This suggests that policy makers are moving towards (rather than against) a more favourable regulatory landscape for charging point operators to participate in the flexibility services value chain as a trusted partner to consumers. We have described this risk in more detail below on page 89.
- **Deterioration of economic conditions in the UK, the UK's economic relationship with the EU and the possibility of a future health pandemic:** In our 2021 and 2022 Annual Reports, this Principal Risk was included and characterised in the aftermath of Brexit and the Covid pandemic while many UK companies were feeling the adverse impact of both events. Whilst most companies operating in the UK will be impacted by deteriorating economic conditions in the UK, we feel that with the passage of time post-Brexit and Covid, this risk is no longer sufficiently relevant nor particular to Pod Point that it justifies inclusion as one of our Principal Risks and Uncertainties. As such, it has been removed.

## Climate-related risks

We exist so that driving doesn't cost the earth. Climate change and the implications of climate-related risks are key issues that are central to our business. We have integrated climate-related risk assessment into our broader risk management processes, enabling a deeper, structured analysis of climate-related risks that is consistent and proportionate to all risks affecting the Company. In doing so, climate-related risks are subject to the same governance, review process and management attention as other risks recorded on our risk register. We identify, score and prioritise climate-related risks in the same way as we do for all other risks, by considering the impact and likelihood of their occurrence. As the timeframes for occurrence of climate-related risks can be longer than for other risks, we have factored this into our assessment by looking at their short, medium and long-term impact, and prioritising accordingly. We also consider the mitigating actions we can take in respect of each of these risks in the same way as described above.

In 2023, we held a Climate-Related Risk Workshop as part of our broader review of our risk management process. As part of this workshop, we identified five key climate-related risks that may affect the business and/or may contribute towards some of our principal risks and these are summarised in more detail on page 52. Whilst climate-related risks are not currently recognised as posing a principal risk to the Company, given the significance of climate change to our mission, the Board and the Senior Management Team continue to review the potential impact of climate change on the Group and its stakeholders.

This review takes place both internally, on such matters as our strategy, products and services and operational measures, and also externally, for example on matters including customer behaviour, market/industry developments and regulatory change.

On page 46, we have included our report in line with recommendations from the TCFD, against the four TCFD pillars of governance, strategy, risk management and metrics and targets. Our analysis as part of our risk management process has been at the centre of the identification of our priority climate-related risks and opportunities set out in our TCFD section.

## Risk appetite and tolerances

We recognise the need for informed risk-taking in order to deliver sustainable and profitable business growth. As part of review of the risk management process in 2023, we have developed a new risk classification system that reflects our risk appetite as a business. Each risk on the risk register will be classified by our Senior Management Team into one of the following categories:

| Risk classification | Risk assessment | Risk tolerance |
|---|---|---|
| Accept | Risk is at an acceptable level to be managed operationally | No specific actions required. Risk is recorded on the risk register but not specifically reported to Audit & Risk Committee and Board |
| Monitor | Risk must be monitored by business at its current level | Requirements for appropriate tracking and reporting on risk to be agreed and recorded in risk register |
| Mitigate | Risk is at an unacceptable level and must be mitigated | Mitigation actions must be taken to reduce risk over an agreed and appropriate timeframe<br><br>Regular monitoring and reporting of agreed KPIs to track risk mitigation with specific actions to be taken if improvements are not being achieved |
| Avoid | Risk is at an unacceptable level and must be avoided | Urgent intervening action must be taken to remove/materially reduce risk in the short term<br><br>Mitigation actions must be SMART with ownership and timeline for delivery of mitigation actions agreed with and reported to the Audit & Risk Committee and Board |

The new risk appetite classification system will be rolled out into the risk management process during 2024.

The Board has carried out a robust assessment of the Company's emerging and principal risks. Below we set out the Board's view of the principal risks facing Pod Point, along with examples of how they might impact us and an explanation of how they are managed or mitigated. We also indicate the link to our strategic priorities and any change in risk scoring since our 2022 Annual Report. An explanation of how the Company manages financial risks is also provided in note 22 to the financial statements.

We recognise that Pod Point is exposed to risks wider than those listed; however, we have disclosed those that we believe are likely to have the greatest impact on our ability to deliver our strategic objectives.

**1. Our growth and success is highly correlated with, and thus dependent upon, the continuing adoption of and demand for EVs** 1 2 3 4 Increased

| Risk | Mitigation |
|---|---|
| The market for EVs is growing but still relatively new. It's continuously evolving and is characterised by changing technologies, price competition, additional competitors, evolving government regulation, policy and industry standards, frequent new vehicle announcements and changing consumer demand and behaviour. Although demand for EVs has grown in recent years in the UK, there is no guarantee of continuing future demand.<br><br>Slower sales of EVs may result in lower demand for charging equipment, thereby impacting Pod Point's sales. A slower than anticipated increase, or even a decrease, in the sales of EVs in the UK could have a material adverse effect on our business, financial condition, results of operations and prospects.<br><br>As reported in our Trading Update in November, the EV market remained challenging in the second half of 2023, with changes to government policy affecting consumer uncertainty and ongoing volatility in private new EV demand. This is a live risk that we are monitoring and the outlook for 2024 remains difficult to predict, albeit in the longer term, we expect the UK to return to strong growth in PiV registrations. | We continually monitor the EV market and discuss likely sales volumes and timings with automotive EV OEMs. Our install capability uses high levels of third-party sub-contractors to help us effectively manage variations in the pace of growth and keep costs down.<br><br>We monitor, and actively engage with, the development of government regulation and policy affecting demand for EVs in the UK. In doing so, we try to ensure that government departments such as the Department for Business & Trade, the Department for Energy Security and Net Zero and Department for Transport, and regulators (such as the CMA) have real and current data on which to base their decisions, plus it gives us insights into future regulatory and policy changes so that we may adjust our strategy accordingly.<br><br>We monitor and assess usage of the charging infrastructure across both our owned asset charging network and the network we manage on behalf of our customers. Usage patterns then inform our investment decisions and the information we provide to customers when we are advising them on charging solutions.<br><br>Our Powering Up transformation plan refocuses the business on our core strengths and driving value from adjacent markets such as grid load management and Energy Flex to access high margin revenues. At the same time, international expansion into carefully chosen EU markets will also mitigate our exposure to the UK's EV market risk. Together with our cost-optimisation plan, we are mitigating and building resilience as the UK market returns to growth in the future. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

# Risk management continued

## 2. Competition in the industry and market segment in which we operate may materially adversely affect our market share, margins and overall profitability

1 2 3 4 Stable

| Risk | Mitigation |
|---|---|
| Our industry and market segment are highly competitive, and we face significant competition from large international organisations as well as smaller start-ups. Competition is based on several key criteria including price, product technology and performance, delivery times, flexibility, design and innovation, brand recognition, customer access and sales power as well as the scope and quality of services. In addition to existing EV charging infrastructure competitors, our current automotive OEM partners may decide to develop or acquire certain capabilities in-house, reducing demand for our products, systems and services.<br><br>In particular, there is a risk that automotive OEMs develop their own branded charging equipment. This could particularly affect the Group, as the use of a branded system means EVs would be sold with their own branded chargers for home use, leading to reduced demand for our home charging solutions.<br><br>Automotive OEMs could also use their size and market position to influence the market. These developments could limit our addressable market and our ability to gain new customers and therefore could negatively impact our business, financial condition, results of operations and prospects. | We continually monitor the competitive landscape including pricing, technological innovation and product developments. In 2024, we will continue to invest in our product technology and customer proposition, including with the development of Energy Flex services as described on page 24, to ensure we stay at the cutting edge of the market.<br><br>In addition, to retain our ability to respond in a competitive market, we have focused on building supply chain resilience and developing our products to innovate our features in line with customer requirements, competitor products and to create component flexibility and reduce costs.<br><br>We cultivate our relationships with key customers and partners, such as car OEMs and retail energy suppliers, that offer incremental value to Pod Point, to ensure we have the best insights into market developments and through which we can access market segments cost effectively to build market share. Our deep experience in the sector and our range and depth of contacts – including longstanding commercial relationships with the automotive OEMs, housebuilders and energy suppliers such as EDF – should allow competitive risks to be identified, assessed and mitigated quickly and effectively through our strong product and Customer Sales and Marketing teams. |

## 3. Product development delays and a failure to innovate

1 2 3 4 Stable

| Risk | Mitigation |
|---|---|
| As the EV charging market becomes increasingly competitive and we focus our strategy on a narrower scope of products and services, including driving value from nascent technologies supporting grid load management and Energy Flex, we must plan ahead, innovate swiftly and ensure timely execution of product and services developments to grow our market share, respond to competitor disruption and to understand and satisfy our customers unmet needs.<br><br>Our focus on profitable activities such as Energy Flex requires us to better understand the dynamics of energy trading markets and to ensure that we develop effective technologies and a services proposition to maximise the value opportunity for the Company as well as for our customers and partners.<br><br>A failure to innovate and develop our products and services to meet evolving regulations and industry requirements in areas such as cyber security, data privacy and sustainability could affect our competitive position, brand and reputation, which in turn could impact profitable and sustainable growth. | In 2023, we continued to build capability and optimise the structure of the product development function. In particular, we have focused on our product design and architecture squads who work closely with our Customer Insights and Grid teams to identify technologies and solutions that can be developed into new products and services to meet our customers' needs.<br><br>Our Product and Customer Insights team continue to monitor external market trends, working with our Policy and Regulatory Focus Group, to collect customer insights and to develop product strategies.<br><br>In 2023, we introduced an enhanced product governance framework to reinforce the careful management of Company investment and resources towards product development that underpin the execution of our strategic objectives. This governance framework also ensures that regulatory, risk and sustainability considerations are built into the product development processes. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

# Risk management continued

**4. High lead times for specific commodities or loss of a major supplier could have a material adverse effect on supply to Pod Point impacting our ability to produce volume quantities of our chargepoints**

1 2 3 5 Increased

| Risk | Mitigation |
|---|---|
| Loss of or production disruption at a major supplier, such as Celestica Inc, could have a material impact on our ability to supply chargepoints for a period of time whilst new suppliers are onboarded.<br><br>Reliance on a limited pool of component suppliers means that production disruption, if not managed correctly, could have an adverse impact on production volume, revenue and profitability, brand and customer satisfaction.<br><br>Macroeconomic supply chain volatility means the unexpected increases in componentry costs can directly increase our cost of materials impacting gross margin and the Group's business, financial condition, results of operations and prospects. | Celestica Inc are our primary manufacturer producing in excess of 80% of our chargers sold. Whilst there is risk in having a high dependency on one manufacturer, Celestica is a global leader in manufacturing and supply chain solutions. It is a tier one electronics manufacturing services company with a market capitalisation of more than US$ 5 billion, giving it a robust credit standing.<br><br>Our Chief Supply Chain Officer works closely with all key suppliers to ensure that they are meeting consistent standards expected under our Supplier Code of Conduct. We have a robust onboarding process, which reviews all aspects of suppliers together with an assessment of risk for each supplier.<br><br>We carry out quarterly reviews with our key suppliers to ensure that the relationship remains strong and healthy to maintain a close working partnership, whilst also giving us good visibility over any future potential issues. We have developed our business continuity planning with Celestica in particular, to ensure we are prepared in the event of any disruption to production.<br><br>There is an audit schedule for our key suppliers to ensure that control and adherence to policy, procedure and standards is visible and followed.<br><br>We keep stock levels of finished products to cope with any unexpected upsides or disruptions in supply to minimise any delay in supplying products. We carefully optimise our stock levels in collaboration with our Finance team.<br><br>Our manufacturing partners have capability and readiness to scale in line with our demand profiles.<br><br>We are continually working with our engineering teams to ensure parts are multi-sourced wherever possible. Where it is not possible to multi-source, we have engaged with alternate suppliers to understand their capabilities and to take preparatory steps, where possible, to allow us to pivot as quickly as possible in the case of major production issues.<br><br>This will be an ongoing focus for both Supply Chain and Hardware teams in 2024. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

## Risk management continued

### 5. Government and regulatory initiatives, the outcomes of which are unknown, could materially impact our business

1 2 3 4 5 Increased

| Risk | Mitigation |
|---|---|
| As the market for EVs, EV-related products and associated services, is relatively new and growing quickly, it is the focus of various ongoing government and regulatory initiatives and enquiries, the outcomes of which are unknown and could impact our ability to pursue our intended strategies, customer behaviours and/or limit the full extent of the value that we have forecasted.<br><br>Further, if we are unable to comply with any laws or regulations that are introduced, we could be blocked from execution and/or, if not managed properly, be subject to significant liabilities, which could adversely affect our business, brand, financial condition, results of operations and prospects.<br><br>For example, withdrawal of policy supporting the EV industry, such as the postponement of the 2030 deadline for the end of ICE and hybrid sales (until 2035) might decelerate EV growth in the short/near term, but the ultimate size of the market remains. | We continue to maintain good relationships with the various government departments that potentially impact our business. We actively engage with government and regulatory consultations, which provide valuable insights into policy direction that we feed into our strategy.<br><br>We also seek to engage with policy-makers and the wider industry via the leading trade association ChargeUK. We were one of the founding members of ChargeUK and our CEO, Andy Palmer, sits on the All Member Council and our Head of External Affairs is an elected officer and sits on the Board.<br><br>We have set up a Policy and Regulatory Focus Group, bringing together key stakeholders from across the business, to ensure that we retain our focus on future new or changing policy or regulations, in all countries in which we operate, that may create opportunities or risk for the Company. This group advises the Senior Management Team to ensure that our commercial strategy and technology investment plans account for and adhere to government plans as they are communicated.<br><br>At the same time, international expansion into carefully chosen EU markets will also mitigate our exposure to policy risk in the UK. Governments across Europe are promoting the transition to EV in their countries through the application of domestic and EU-supported grants and subsidies. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

**6. We are exposed to health and safety risks related to our products and the installation, maintenance and operation of electrical equipment and systems** 1 2 3 5 Stable

| Risk | Mitigation |
|---|---|
| All chargepoints conduct electricity and as such carry an inherent potential electrical hazard risk. Our chargepoint operations involve the installation, maintenance and operation of electrical equipment and systems, which could expose our customers, employees, partners, installers and the public to a number of hazards, including electrical lines and equipment, mechanical failures, transportation accidents and adverse weather conditions. These hazards can cause personal injuries and loss of life, damage or destruction of property and equipment, and other related damage, liability or loss. | Our Head of Health and Safety is responsible for providing advice on all related matters and to ensure our standards and methods for internal reporting and management of health and safety risks are appropriate. We are investing in general health and safety training across operations to support and drive health and safety competence across the business.<br><br>We ensure our domestic and commercial chargepoints are designed and manufactured to meet all appropriate industry standards and regulations. We strive to make them safe for use by customers, and safe for installation and maintenance by trained and competent engineers. Our chargepoints are also installed with upstream electrical isolation protection as well as practical safeguards such as guardrails, lighting, signage and bay markings to minimise the electrical hazard. We also perform regular checks on our installers with respect to installation standards and practice, and availability and usage of the appropriate tools, equipment and PPE during installation, maintenance, surveying and other activities. All of our commercial installations receive quality assurance and health and safety checking and assessment prior to handover and acceptance.<br><br>For our installations, we check for compliance with the Electricity at Work Regulations and the IET Wiring Regulations. Our work standards are overseen by the National Inspection Council for Electrical Installation Contracting along with internal quality assurance. We also hold SafeContractor, Avetta, ConstructionLine and SMAS accreditation for Safe Systems in Procurement.<br><br>We encourage a culture of continual improvement, with reporting of accidents, injuries, near misses, installation issues and concerns raised and handled in an open and supportive manner. We encourage all of our employees to engage with this continuous improvement culture.<br><br>We maintain rigorous health and safety training standards, frequently update employee training in this area and conduct thorough risk assessments before undertaking large installation mandates.<br><br>All training and health and safety assessments apply equally to our in-house installers and to third-party sub-contractors we use. We apply stringent pre-qualification assessments for sub-contractors, prioritising health and safety alongside technical competence. Sub-contractor installations and certifications are also sampled and inspected for health and safety and quality assurance. Our installers are required to supply HSE RIDDOR and LTI reports to us in relation to any incident. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

**7. Our technology could have undetected defects, errors or bugs in hardware or software** 1 2 3 4 — Stable

| Risk | Mitigation |
|---|---|
| Our software and hardware may in future contain undetected defects or errors. We are continuing to evolve the features and functionality of our software platform and chargepoint hardware through updates and enhancements. It is possible that this process may introduce defects or errors that may not be detected until after deployment to customers and installation of chargepoints. In addition, if updates or patches are not implemented, or our products and services are not used correctly or as intended, inadequate performance or disruptions in service may result.<br><br>We may be subject to claims that chargepoints have malfunctioned and persons were injured or purported to be injured and/or property was damaged or purported to be damaged. Any insurance that we carry may not be sufficient, or may not provide cover in all situations. | We continue to invest in and improve the functionality and design of our chargepoints and the software and systems which support them.<br><br>The new software development structure moves us towards continuous integration and delivery, allowing us to verify and release software more quickly and reliably. Our firmware (device software) team is also integrated in this process and working more closely with our Network teams.<br><br>Our Hardware team works with a world-class manufacturing partner, who can assist with the validation and testing of our devices. We also engage with external test houses, such as the BSI to assist with compliance testing.<br><br>Furthermore, we have extended the number of tests we execute on our hardware release, which includes the introduction of sun exposure testing and cycle testing. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

Risk management continued

**8. Disruptions to our network and IT systems, including from malware, viruses, hacking, phishing attacks and spamming** 1 2 4 Increased

| Risk | Mitigation |
|---|---|
| As technology is central to our business, it is critical that we safeguard our data and information, ensuring security and privacy, and reducing risk of human error. Our trusted brand relies upon customer confidence in our IT systems and the security measures we have in place to protect their data from being compromised.<br><br>We depend on our IT systems to, among other things, operate and manage our chargepoints, exchange information with our commercial partners and customers, and to maintain financial records and accuracy. IT systems failures, including risks associated with upgrading systems, network disruptions or a cyber attack could disrupt operations or lead to fraud by compromising our cyber security and the protection of customer or Group information and financial reporting and impeding processing of transactions, leading to potential liability and increased costs. Computer malware, viruses, physical break-ins, a cyber attack or similar disruptions could lead to fraudulent activity, regulatory sanctions, claims and other liabilities, and interruption and delays to our services and operations as well as loss, misuse or theft of data.<br><br>3G and 4G network outages could adversely affect our network communication capabilities, as well as user interaction with our mobile application and chargepoints. If our mobile application is unavailable when customers attempt to access it, or it does not load as quickly as they expect, customers may seek other services, which could have a material adverse effect on our business, financial condition, results of operations and prospects.<br><br>In addition, our IT systems, including back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods and/or errors by our employees.<br><br>Furthermore, we collect personal information in relation to our customers, employees and other data as part of our business operations. Therefore, we are exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws.<br><br>Lastly, regulatory and statutory requirements in this space are becoming more stringent, and failure to meet these obligations, such as those enshrined in data privacy and protection laws, could result in enforcement action, fines, and reputational and financial damage in the form of lost contracts and business relationships. | Our Chief Technical Officer has commissioned a deep review of our IT security posture and is building an experienced team responsible for risk and vulnerability assessment, and ensuring that appropriate systems, processes and software are deployed to reduce risk wherever possible.<br><br>Our Data Privacy Officer is also responsible for the maintenance of a robust programme of compliance with UK data privacy legislation (such as UK GDPR) in respect of our current business operations and is advising the business with respect to our plans to grow internationally and with flexibility services.<br><br>We apply market standards in relation to encryption, virus protection and data security. In 2023, we implemented enhanced authentication platforms and application firewalls in front of all public-facing services. We have also implemented Microsoft single sign-on and multi-factor authentication across platforms. We also have processes and policies in place to react and respond to significant incidents and disruptions to business continuity.<br><br>In addition, we use third-party firms to test the robustness of our systems and processes.<br><br>We have improved communication technology in our chargepoints to reduce the impact of weak and or intermittent network coverage.<br><br>Furthermore, we are continuing to invest in the security infrastructure protecting our operating and backup systems as we continue to grow as an organisation. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

## Risk management continued

**9. Our success depends on our ability to hire and retain management, key employees and other qualified and skilled employees and we may not be able to attract and retain such personnel**

1 2 3 4 5 Increased

| Risk | Mitigation |
|---|---|
| The ability to hire and retain suitably skilled, capable, driven employees aligned to our vision, mission, purpose and values, is key to our success. Currently, in a time of change, the risk of increased attrition and damage to our employer brand is increased.<br><br>Our future performance depends to a significant degree on the continued service of senior managers and other key personnel, including employees involved in research and development, sales and marketing, as well as employees with critical know-how and expertise. The loss of the services of one or more senior managers or other key personnel could have a material adverse effect on our business, financial condition, results of operations and prospects. | We have put in place competitive remuneration packages for all employees, which aim to encourage strong performance and the retention of key staff. These packages are in line with listed company norms.<br><br>We are putting in place a new structure and subsequently identifying the existing incumbents, new roles and capabilities required in order to put relevant recruitment and/or retention plans in place.<br><br>We are investing in a new office in order to bring people together to create cohesion, collaboration and a feeling of 'on the bus' togetherness. We move to our new offices in early 2024. We undertake regular staff surveys, which cover employee satisfaction levels, culture and benefits, as well as diversity and inclusion. Other engagement activities are outlined on pages 58 to 63 and 72.<br><br>We undertake detailed exit interviews to gather honest feedback on issues faced by employees and areas we can do better.<br><br>Regular all-hands team meetings are held with the CEO to ensure all staff know our strategic direction and to gather valuable feedback. |

**10. Delay or disruption to execution of our international expansion and Energy Flex plans during a period of cost-optimisation and transformation**

3 4 5 New risk

| Risk | Mitigation |
|---|---|
| Delivery of our Powering Up transformation plan is a strategic imperative for the Company. It is built on three interconnected priorities: focusing on core strengths and leveraging them into selected international markets; driving customer lifetime value through new propositions such as Energy Flex; and successfully implementing a cost optimisation programme across the business.<br><br>Executing all of these priorities simultaneously, particularly in an environment of material cost reductions, raises the execution risk of the Powering Up transformation plan. If managed poorly, resource constraints, loss of key staff; and distraction, could lead to delay and disruption to the execution of the plan. | Execution of our Powering Up plan, and its various initiatives including international expansion and Energy Flex, is supported by three senior project managers applying a robust project governance framework that drives effective internal communications, prioritisation resolution, resource allocation and delivery.<br><br>With respect to international expansion, we are initially pursuing a 'capital-lite' approach to enable us to move quickly into selected markets to win immediately available trading opportunities. We also intend to work closely with EDF, leveraging their existing presence and resources, in certain selected countries to support the execution of our strategy.<br><br>We are working with global and local advisory teams (based in the target countries) to provide market insights, as well as legal, tax, financial and other regulatory support. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

Risk management continued

**11. Value from energy flexibility services could be impacted by regulatory developments or unexpected changes in customer demand or behaviour** — 4 New Risk

| Risk | Mitigation |
|---|---|
| The evolution of EV charging technology towards the provision of smart charging and scheduling services to customers and flexibility, and grid load management services to grid companies and energy retailers is relatively nascent. Charging point operators in the UK have only recently embarked on the commercialisation of these services for their customers and partners.<br><br>As with all new technology and markets, the uncertainty of regulatory developments and the inherent unpredictability of customer demand and behaviour, presents a risk that Pod Point is not able to achieve the full anticipated value or scale from providing flexibility services that our research and planning indicates. This is a particular risk given the proximity to and reliance upon the regulation of retail energy supply and grid-related services, plus the reliance on consumers to actively participate in any Energy Flex programme by plugging in their vehicle when planned. | During 2023, we carried out extensive market research supported by a leading international strategy consultancy, that indicated there could be significant value to be realised from the provision of flexibility services, as described in more detail on page 15.<br><br>Our research draws on the business case of flexibility services provided by commercial battery storage, in conjunction with our own market and customer insights into evolving customer charging needs and behaviours.<br><br>We are pleased to say that early results from our flex activities, as illustrated on page 24, reinforce our confidence in the future opportunity in this space. We are moving fast and our current customer participation results are strong. To date, grid flex revenue is beating expectations, reinforcing the business case and, currently, making us a UK market leader.<br><br>Our Policy and Regulatory Focus Group, as described above, brings together key stakeholders from a across the business that are critical to the success of Energy Flex at Pod Point. Our Grid team and Policy and Regulatory Focus Group liaise closely with relevant government offices and trade associations such as the Association of Decentralised Energy with whom we are members. We will continue to plan ahead for any potential regulatory or market changes that could impact this strategy.<br><br>The confirmed introduction of the modification to the Balancing and Settlement Code in November 2024 suggests that policy makers are moving towards (rather than against) a more favourable regulatory landscape for charging point operators to participate in the flexibility services value chain as a trusted partner to consumers. |

**Strategic impact key:**

1 UK Home 2 UK Workplace 3 International Home 4 Energy Flex and Recurring Revenue 5 Cost Efficiency

The Board has addressed the prospects and viability of Pod Point, in accordance with the UK Corporate Governance Code.

## Prospects

Pod Point is one of the UK's leading providers of EV chargepoints. We believe that driving, powered by renewable electricity, will protect our planet as well as being the most cost-effective form of car transportation. As a market leader, we will play a major role in making that a reality.

Following the strategic review in FY2023, as set out at page 11, our strategy is based on a fundamental review of our markets, key strengths and ability to win. This leads us to focus on our strategic priorities:

1) UK Home
2) UK Workplace
3) International Home
4) Energy Flex and Recurring Revenue
5) Cost Efficiency

We are managing an orderly exit from some segments, including fleet depot, public charging networks, destination charging and rapid charging.

This means we will focus our attention on where we see the greatest growth potential and the strongest financial returns. Home and Workplace represent around 70% of the market demand for chargepoints. These are the segments with longer vehicle dwell times and therefore create the greatest value in grid flexibility services. This will build a recurring revenue stream and a customer base of enduring lifetime value.

We remain confident that our strategy will allow us to maximise the opportunity presented to us by the ongoing growth in electric vehicles.

After taking into account our current position and the Principal Risks and Uncertainties as described on pages 76 to 89 of this Annual Report, the Directors have assessed Pod Point's prospects and viability.

## Assessment period and process

The business model and strategy as set out on pages 17 to 21 and 22 to 25 are central to an understanding of our prospects and viability.

For the purposes of the viability assessment, we have considered a period to 31st December 2026, the key initial period of the strategic plan execution, which takes us to positive EBITDA and cash breakeven. It represents an extract from the longer business plan, which forecasts the annual results of and resulting cash flow for the business to 31st December 2030 (the previous timeframe by which the transition to all new vehicles sold in the UK being PiVs was to be completed).

The prospects and viability of the business are dictated by:

i) The rate of increase in PiVs sold each year, and as a percentage of overall new vehicle sales, the rate at which those new vehicle sales translate into demand for chargepoint installations, and the business' ability to maintain the market share of its core Home and Workplace segments
ii) Success in selling into key European markets
iii) The scale of the Energy Flex management business
iv) Ability to operate cost effectively
v) The availability of medium-term financing to manage liquidity through the assessment period

We assess our prospects primarily through our annual planning process, led by the CEO with the CFO. Other relevant functions are also involved, including finance, sales, marketing, supply chain, technology and people.

The Board is fully involved in the annual planning process and is responsible for considering whether the plan takes appropriate account of the external environment, including technological, social, macroeconomic, climate change and regulatory changes, as well as the risks and uncertainties of the business.

The output of the annual review process includes the annual financial budget as well as an analysis of the risks which could prevent the plan being delivered. We've prepared financial projections, which include profit, cash flow and ratios for the period to 2026. The budget for 2024 forms the first year of the business plan and is considered and, if appropriate, updated on a monthly basis. Forecasts for subsequent years are updated based on our strategic business planning process and reflect results achieved in the first year. While we have plans that cover a significantly longer period, scenario planning demonstrates that the business has funding in place that supports a viability period of at least three years.

## Viability assessment

The Board has made its assessment of Pod Point's prospects with reference to current market conditions and known risk factors, including the possible continuing impacts of cost inflation, the wars in Ukraine and the Middle East, energy market volatility, climate-related risks and macroeconomic uncertainty.

The Board has considered financial performance in 2023 and the risk factors noted above.

In arriving at a downside scenario which is considered severe but plausible, the Board has considered the individual risk factors set out below. For FY2024, these factors are consistent with those applied in the going concern assessment set out above.

A scenario where all occur together is not considered remote, and therefore this single scenario represents the downside case applied.

- A 5% lower than forecast rate of growth in the adoption of EVs in the UK
- Market share of the Group lower than forecast by five percentage points in the UK, and three percentage points in Europe
- Inflationary pressure restricting the ability of the Group to apply unit price increases in later years
- A six-month delay in implementation of the Flex business
- A six-month delay in implementation of international expansion
- A 5% increase in product supplier costs affecting unit prices paid by the Group

# Viability statement continued

In the downside scenario, forecast revenues would be reduced by around 30% over the assessment period. As a mitigation to this outcome, the Board would address the cost base of the business to match this appropriately to volume. A reduction in overhead costs of around 20% has been applied to the downside scenario, which is assessed as the lower end of the cost reductions, which would be achievable if required.

Scenarios such as a data breach, cyber attack or product recall, have not been modelled in detail but the likelihood of an occurrence with a material impact is considered remote.

We have considered climate-related risks as part of our TCFD disclosure and have deemed the probability of impact of activity during the assessment period to be remote. Therefore, no financial impacts from these risks are included in the forecast. Since the Group's commitments to carbon emission reductions do not have a significant cost implication (as explained on page 53 of the strategic report), the impact of climate change has not had a significant effect on the forecasts considered.

The Board considers that existing cash resources will not be sufficient to manage liquidity throughout the assessment period. As set out on page 13, in November 2023, the Group entered into a five-year £30 million credit facility with its parent EDF Energy Customers Limited. This facility is expected to be used during the assessment period and is assessed as sufficient to provide a minimum of £10 million cash headroom throughout the assessment period, in both the base and sensitised scenarios. The Board has received assurances that EDF Energy Customers Limited would not seek repayment of the facility within the assessment period, if doing so would cause the Group liquidity issues.

## Conclusion

The Board has determined that, in view of the financing in place and mitigating actions available and within the Group's control, no combination of the risks outlined above would compromise the Company's viability.

Based on the Group's existing cash reserves, and available financing facilities, combined with cost reduction measures, the business would retain sufficient cash reserves to continue in operation for at least three years.

In the event of another risk scenario resulting in an adverse liquidity impact in excess of the downside case and other stresses it has considered, the Group would need to implement additional mitigation measures and would likely need to secure additional funding over and above that which is forecast at the date of this report.

The Strategic Report was approved by the Board on 17th April 2024.

By order of the Board

**Anita Guernari**
Company Secretary

# Governance



# Our strong governance framework supports the Group

## Chairman's introduction to governance

**Gareth Davis**
Chairman
of the Board

Dear Shareholder,

I am pleased to introduce our Corporate Governance Report, in which we describe our governance arrangements, the operation of the Board and its Committees, and how the Board discharged its responsibilities during the year.

This year has been another challenging year for Pod Point, as we discuss elsewhere in this Annual Report, resulting in investment of significant time by my Board colleagues, for which I am grateful. The Board took some critical decisions, including the appointment of Andy Palmer as interim CEO and approval of our new focused strategy, Powering Up, with the aim of transforming the business through a focus on our core strengths in the Home and Workplace markets. Our strong governance framework, which supports the Group's long-term strategic goals, is critical in enabling the Board to support the business and enhance the interests of all our stakeholders for the future. Recognising that there is no substitute for meeting people to understand the challenges they face, the aspirations they hold and the culture within which they operate, we increased the number of in-person Board meetings during the year and improved engagement with senior management, who now regularly attend Board meetings.

**Succession**
One of our priorities during the second half of 2023 was the appointment of a permanent CEO. The Nominations Committee oversaw the process for identifying and selecting the CEO, and we are delighted to have appointed Melanie Lane, with effect from 1st May 2024. The Board was assisted by head-hunters, who were requested to provide a pool of high-calibre candidates with a wide range of skills and experience, with particular regard to diversity. As a result of an extensive selection process, Melanie was considered the best candidate to take Pod Point through its strategic transformation and beyond.

In announcing Melanie's appointment, on 20th February 2024, we also announced that Andy Palmer would return to the Board as Chair Designate. He will become Chair at conclusion of the AGM on 5th June, at which point I will become an Independent Non-Executive Director. Karen Myers has also been appointed as Senior Independent Director on a permanent basis. I sincerely believe these changes will fully optimise the Board's composition as we move forward. Further information in respect of these changes is set out on pages 106 and 109.

**Strategy**
Recognising the strategic challenges the business faced, we engaged a number of external consultants to support the Executive Directors, and a newly created transformation team, in a period of intense work, during which every part of the business was evaluated, to determine a range of strategic options. A full-day strategy session was held in October, followed by a Board meeting the next day, at which the strategic options were discussed at length by the Board, enabling them to be narrowed down and further due diligence and financial modelling to take place. Two further Board meetings were held in November to enable further discussion and challenge, before approval of the Powering Up strategy prior to the Capital Markets Day. Details of our strategy and further information about the Board's work on strategy can be found on pages 22 and 102 respectively.

**Stakeholder engagement**
In light of the events during the year, it has been a period of increased stakeholder engagement activity. Following the appointment of Andy Palmer as interim CEO, I met with our major shareholder EDF and myself and Karen Myers, the Senior Independent Director, met with other shareholders wishing to discuss the matter. Following the publishing of our updated market guidance for 2023 and release of our half-year results, our Executive Directors met with shareholders to provide initial details of our transformation plan to improve operational and financial performance. We held our first Capital Markets Day on 16th November, which was well-attended, at which we presented our Powering Up strategy and held a Q&A session for those attending in person and online. Karen Myers, as Chair of the Remuneration Committee, met with some of our shareholders, to discuss our approach to Executive remuneration to incentivise management in the transformation of the business and achievement of our strategic goals.

It has been a year of significant change for our colleagues within Pod Point and Andy Palmer has led monthly all-hands meetings, and further ad hoc meetings to address important events, to ensure that our people are kept up to date with the direction of the business. Karen Myers, who is the Board member responsible for workforce engagement, has attended various meetings and conducted a site visit, to enable her to interact with a range of employees. Additionally, Karen and Norma Dove-Edwin held a session with employees to discuss the role of the Board.

We recognise that there will always be room to improve and we have taken steps to address the matters identified in our 2022 Board evaluation. We have also identified some further areas of opportunity to develop our Board processes through the 2023 evaluation, which will further strengthen the Board and its governance. Further details can be found on page 108.

I would like to conclude by acknowledging, with thanks, the hard work of my fellow Directors, the Senior Management Team and our Pod Point colleagues in meeting the challenges of 2023 and preparing the way for the Group to move forward in 2024.

**Gareth Davis**
Chairman

# Compliance with the UK Corporate Governance Code 2018

**Statement of compliance with the UK Corporate Governance Code**
We are subject to and report against the FRC's 2018 UK Corporate Governance Code (the 'Code'), a copy of which can be found at www.frc.org.uk. The Code is a guide to a number of key components of effective board practice and is based on the underlying principles of good governance and focus on the sustainable success of a company over the longer term. Throughout the year, and at the date of this report, the Company has complied with all provisions of the Code.

This Governance Report has been divided into sections that correspond with the five main sections of the Code. We have applied the Code's principles through our Board and governance structures, and information about our compliance with the Code's principles and provisions can be found in the following sections of this report with cross-references to other sections of the report and/or our website (www.investors.pod-point.com), where more detailed descriptions are available.

| Section | Pages |
|---|---|
| **1. Board leadership and purpose:** | |
| • Purpose and culture | 103 |
| • Shareholder engagement | 105 |
| • Workforce engagement and whistleblowing | 104 |
| • Engagement with key stakeholders | 69 to 74 |
| • Management of conflicts of interest | 104 |
| **2. Division of responsibilities:** | |
| • The role of the Board and committees | 100 |
| • The balance of the Board and division of responsibilities | 106 |
| • Director independence | 106 |
| • Time commitments of Non-Executive Directors | 111 |
| **3. Composition, succession and evaluation:** | |
| • **Nomination Committee Report** (including Board appointments, succession and Board diversity) | 109 to 111 |
| • Skills, experience and length of service | 95 to 97 |
| • Professional development and training | 107 |
| • Board evaluation | 107 |
| • Succession planning | 109 |
| • Diversity | 110 |

| Section | Pages |
|---|---|
| **4. Audit, risk and internal control:** | |
| • **Audit & Risk Committee Report** (including review of the internal audit function and external auditor and processes for overseeing financial and narrative reporting) | 112 to 116 |
| • Procedures for managing risk and internal controls (principal risks and uncertainties) | 115 |
| • Viability statement | 90 |
| • Risk management | 76 to 89 |
| • Going concern | 30 |
| **5. Remuneration (the Directors' Remuneration Report):** | |
| • Remuneration Policy | 128 |
| • Remuneration outcomes | 123 to 125 |
| • Wider workforce remuneration | 128 |
| • Executive and Non-Executive Director remuneration | 123 |

The following documents are also available on our investor website:

- Schedule of matters reserved to the Board
- Statement of responsibilities of the Chair, Chief Executive Officer and Senior Independent Director
- Terms of reference: Audit & Risk, Nomination, Remuneration and ESG Committees

Board leadership and purpose

## Our Board

**Gareth Davis**
Non-Executive Chair of the Board
N

Date of appointment

9th November 2021

Experience

Gareth began his career at Imperial Brands plc and served as Chief Executive from 1996 to 2010. He was a Non-Executive Director of DS Smith plc from 2010 to 2011, and served as Chair from 2012 to January 2021. Gareth also served on the boards of Ferguson plc (as Non-Executive Director from 2003 to 2004, Senior Independent Director from 2004 to 2011 and Chair from 2011 to 2019), William Hill plc (as Chair from 2010 to 2018), M&C Saatchi (as Deputy Chair from 2020 to 2021 and Chair from 2021 to 2023), and Gresham House Ltd (as Non-Executive Director from 2019 to 2023). Gareth has a Bachelor of Arts in Economics and Geography (Hons) from the University of Sheffield.

External appointments

None

**Dr Andy Palmer CMG**
Chief Executive Officer
A N R E

Date of appointment

9th November 2021

Experience

Andy has more than 44 years' experience in the automotive industry. He served as President and Group Chief Executive of Aston Martin Lagonda Global Holdings plc from 2014 to 2020 and Chief Operating Officer and Chief Planning Officer of Nissan Motor Corporation from 2013 to 2014 (where he also served in a variety of positions, 13 years in Japan after heading Nissan Engineering in Europe for ten years). From mid-2020 until the end of 2022, Andy served as Executive Vice Chair & CEO of Switch Mobility Ltd, and Chair of Optare plc. He currently serves as Non-Executive Chair to InoBat AS, Ionetic Ltd, Brill Power Ltd and Hilo Ltd.

Andy holds an Engineering Master of Science from the University of Warwick and a PhD in Engineering from Cranfield University. He is a Fellow of the Royal Academy of Engineering, a Fellow of the Institution of Mechanical Engineers and a Fellow of the Chartered Management Institute. Andy was honoured in 2014 with a Companion of the Most Distinguished Order of Saint Michael and Saint George for contribution to the British automotive industry.

External appointments

Andy is Chair of Inobat AS, Ionetic Ltd, HiLo EV Limited and Brill Power Limited, and Founder of Palmer Automotive Ltd., a consulting company to the automotive industry. Andy serves as an Honorary Group Captain in the RAF.

**David Wolffe**
Chief Financial Officer

Date of appointment

3rd January 2023

Experience

David was appointed to the Pod Point Board as Chief Financial Officer from January 2023. He has over 20 years' experience in board-level roles for both public and private businesses, including the Group CFO roles at Ted Baker plc and HMV Group plc. His experience includes raising £100m of new equity, refinancing with banking syndicates, and M&A execution. He has held senior financial executive positions at leading global consumer and technology businesses, including the roles of CFO at AOL Europe during the internet access revolution, and Finance Director of ITV Studios, the production arm of ITV plc. David has also been iterim CFO in a series of private equity backed high-growth technology businesses. His professional and educational background includes Fellowship of CIMA, the Chartered Institute of Management Accounting, an MBA from INSEAD, and an MEng Manufacturing Engineering, Cambridge University.

External appointments

None

> It's been a year of significant change.
>
> **Gareth Davis**
> Chair of the Board

- A Audit & Risk Committee
- E ESG Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

# Board leadership and purpose continued

## Our Board continued

**Karen Myers**
Senior Independent Non-Executive Director
A E N R

### Date of appointment

9th November 2021

### Experience

Karen is the Group HR and Corporate Communication Director for Mobico Plc (formerly known as National Express) since September 2021. Her remit includes corporate affairs and Karen has direct responsibility for the company's global sustainability policy. Karen has over 25 years experience in FTSE companies performing various senior HR and Corporate Communication roles. Prior to Mobico, Karen worked at William Hill plc from 2015 until 2021 as Chief HR Officer, taking on additional accountability for Corporate Affairs in 2019. Karen also served as Chair of the William Hill Foundation from 2015 to 2021 and has been a Non-Executive Director and Remuneration Committee Chair for KellyDeli Ltd since January 2020. Karen has a Master of Arts (Hons) in Modern History from the University of Dundee and is an associate of the Chartered Institute of Personnel and Development.

### External appointments

Group HR and Corporate Communication Director for Mobico Plc.

**Philippe Commaret**
Non-Executive Director

### Date of appointment

29th January 2020

### Experience

Philippe was appointed as a Non-Executive Director in January 2020. He has served as Managing Director, Customers at EDF Energy since December 2019 and has worked in various capacities at EDF since January 2000. Philippe graduated from CentraleSupélec, a French graduate engineering school.

### External appointments

Philippe is Managing Director, Customers at EDF Energy.

**Rob Guyler**
Non-Executive Director
N

### Date of appointment

11th February 2020

### Experience

Rob was appointed to the Board as a Non-Executive Director in February 2020. He currently serves as Chief Financial Officer, EDF Energy, a position he has held since 2015. Rob also served as Finance Director for EDF Energy Nuclear Generation Ltd from April 2009 to February 2015. He has a BSC Hons in Business Studies from the University of Bradford and is qualified as a Chartered Management Accountant (ACMA).

### External appointments

Rob is Chief Financial Officer at EDF Energy.

**Dr Margaret Amos**
Independent Non-Executive Director
A E N R

### Date of appointment

9th November 2021

### Experience

Margaret began her career at Rolls-Royce plc in 1990, and most recently served as Senior Finance Business Partner, Aerospace (from 2013 to 2015) and Finance Director, Corporate, IT and Engineering (from 2015 to 2017). After Rolls-Royce plc, Margaret founded and acted as Managing Director of A2 Business Solutions from 2018 to 2020. She was previously a Non-Executive Director of NMCM plc and Velocity Composites plc.

Margaret holds a doctorate in Professional Practice from the University of Derby and a master's in Global Supply Chain Management (with distinction) from the University of Nottingham. She is a fellow of the Chartered Institute of Management Accountants and the Chartered Institute of Procurement and Supply.

### External appointments

Margaret is a Non-Executive Director and Chair of the Audit Committees of the Trust Alliance Group (not-for-profit organisation) and Tyman plc, and a Non-Executive Director of Hunting plc (where she is also member of each board committee) and Volution Group plc (where she is also a member of the Audit Committee).

A Audit & Risk Committee
E ESG Committee
N Nomination Committee
R Remuneration Committee
Committee Chair

# Board leadership and purpose continued

## Our Board continued

### Norma Dove-Edwin

Independent Non-Executive Director

A N R

**Date of appointment**

9th November 2021

**Experience**

Norma is a technology executive with over 20 years of experience, with a focus on business transformations and the purposeful use of digital, data and technology to drive growth. Norma most recently served as the Chief Digital and Information Officer at Thames Water, where she was responsible for managing the technology function and leading the digital transformation at Thames Water. Prior to this, she held several executive roles serving as the Chief Information Officer at the Electricity System Operator, National Grid (from 2020 to 2022) and the Group Chief Data and Information Officer at Places for People (from 2017 to 2020). She also held a number of senior positions at British American Tobacco plc from 2008 to 2017, including as Head of Global Data Services from 2016 to 2017. Norma holds a Bachelor of Science from Queen Mary University of London, a Master of Science from the University of Stirling and a Master of Business Administration from Imperial College London.

**External appointments**

Norma is a Non-Executive Director of HSBC Bank plc.

### Dr Erika Schraner

Independent Non-Executive Director

A N R

**Date of appointment**

9th November 2021

**Experience**

Erika has held a number of senior leadership roles in global organisations with a career spanning 25 years in Silicon Valley, UK and Europe, in Fortune 500 Technology companies and the Big 4 professional services firms. Most recently, Erika served as Partner, UK Leader for M&A Integration Services and UK Leader for Technology, Media and Telecommunications M&A Advisory Services at PricewaterhouseCoopers LLP from 2013 to 2018. Prior to that until 2013, Erika was a partner and the Americas' Operational Transaction Services Leader for the technology sector at Ernst & Young LLP. Erika has held a number of supply chain management and operations roles in her career, including at IBM Corporation (from 1994 to 1996), REL Consultancy Group Ltd (from 1996 to 1998) and Symantec Corporation Inc (from 2003 to 2007). Erika holds a Bachelor of Science and a Master of Science from the Swiss Federal Institute of Technology Lausanne, and a PhD and Master of Science from Stanford University.

**External appointments**

Erika is a Non-Executive Director at JTC Group plc, where she chairs the Nomination Committee, at Videndum plc, where she chairs the Audit Committee, at HgCapital Trust plc, where she chairs the Management Engagement Committee and at Bytes Technology plc, where she chairs the Remuneration Committee and is the Senior Independent Director.


- A Audit & Risk Committee
- E ESG Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

# Board leadership and purpose continued

**Our Board** continued

## Meetings

The attendance of the members of the Board and its committees is reported in relation to meetings held from January to December 2023, against the number of meetings they were eligible to attend.

### Director Board and Committee meeting attendance table

| | Board | Audit & Risk Committee | Remuneration Committee | Nomination Committee | ESG Committee |
|---|---|---|---|---|---|
| Gareth Davis | 10/10 | n/a | n/a | 4/4 | n/a |
| Dr. Andy Palmer CMG[1] | 10/10 | 2/2 | 5/6 | 1/2 | 3/4 |
| David Wolffe | 10/10 | n/a | n/a | n/a | n/a |
| Karen Myers | 10/10 | 4/4 | 10/10 | 4/4 | 4/4 |
| Dr. Margaret Amos | 10/10 | 4/4 | 10/10 | 4/4 | 4/4 |
| Philippe Commaret[2] | 8/10 | n/a | n/a | n/a | n/a |
| Rob Guyler[3] | 9/10 | n/a | n/a | 4/4 | n/a |
| Norma Dove-Edwin[4] | 9/10 | 4/4 | 10/10 | 4/4 | n/a |
| Dr. Erika Schraner[5] | 9/10 | 4/4 | 9/10 | 4/4 | n/a |
| Erik Fairbairn (stepped down 6th July 2023) | 4/5 | n/a | n/a | n/a | 2/2 |

1 Dr Andy Palmer was unable to attend the ESG Committee meeting in March as the meeting was scheduled prior to his appointment to the Committee and he was overseas. Although a member of the committees at the time, he was not permitted to attend the Nomination and Remuneration Committee meetings in July at which his appointment as interim CEO and remuneration were being discussed.

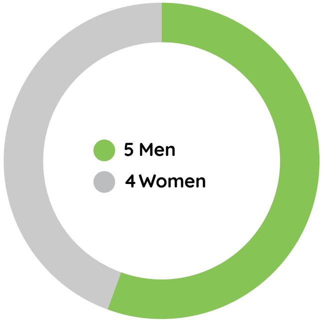
2 Philippe Commaret was unable to attend the Board meetings in January and February due to a previously arranged holiday and business commitment respectively.

3 Rob Guyler was unable to attend an unscheduled Board meeting in November, which was arranged at short notice, due to a business commitment.

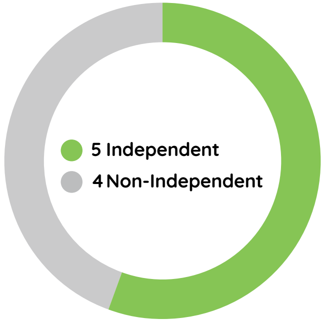
4 Norma Dove-Edwin was unable to attend the Board meeting in June due to a previously arranged business commitment.

5 Erika Schraner was unable to attend unscheduled Board and Remuneration Committee meetings in July and December respectively, which were arranged at short notice, due to previously arranged holidays.

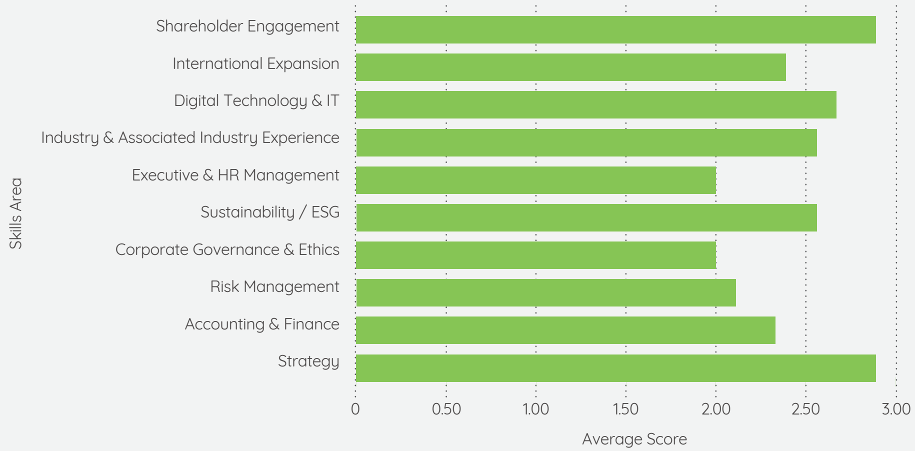
### Board members by gender




### Balance of the Board




### Board skills




Score: 1 = Moderate 2 = Intermediate 3 = Advanced

# Role of the Board

The primary role of the Board is to lead Pod Point in a way that ensures its long-term success. The Board is responsible for approving Group strategy and for overseeing its implementation. Subject to applicable legislation and regulation and the Articles of Association, the Directors may exercise all powers of the Company. The Board exercises oversight of our Company and in doing so ensures that the strategy is consistent with our purpose and is delivered in line with our values. In support of protecting and growing stakeholder value, the Board continually monitors the internal controls, risk management and viability of the Company, as well as considering the views of stakeholders.

The Board has approved a governance framework of systems and controls to effectively discharge its collective responsibility. The framework includes the delegation of specific authorities to the Board's Committees. The terms of reference for these Committees, which were reviewed during the year, can be found on our website www.investors.pod-point.com.

# Board leadership and purpose continued

**Our Board** continued

## Governance framework

There is a clear division of responsibilities between the Board, its Committees and the Senior Management Team.

### Board of Directors

Chaired by Gareth Davis

**Roles and responsibilities**

- Establishes strategic direction of the Group and ensures alignment with purpose and values
- Oversees the performance of the Executive Directors in fulfilling set strategic objectives
- Establishes and oversees the framework for risk management and internal control
- Engages with the Company's shareholders and other key stakeholders
- Oversees the integrity of financial reporting including approval of financial results announcements
- Approves conflicts of interest

### Nomination Committee

Chaired by Gareth Davis

**Roles and responsibilities**

- Oversees Board composition and succession planning
- Oversees the Board appointment process
- Recommends annual Director re-elections
- Approves Board and Committee membership
- Approves Directors' external appointments
- Oversees Board training and evaluation
- Oversees Board and workforce diversity and inclusion

**Nomination Committee Report can be found on page 109**

### Audit & Risk Committee

Chaired by Dr Margaret Amos

**Roles and responsibilities**

- Monitors integrity of financial reporting
- Oversees internal audit function
- Oversees external audit process and quality
- Oversees internal control and risk management systems
- Oversees whistleblowing mechanisms, fraud and bribery prevention

**Audit & Risk Committee Report can be found on page 112**

### Senior Management Team

**Roles and responsibilities**

- Delivers strategy and day-to-day management of the Group's operations
- Operates the risk management framework and internal controls environment

### Remuneration Committee

Chaired by Karen Myers

**Roles and responsibilities**

- Oversees Executive Group remuneration, policy and practices
- Oversees Executive Group service agreements, termination payments and benefits
- Oversees Group share schemes
- Oversees disclosure of information, reporting and shareholder approval with regards to remuneration

**Remuneration Committee Report can be found on page 119**

### ESG Committee

Chaired by Dr Margaret Amos

**Roles and responsibilities**

- Monitors sustainability strategy and reporting
- Oversees stakeholder engagement
- Reviews and recommends ESG policies and procedures
- Oversees workforce engagement plans and strategy

**The committee is supported by an Executive ESG Working Group. The ESG Committee Report can be found on page 117**

### ESG Working Group

**Roles and responsibilities**

- Supports the ESG Committee in fulfilling its responsibilities
- Reviews the Company's statutory and regulatory reporting requirements in relation to ESG matters when preparing Annual Reports
- Maintains the ESG Working Group action plan

### Market Disclosure Committee

**Roles and responsibilities**

- Assesses inside information
- Approves RNS announcements

## Board activity

The focus of this report is on the Board's activities as it has continued to build upon the foundations set during the Company's admission to listing on the Main Market of the London Stock Exchange in November 2021 ('IPO'), and to further develop and embed the corporate governance structures in order to fully comply with the requirements of the UK Corporate Governance Code.

**Strategy and business model**
The Pod Point mission has been updated during the year – to make living with an EV easy and affordable for everyone.

The strategy to achieve the mission will be achieved through the successful execution of our five strategic priorities:

1) UK Home
2) UK Workplace
3) International Home
4) Energy Flex and Recurring Revenue
5) Cost Efficiency

Further information about the strategy can be found on pages 22 to 25 of the Strategic Report. During the extensive strategic review, the Board assessed and updated the Company's purpose and business model, and have redefined the basis upon which Pod Point will generate and preserve value over the long term (the business model can be found on pages 17 to 21 of the Strategic Report). As part of its strategic review, the Board considered the risks and opportunities of the various strategic options presented at the Company's Strategy Day and following in-depth discussions, two strategic options were chosen for further due diligence and financial modelling. These were brought back to a Board meeting the following month, which enabled further discussion and challenge before the options were narrowed to one and further detailed financial analysis was undertaken. The Board approved the Powering Up strategy before the Capital Markets Day.

**Operational performance**
The Board is responsible for ensuring that the necessary resources are in place for the Company to meet its objectives and measure performance against them. Review and approval of the annual budget forms part of this assessment, in addition to the Board's ongoing assessment of the Executive Directors' implementation of the approved strategy. The Board Strategy Day in October provided an important opportunity to engage with the Executive team in a full-scale strategic review of the business. The output from the Strategy Day provided the basis for the Board's review of the 2024 business plan and budget in December. The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated widely throughout the senior management of the Group.

**Information and support**
Contact is maintained by the Board through email, telephone and video calls with written updates provided in respect of ongoing issues, enabling regular input from all Board members. To enable the Board to function effectively and Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including regular business progress reports and discussion documents regarding specific matters. Board meetings are of sufficient duration to enable debate, challenge and discussion, ensuring adequate analysis of issues during the decision-making process.

## Board activities

**Summary of Board activities during the year**

### Strategy

- Reviewed progress on strategic projects, such as product development
- Directors attended a full one-day Strategy Day, Board meeting and two subsequent meetings to approve the Powering Up strategy
- Attended the Capital Markets Day
- Sought an improved methodology for the calculation of Pod Point's market share trends
- Received regular updates on progress against the Environmental Strategy

### Financial and operational performance

- Received regular reports from the CEO and senior management on industry, sales and operational performance
- Reviewed 2023 forecasts and quarterly reforecasts
- Approved the 2024 business plan and budget
- Regularly reviewed the trading performance of the business and updated the market as required
- On the recommendation of the Audit & Risk Committee, reviewed and approved the 2022 Preliminary Statement, 2022 Annual Report and 2023 Interim Report
- Agreed a £30 million credit facility with EDF to support the Powering Up strategy

### Governance & risk

- Regularly reviewed the IT structure, product development plans and cyber security
- Reviewed the Internal Audit plans
- Reviewed Internal Audit Reports on IT general controls, cyber security and inventory controls
- Reviewed the system of internal controls
- Regular review of the Group's risk register and principal and emerging risks (set out on pages 79 to 89)
- Regularly reviewed related party transactions

### Culture, purpose and values

- Reviewed and approved changes to the Company's purpose and mission
- Reviewed workforce policies and practices
- Reviewed and discussed engagement survey results and culture
- Reviewed the whistleblowing policy and management actions to encourage reporting of concerns
- Received regular health and safety updates, including presentations from the Head of Health & Safety

### Stakeholders

- Reviewed the Company's key stakeholders and mechanisms for engagement and for ensuring their interests have been considered in Board decision-making (the S172 statement can be found on pages 69 to 74)
- Received updates on Board workforce engagement
- Reviewed shareholder analysis at each Board meeting and feedback following results presentations
- Agreed ESG metrics and targets
- Agreed environmental and social core activities for 2024

### Appointments and diversity

- Appointed Andy Palmer as interim CEO
- Appointed Karen Myers as Senior Independent Director
- Reviewed Board succession planning
- Reviewed the Board Diversity Policy

### Remuneration

- Reviewed incentives within the scope of the Remuneration Policy to support implementation of the Powering Up strategy
- Approved bonus payout for 2022 and set performance conditions for 2023
- Approved the awards under the DBSP and LTIP and set performance conditions
- Reviewed the Gender Pay Gap Report and CEO pay ratio
- Approved remuneration arrangements related to the change of CEO

### Corporate governance

- The Chair held meetings with the Non-Executive Directors without management present four times during the year
- The Senior Independent Non-Executive Director met with the Non-Executive Directors to review the performance of the Chair
- Reviewed and approved the schedule of matters reserved to the Board and other governance policies and procedures
- Approved a revised Delegation of Authority
- Undertook a Board and Committee performance evaluation and agreed a follow-up action plan which can be found on page 108
- Received regular updates from each of the Committees

Board leadership and purpose continued

## Purpose, values, culture and strategy


**Purpose:** Our purpose was why Pod Point was founded and continues to drive everything we do.

**Strategy:** Our strategy will deliver on our purpose and create future value through our EV charging solutions in the Home and Workplace markets and Energy Flex services. Further detail on these can be found in the Strategic Report on pages 22x to 25.

**Values:** Our values help shape our culture and what it means to be a Pod Pointer.

**Culture:** Our culture will play a key role in the delivery of our new strategy and the long-term success of the business.

**Mechanisms for monitoring and assessing culture**
The Board is responsible for monitoring and assessing culture, and ensuring that policy, practices and behaviours throughout the business are aligned with the Company's purpose, values and strategy.

The Board strives to embed the Company's values into the organisation through leading by example and setting a positive tone from the top.

The Board has drawn upon a variety of metrics and indicators to monitor and assess corporate culture, including:

- Feedback from the Board's engagement with employees and from the NED responsible for Workforce Engagement (see Workforce Engagement below)
- Results of Company-wide engagement surveys and pulse surveys and resulting eNPS scores
- Monitoring of staff turnover and leaver reasons, grievances and Glassdoor scores
- Reports on health and safety performance at each Board meeting
- Number and summary of whistleblowing reports

The outcome of the Board's monitoring shows that overall, whilst engagement was good in Q1, both engagement and our culture have suffered as a result of the significant changes and commercial pressures in the business during the second half of the year. The April 2023 engagement survey, which had a participation rate of 81%, showed overall engagement at 67% with an eNPS score of 22. Subsequently, in October, a survey created by an external consultant, which had a participation rate of 68%, recorded an eNPS score of -22. The decrease in score results primarily from the significant changes in the business creating uncertainty, with culture, staff turnover and workload all being seen negatively. As we work to transform the business, through our Powering Up strategy, the Board and the People Team will focus on how we rebuild our culture, which will be key to the long-term success of the business, and we will ensure that we dedicate Board time to it.

## Board leadership and purpose continued

**Whistleblowing**
The Board and Senior Management Team are committed to conducting Pod Point's business with honesty and integrity, and expect everyone involved with the Company to maintain these high standards. Consequently, Pod Point's whistleblowing policy, which was reviewed during the year, sets an expectation that employees should raise concerns in confidence either through their line manager or the People Operations Team or, if they wish, anonymously through our appointed third party. The Board (via the Audit & Risk Committee) receives regular reports regarding any issues raised via the mechanism and ensures that arrangements are made for the proportionate and independent investigation of any matters required, including any follow-up action.

During the year, no whistleblowing reports were made.

**Conflicts of interests**
At the beginning of Board meetings, Directors are generally reminded of their duties under sections 175, 177 and 182 of the Companies Act, which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. They are also required to provide an annual declaration of interests. As part of the process to manage conflicts of interest, Directors also notify the Board of any other new Board and other appointments that they have or are about to take on. In addition, EDF has entered into an agreement with the Company (the 'Relationship Agreement') to ensure that relationships between it and the Company are conducted at arm's length and on normal commercial terms. Messrs Commaret and Guyler have been appointed to the Board by EDF pursuant to the Relationship Agreement. The Relationship Agreement complies with the independence provisions set out in Listing Rule 6.1.4R for controlled companies.

**Workforce policies and practices**
The Board is responsible for ensuring workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. Pod Point has established a number of policies and procedures, which set out the values of the Company and the behaviours expected of colleagues. The Board is responsible for approving (including any changes to) the Group's major policies, including those relating to the conduct of business, the workforce, environmental matters, health and safety, data protection, security, insurance, risk management and treasury. These will continue to be reviewed periodically.

## Stakeholder engagement

A full analysis of the Company's stakeholder groups and how it has engaged with each can in our S172 statement on pages 69 to 74.

The Company seeks to deliver value for all stakeholders. The Board, directly or through senior management, undertakes regular engagement to understand stakeholder needs and interests, which inform its decision-making.

**Workforce engagement**
Pod Point's People Operations team engages with employees through a wide range of channels including anonymous workforce surveys and regular scheduled and ad hoc all-hands meetings where people can interact with the Executive Directors and senior management and ask questions.

Karen Myers is the Non-Executive Director responsible for workforce engagement and has worked with the People Operations team on a programme for Board engagement with the workforce and has regular meetings with the Chief People Officer to discuss engagement feedback and actions resulting from monthly engagement temperature checks. A number of engagement events were held during 2023, including:

- Joining Andy Palmer's first all-hands team meeting on the day of his appointment, at which he introduced himself as the interim CEO, providing an opportunity for questions about the appointment and next steps for the business
- Karen conducted a site visit with commercial installers, a project manager and the Head of Health and Safety, enabling her to see first-hand the challenges that installers face on a large installation and to discuss their view of Pod Point as an employer
- Employees had the opportunity to discuss any subject during an Academy session on the Role of the Board, hosted by Karen along with Norma Dove-Edwin. The session provided an overview of the Board's roles and responsibilities to help employees understand the purpose of a Board and how it operates. An overview was given of the role of each committee and the types of decisions taken, including the Remuneration Committee and its approach to executive remuneration, explaining how it aligns with wider Company pay policy. Employees were asked if they had any questions in respect of the work of the Remuneration Committee or Executive pay
- Two meetings with the Head of Health and Safety

Key themes from employee engagement, which will sought to be addressed

- Appreciation of the openness and transparency of the CEO and senior management within the all-hands meetings
- Feelings of uncertainty among employees, resulting from substantial change in the business during the second half of the year
- Difficulties with reliability of installer's vehicles, which are gradually being resolved
- Health and safety procedures are being properly embedded
- Leadership visibility could be further improved by spending time with people in the field

## Board leadership and purpose continued

**Shareholder engagement**
During the second half of the year, the Board engaged an Investor Relations specialist who will assist the Board with the establishment of a formal programme for shareholder engagement, ensuring it remains cognisant of their concerns and views, in order to incorporate them into Board decision-making.

The Company's joint brokers and financial PR agents have provided feedback to the Board throughout 2023 in respect of shareholder issues. The Chair and Senior Independent Director are also in dialogue as necessary with the major shareholder, primarily via EDF's appointed Directors. Following the appointment of the interim CEO, the Chair met with EDF to discuss the appointment and the Chair and Senior Independent Director met with other shareholders who requested a meeting. The Chair of the Remuneration Committee engaged with EDF to discuss incentivisation of management in the implementation of our Powering Up strategy.

The Executive Directors are in regular contact with the largest investors and met with many of them during the year and at the Capital Markets Day.

The Company maintains an investor website (investors.pod-point.com), which contains key information including:

- published financial results
- key reports and documents
- a financial calendar
- details regarding the Company's corporate governance arrangements
- leadership profiles
- share price details
- regulatory news service announcements

Further details on engagement with our shareholders can be found in our S172 statement on page 74.

Investors are encouraged to email queries to the Company's investor relations at investor.relations@pod-point.com. The Chair and Senior Independent Director, who is also Chair of the Remuneration Committee, are available to meet with shareholders to discuss any matters that they may wish to raise concerning the governance of the Company, as is the Chair of the Audit & Risk Committee.

Division of responsibilities

## Operation of the Board

Details of the Directors, the positions they hold, and the committees of which they are members are shown on pages 95 and 97.

Gareth Davis was appointed as Chair on 25th October 2021 and was independent at the time of his appointment. Andy Palmer is the Chief Executive Officer and, therefore, the roles of Chair and CEO are held by different people. Karen Myers was appointed Senior Independent Director on 6th July 2023. The Nomination Committee undertakes an annual review and assessment of the independence of the Non-Executive Directors. The Board has approved a written statement of responsibilities of the Chair, CEO and Senior Independent Director. At the date of this report, the Board consists of four independent Non-Executive Directors, two Executive Directors, two Non-Executive Directors appointed by EDF (non-independent) as well as the Chair.

As announced on 20th February 2024, Andy Palmer will return to the Board on 1st May 2024 as Chair Designate and become Non-Executive Chair from conclusion of the AGM on 5th June 2024, when Gareth Davis will become an Independent Non-Executive Director. The Board is mindful of the Corporate Governance Code provision that a CEO should only exceptionally become Chair, but is satisfied that Andy's appointment is appropriate and that he can be considered independent on appointment. Having served on the Board of Pod Point as Senior Independent Director since IPO, Andy acted as interim CEO for a period of ten months, while a permanent CEO was recruited, during which time he received a salary as CEO, but was not paid any performance-related remuneration, having waived his 2023 bonus entitlement. His appointment as Chair has the full support of Gareth, the rest of the Board and its majority shareholders.

Additionally, the Board is satisfied that Gareth does not meet any of the factors in provision 10 of the Corporate Governance Code that would prevent him being an Independent Non-Executive Director. The Company will count his tenure as Chair in assessing the period for which he has served on the Board.

In addition to the six scheduled meetings of the full Board during 2023, the Board held a further four meetings and maintained regular contact between meetings. The Chair met with the Non-Executive Directors without the Executive Directors on four occasions during the year. The Senior Independent Director scheduled separate meetings with the Non-Executive Directors during November, without the Chair present, to evaluate the performance of the Chair.

If necessary, there is an agreed procedure for Directors to take independent professional advice at the Group's expense. This is in addition to the access which every Director has to the Company Secretary, who is charged by the Board with ensuring that Board procedures are followed and that there are good information flows within the Board and its committees, and between senior management and Non-Executive Directors.

### Chair of the Board

- Responsible for leadership of the Board and overall effectiveness
- Facilitates effective Board decision-making and governance by ensuring effective information flows and sufficient time for agenda item discussion
- Facilitates constructive Board relations and discussions
- Oversees Director induction and training
- Oversees Board and Committee performance evaluation process
- Oversees succession planning process as Chair of Nomination Committee
- Oversees engagement with key stakeholders, including shareholders

### Chief Executive Officer

- Manages the Group on a day-to-day basis with support of Senior Management Team
- Develops and implements Group strategy, plans and commercial objectives
- Manages and mitigates Group principal and emerging risks
- Oversees development needs for Executive Directors and senior management
- Oversees succession planning for key personnel

### Senior Independent Director

- Provides a sounding board for the Chair of the Board
- Leads the review of the performance of the Chair of the Board
- Acts as sounding board for shareholder queries where inappropriate to raise with the Chair of the Board or Executive Directors
- Chairs the Nomination Committee in instances where succession plans for the Chair of the Board are considered

## Division of responsibilities continued

### Non-Executive Directors

- Monitor and oversee Group performance against objectives
- Challenge and support the Executive Directors
- Bring external perspective, independent judgement and objectivity to decision-making and discussions
- Approve and oversee strategic direction
- Serve on committees

### Company Secretary

- Supports the Board to ensure efficient and effective functioning
- Available to Directors for advice
- Advises the Board on governance matters
- Supports the Directors in receiving information in a timely manner

### Board evaluation

The Board is aware of the need to continually monitor and improve performance and recognises that this can be achieved through annual evaluation, which provides a valuable feedback mechanism for improving the Board's effectiveness. The Board undertook a Board evaluation exercise during the year, facilitated by the Company Secretary, and considered its progress against the improvements identified in the 2022 Board evaluation action plan. Directors were asked to complete confidential questionnaires for the 2023 evaluation, which considered different aspects of the work of the Board and its committees, focusing on the principles of corporate governance. The results were discussed by the Board and each committee, and an action plan developed to address areas identified for improvement.

In addition, the skills matrix of each of the Directors was reviewed and the skills and experience mix discussed in relation to performance and composition of the Board. The skills matrix identified that Board training would be beneficial in the areas of ESG and our industry, where there is less experience, and sessions will be provided in respect of both of these areas during 2024. A summary of our Board's skills and experience can be found on page 98.

The Board agreed that the evaluation process demonstrated that progress has been made since the 2022 evaluation and the performance of the Directors, the Board and the committees is effective overall, but the Board will continue to focus on the improvements identified in the 2022 and 2023 actions plans to ensure that it continually improves.

The findings have been grouped in five themes: Board business and reports, stakeholders, ESG, discussion and communication; and succession and are set out on page 108.

## Division of responsibilities continued

### Board evaluation findings and action

#### Board business and reports

| 2022 evaluation findings | Action taken in 2023 | 2023 evaluation findings | Actions for 2024 |
|---|---|---|---|
| • The allocation of agenda time to strategic projects, long-term transformation topics and performance reviews, to optimise discussion time<br>• Further development of KPIs and clearer identification of the key metrics | • Following the appointment of Andy Palmer, the Board spent significant time on strategic discussions, whilst continuing to monitor FY2023 performance. Strategic discussions resulted in the approval of the Powering Up strategy, which will provide transformational change<br>• The CFO has made excellent progress on reporting cadence and provides a monthly scorecard in his monthly CFO report, which provides key metrics | • Following a challenging year taking significant Board time, increased agenda time to be spent on commercial and strategic matters<br>• Development and monitoring of clear operational KPIs following the launch of the Powering Up strategy | • Chair and CEO to consider the balance of agendas<br>• CFO to develop a revised monthly scorecard, ensuring KPIs are relevant to the new strategic objectives |

#### Stakeholders

| 2022 evaluation findings | Action taken in 2023 | 2023 evaluation findings | Actions for 2024 |
|---|---|---|---|
| • Greater visibility of people metrics and employee engagement, as well as programmes, metrics and mechanisms to monitor culture<br>• More qualitative information about shareholder engagement and investor relations | • Employee metrics have been incorporated into the ESG dashboard and CFO scorecard and engagement surveys have been undertaken during the year, but further work is required in respect of culture<br>• An Investor Relations Consultant was appointed in H2 and has started to provide additional insight into shareholder engagement, which will continue to be progressed | • Deeper dive required into people themes and culture, with other Board members more involved workforce engagement<br>• Board to have increased contact with employees<br>• Continue to improve shareholder engagement and engagement with other stakeholder groups | • Two cultural deep dives with the CPO have been scheduled for 2024<br>• All independent Non-Executive Directors have agreed to spend time with our field operatives in 2024<br>• Following the move to the new office in early 2024, all in-person Board meetings will be held there providing greater opportunities for interaction with a wider audience<br>• CEO and CFO to agree shareholder engagement strategy and reporting cadence with IR Consultant<br>• Improved reporting and discussion of engagement with other stakeholder groups |

#### ESG

| 2022 evaluation findings | Action taken in 2023 | 2023 evaluation findings | Actions for 2024 |
|---|---|---|---|
| • Continue to develop the ESG strategy and programme, especially climate-related risks | • The ESG Committee has progressed ESG matters significantly and provides regular updates to the Board following committee meetings<br>• Further work on the identification climate-rated risks and opportunities and mitigation was undertaken during the year and presented and discussed by the Board in January 2024 | • Ensure that climate-related risks and opportunities are discussed annually at the Board<br>• Improved sharing of ESG priorities and metrics with the Board | • Work on climate-rated risks and opportunities was discussed by the Board in January 2024<br>• An update from the Head of Sustainability is scheduled for June 2024<br>• Improved reporting of ESG metrics will be developed |

#### Discussion and communication

| 2022 evaluation findings | Action taken in 2023 | 2023 evaluation findings | Actions for 2024 |
|---|---|---|---|
| • More visibility of and interaction with management, both during and outside Board meetings<br>• Opportunities for more informal discussion and dialogue outside Board meetings | • There has been increased management attendance at Board meetings during the year and a dinner held with the Board, Senior Management Team and Business Unit Leads<br>• An increased number of meetings have been held in person, allowing more informal discussion between meetings | • Increased Non-Executive Director only time and greater interaction between Non-Executive Directors and Executive Directors<br>• Increased cyber security awareness and discussion outside of the Technology Sub-Committee, which reports to the Audit and Risk Committee | • Private Non-Executive Director only sessions have been scheduled for every Board meeting in 2024 and the Chair and CEO to consider facilitation of Non-Executive Director and Executive Director time<br>• Cyber security deep dive scheduled for 2024 |

#### Succession

| 2022 evaluation findings | Action taken in 2023 | 2023 evaluation findings | Actions for 2024 |
|---|---|---|---|
| • Further development of the succession plans for the CEO and Senior Management Team | • Succession plans were presented at the Nomination Committee in December 2022 and further discussed in February 2023 | • Redevelopment of Executive Director and senior management succession plans, given the changes during 2023 | • Nomination Committee to discuss succession planning following appointment of the new CEO |

Composition, succession and evaluation

# Nomination Committee Report

**Gareth Davis**
Chair of the Nomination Committee

I am pleased to present our Nomination Committee report, which explains the committee's focus and activities during the year. The committee seeks to ensure that the size, composition and structure of the Board is appropriate for the delivery of the Group's strategic objectives and for our culture and values.

Our priority in the second half of the year was the search for a suitable candidate for permanent CEO. Our objective was to appoint someone capable of leading the business through transformational change, in the implementation of our Powering Up strategy, with the ability to build a strong cohesive management team and rebuild Pod Point's culture, which, it is fair to say, has suffered as a result of the uncertainty and significant change during 2023. We were delighted to complete the process with the announcement of Melanie Lane being appointed as CEO with effect from 1st May 2024. Melanie brings significant experience in the EV charging sector and the wider energy industry, and will lead the continuing implementation of our Powering Up strategy.

**Gareth Davis**
Chair of the Nomination Committee

### Board appointments

The dates of appointment of the Directors and a brief description of their skills and experience can be found on pages 95 to 98.

During the year, our founder and Chief Executive Officer, Erik Fairbairn, stepped down from his post to allow new leadership to help Pod Point navigate the growing market for EVs. In order to provide stability and immediate leadership, Andy Palmer, the Senior Independent Director at the time, who has the appropriate skills and experience, agreed to act as interim CEO, allowing the committee sufficient time to complete a full and robust recruitment process.

Following meetings with a wide range of executive selection agencies, Korn Ferry, which does not have any other association with the Company or individual Directors, was instructed to undertake the CEO search. A comprehensive role specification and skills criteria were provided for the search, and Korn Ferry were challenged to ensure that the long list of candidates was diverse. As a result, a number of women and people from diverse backgrounds were long listed. The selection process comprised six stages, involving all members of the Nomination Committee at various times, the interim CEO and other members of senior management, to ensure a good cultural fit. As a result of this process, Melanie Lane was appointed as CEO with effect from 1st May 2024.

Following Gareth Davis' decision to step down as Chair, in order to optimise the composition of the Board, Andy Palmer advised the Committee of his wish to be considered for the position. Andy is one of the automotive industry's most experienced executives, whose previous roles include Chief Operating Officer of Nissan and CEO of Aston Martin Lagonda. He also pioneered the world's first mass-market electric vehicle, the Nissan LEAF, and has a deep understanding of the Pod Point business. The Nomination Committee discussed a selection process, but determined that in light of Andy's exceptional knowledge and experience of the automotive industry, EV charging and the Pod Point business, he was the right candidate for the role and able to provide support to the new CEO and stability to the business following a period of significant change. Accordingly, it was determined that it was not in the best interests of the business, or its stakeholders to embark on an external selection process, which could be time consuming and costly, and Andy's appointment as Chair, with effect from conclusion of the AGM on 5th June 2024, was recommended to the Board and subsequently approved.

### Succession plans

In the latter stages of 2022 and early 2023, the Nomination Committee reviewed and discussed the succession plans for senior management, particularly members of the Senior Management Team and following changes within senior management during the year, succession planning will remain a focus in 2024, to ensure that the right skills and experience are in place to lead the transformation of the business through our Powering Up strategy.

### Committee members

- Gareth Davis (Chair of the Committee)
- Dr Margaret Amos
- Norma Dove-Edwin
- Rob Guyler
- Karen Myers
- Dr Erika Schraner
- Dr Andy Palmer (until 6th July 2023)

### Summary of key roles and responsibilities

- Monitor and assess the structure, size and composition of the Board, and monitor the balance of skills, knowledge, experience and diversity on the Board and in senior management
- Conduct regular and proactive succession planning
- Lead the process for Board appointments
- Make recommendations regarding annual re-election of Directors at the AGM
- Make recommendations regarding Board roles and committee memberships
- Approve Directors' external commitments

### Key activities during the year

- Appointment of interim CEO
- Appointment of permanent CEO
- Internal Board evaluation and Board skills self-assessment

### Priorities for 2024

- Development of senior management succession plans
- Continuing review and development of Board and committee membership

**3**
Committee meetings in the year

**100%**
Meeting attendance

# Composition, succession and evaluation continued

## Nomination Committee Report continued

As noted above, the Board made the decision to appoint Andy Palmer as interim CEO, ensuring that the business had a strong leader in place to guide the business and undertake a full strategic review, whilst an external recruitment process took place for a permanent successor, Andy has subsequently been announced as successor to the Chair. Board succession was discussed by the committee, and it was noted that the Board was newly formed at IPO and has a depth of skills and experience, which are relevant to the business and the industry. Other than the appointment of the CEO, no additional skills are imminently required. There is sufficient flexibility in the numbers of the Board to allow for an orderly succession, in the event that any Non-Executive Board member steps down. However, Board succession will continue to be considered on an annual basis.

### Board diversity policy

The Board has approved the Board Diversity Policy (the 'Policy'), which sets out the approach to diversity on the Board of Directors of the Company (the 'Board'). The Policy is consistent with the Policy that applies to the Pod Point workforce, which is discussed in the Strategic Report on page 61. Further information on the diversity of the Pod Point workforce is set out on pages 61 and 62 of the Strategic Report.

### Scope of application

This Policy applies to the Board only. It does not apply to employees of the Company and its subsidiaries.

### Policy statement

The Board endorses the benefits of representation of a diversity of backgrounds, including in relation to age, gender, ethnicity and educational or professional background, and is committed to ensuring that the Board benefits from a wide range of skills, knowledge, experience, backgrounds and perspectives.

All appointments will be made on merit against objective criteria within the context of the required balance of skills and background that the Board requires to function effectively.

### Objectives

To agree measurable objectives for achieving gender, ethnic and cultural diversity on the Board.

To ensure that all searches conducted in relation to Board appointments, whether by the Company or external search firms, identify and present an appropriately diverse range of candidates for the relevant vacancy.

### Monitoring and reporting

Every year, we will present the following matters in our Committee Report:

- a summary of this policy and progress made against its objectives
- the process used in relation to Board appointments
- our approach to succession planning and the development of a diverse pipeline of candidates
- how diversity helps the Company meet its strategic objectives
- other matters as required by the UK Corporate Governance Code and other regulatory and statutory requirements

### Review

We will review the policy and its effectiveness annually and recommend any changes for Board approval. A copy of this policy will be maintained on the Company's investor website. If necessary, this policy will be reviewed on an ad hoc basis in consideration of any regulatory or governance developments in relation to Board diversity.

### Progress during 2023

The Board believes an inclusive and diverse membership results in optimal decision-making and assists in the development and execution of a strategy which promotes the success of the Company in line with its overall cultural expectations and for the benefit of its stakeholders. Since IPO, the Board has partially met the diversity targets set out in the Listing Rules with over 40% of the Board being women and one Board member being from a minority ethnic background. During the year, following the appointment of Andy Palmer as interim, CEO Karen Myers was appointed Senior Independent Director.

The following tables set out the information Pod Point is required to disclose under UK LR9.8.6R(10) and is expressed as at 31st December 2023.

### Gender identity or sex[1]

| | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, Chair and SID) | Number in Executive Management[2] | Percentage of Executive Management |
|---|---|---|---|---|---|
| Men | 5 | 55% | 3 | 4 | 57% |
| Women | 4 | 45% | 1 | 3 | 43% |
| Not specified/ prefer not to say | – | – | – | – | – |

## Composition, succession and evaluation continued

### Nomination Committee Report continued

**Ethnic background**[1]

| | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, Chair and SID) | Number in Executive Management[2] | Percentage of Executive Management |
|---|---|---|---|---|---|
| White British or other White (including minority-white groups) | 8 | 89% | 4 | 6 | 86% |
| Mixed/Multiple Ethnic Groups | – | – | – | 1 | 14% |
| Asian/Asian British | – | – | – | – | – |
| Black/African/Caribbean/ Black British | 1 | 11% | – | – | – |
| Other ethnic group, including Arab | – | – | – | – | – |
| Not specified/prefer not to say | – | – | – | – | – |

1 The information in this table was collected directly from each individual
2 For the purposes of this disclosure Executive Management means the Senior Management Team

**Induction and development**
On appointment, Directors are provided with opportunities to be briefed on Pod Point's operations, including opportunities for briefings with each member of the Senior Management Team. In addition, the Company's legal advisers provide briefings for the Directors on their legal duties and responsibilities as Directors of a Main Market Listed Company. On a continuing basis, the Company Secretary and General Counsel will also supply regular updates to the Directors on relevant legal and corporate governance developments. In addition, Directors are able to meet with management whenever they wish.

The Nomination Committee is confident that each of the Board members has the knowledge, ability and experience to perform the functions required of a Director of a listed company.

**Reappointment of Directors**
All of the Directors stood for election in accordance with the provision of the articles of association of the Company at the 2023 AGM and will be subject to annual re-election in future years, in compliance with the Code.

The Nomination Committee reviewed the contributions and experience provided by each of the Directors and continues to be satisfied that the contributions made by the Directors who will offer themselves for re-election at the 2024 AGM will continue to benefit the Board. Shareholders will therefore be invited to support their re-election.

Details of the Directors are shown on pages 95 to 97. Further details in respect of the contribution each Director makes to the long-term sustainable success of the Company is set out in the Notice of AGM.

**External Directorships and Directors' time commitments**
The time commitment required of Non-Executive Directors is approximately 35 days a year and considerably more for the Chair. During the year, significant additional time has been required of the Board, particularly the Chair, Senior Independent Director and Chair of the Audit & Risk Committee, due to the events that have taken place as discussed elsewhere in the Annual Report.

The service contracts of Non-Executive Directors do not permit them to accept other board appointments without consent from the Board. The Chair will consider any potential conflicts of interest with the Group or potential constraints on time required to fulfil the commitment to the Company. During the year, Margaret Amos was permitted to accept another board position. The Board is satisfied that the other commitments of Board members do not detract from the extent or the quality of the time which they are able to devote to the Group.

The Board believes, in principle, in the benefit of Executive Directors accepting non-executive directorships of other companies to widen their skills and knowledge for the benefit of the Company. All such appointments require the prior approval of the Board, and the number of public company appointments is limited to one. Andy Palmer's other appointments are set out on page 95; David Wolffe does not hold any such appointments.

**Effectiveness of the Committee**
As noted above, an internal evaluation was undertaken in relation to the Board and its committees. The Nomination Committee discussed the elements of the evaluation relating specifically to its effectiveness and overall was satisfied that the Committee works effectively. A focus on the redevelopment of succession plans was highlighted as an action for the Nomination Committee.

**Gareth Davis**
Chair of the Nomination Committee
17th April 2024

Audit, risk and internal control

## Audit & Risk Committee Report

**Dr Margaret Amos**
Chair of the Audit & Risk Committee

**I am pleased to introduce the report of the Audit & Risk Committee for FY2023, which explains the work of the committee. The committee fulfils an important oversight role, monitoring the integrity of the Group's financial reporting, risk management and internal control frameworks.**

As announced during the year, on the recommendation of the Audit & Risk Committee and following a competitive tender process overseen by the committee, KPMG was appointed as the Group's external auditor with effect from 28th July 2023 for the FY2023 audit. Appointment for FY2024 is subject to approval by the Company's shareholders at our AGM on 5th June 2024. The Committee would like to record its thanks to Deloitte and its partners and staff for its service to the shareholders of Pod Point.

This year, we moved the reporting of our Preliminary Results to early April to enable us to report audited Preliminary Results with the full Annual Report being sent to shareholders on 25th April 2024. In our 2022 Annual Report, we made a number of commitments, particularly in relation to ESG and TCFD reporting, and the Audit & Risk and ESG Committees have been monitoring progress towards meeting those commitments during the year. I am pleased to report that Pod Point has made significant steps forward in both respects and is now fully compliant in its TCFD disclosures.

I'd like to thank my colleagues on the committee for their contribution during the year and everyone involved in Pod Point's financial reporting, risk, controls and interactions with both internal and external audit for their hard work during the year and through the year end process. I will be available at the AGM to answer any questions shareholders may have about the work of the committee.

**Dr Margaret Amos**
Chair of the Audit and Risk Committee

### Committee members

- Dr Margaret Amos (Chair of the Committee)
- Norma Dove-Edwin
- Karen Myers
- Dr Erika Schraner
- Dr Andy Palmer (until 6th July 2023)

For as long as EDF's shareholding is equal to or exceeds 10%, it is entitled to appoint a representative (whose identity must be approved in advance by the Board) as an observer to the committee.

### Summary of key roles and responsibilities

- Monitor the integrity of the Group's financial statements and other formal announcements relating to financial performance
- Advise on whether the Annual Report and accounts is fair, balanced and understandable
- Oversee the internal audit function
- Oversee the relationship with the external auditor and scope of the external audit, including monitoring their independence
- Monitor and review the adequacy and effectiveness of internal control and risk management systems
- Review mechanisms for whistleblowing and prevention and detection of fraud and bribery and other compliance matters
- Engage with shareholders on significant matters related to the committee's responsibilities

### Key activities during the years

- Held a competitive tender process and appointed KPMG as external auditor
- Received internal audit reports on various areas of the business from our internal auditor, Grant Thornton, and agreed improvement actions
- Reviewed the system of internal controls
- Commissioned an independent report on the effectiveness of our compliance processes
- Oversaw improvements to our risk management framework to enhance the reporting and management of risks
- Monitored our IT system development and architecture to support our IT strategy and cyber security through the committee's Technology Sub-Committee
- Reviewed the committee terms of reference and policies as part of our regular annual agenda

### Priorities for 2024

- Further develop our risk appetite and embed into the risk management process
- Improve the effectiveness of our compliance processes as recommended in the independent report
- Develop our internal controls framework further in light of new corporate governance requirements

**4**
Committee meetings in the year

**100%**
Meeting attendance

# Audit, risk and internal control continued

**Audit & Risk Committee Report** continued

**Membership, independence and experience**
Committee members have been appointed to provide a wide range of financial and commercial expertise as set out in their biographies on pages 95 to 97. Margaret Amos is a Fellow of the Chartered Institute of Management Accountants and having undertaken a number of finance roles is deemed by the Board to have recent and relevant financial experience. The committee acts independently of management and the Board is satisfied that its members have the appropriate skills, experience, knowledge, qualifications and competence relevant to Pod Point's business.

**External audit**
The Audit & Risk Committee oversees the Company's relationship with, and the performance of, the external auditor. This includes responsibility for monitoring its independence, objectivity and compliance with ethical and regulatory requirements, and for approving the nature of non-audit services, which the external auditor may or may not be allowed to provide to the Company. The committee places great importance on the quality, effectiveness and independence of the external audit process.

**Auditor appointment, rotation and reappointment**
As noted above, KPMG was appointed during the year following a competitive tender process, as detailed on page 114, and provided external audit services to the Company for FY2023. KPMG's appointment as external auditor will be subject to shareholder approval at the AGM on 5th June 2024.

The Company's policy is for no external auditor to stay in post for longer than 20 years and for tenders to be undertaken at least every ten years, in accordance with the provisions of the UK Statutory Auditors Regulations 2017. Accordingly, the next audit tender will take place no later than 2033.

**Assessment of effectiveness of the external auditor**
As a committee, we assessed the quality of the audit undertaken by Deloitte LLP following completion of the audit process for FY2022. An assessment was undertaken which assessed the areas of planning, execution, completion, professional scepticism challenge, including audit differences arising. This considered contributions and feedback from Pod Point management, the Audit Committee and Deloitte. From a questionnaire used to assist the assessment, the majority of scores were graded above four out of five or higher. The areas identified for ongoing improvement of the audit process were over the timing of when the audit work was completed and also bringing forward the audit of areas of particular judgement to manage the overall workload of the audit for both the Finance team and the auditor. Overall, the committee was satisfied that the audit was conducted effectively and was of good quality. The feedback was shared with Deloitte and also provided to KPMG on their appointment so that they could factor this into their FY2023 audit plan.

The committee has discussed the quality of the audit work provided by KPMG since their appointment on 28th July and considered:

- the review of audit plans
- content, insight and clarity of KPMG's reports
- discussions between management and KPMG and the Chair of the committee and KPMG
- the robustness of KPMG in handling key accounting and audit judgements
- challenge by KPMG of management's polices and methodology relating to the capitalisation of development costs and assumptions that underpin the financial forecasts used for going concern, and goodwill impairment

and the committee is satisfied with their level of competence, professional scepticism in challenging Pod Point's policies and assumptions, as detailed above, and overall quality. Following the FY2023 audit, a full review will be undertaken of the audit process and feedback discussed with KPMG.

The committee meets privately with the lead external audit partner, and any other audit staff in attendance at committee meetings as part of the assessment process. It also reviewed and approved the year-end audit strategy for FY2023, including scope, level of fees and risks, and challenged KPMG on their approach to revenue recognition, going concern and impairment and development costs.

**Independence and objectivity**
The committee annually reviews the external auditor's independence and objectivity by way of (i) assurances provided by the external auditor regarding the safeguards in place to maintain independence; and (ii) oversight of total non-audit service fees. The committee undertook a review of the independence and objectivity of KPMG on its appointment as auditor and again as part of its annual review process at its meeting in December 2023.

**Non-audit services and fees**
During the year, the committee reviewed and approved the Company's non-audit services policy, which sets out the list of services and work that the external auditor is prohibited from undertaking for the Company. The policy also includes a requirement for the Chair of the Audit & Risk Committee to approve all non-prohibited services up to £25,000 in value, and for the Audit & Risk Committee to approve all non-prohibited services over £25,000 in value.

During 2023, KPMG did not undertake any non-audit services.

### Audit tender process

During the year, we undertook a detailed audit tender process involving the following steps:

- Request for information issued and responses received from four firms
- Tendering parties confirmed after independence reviews, and lead partners selected following interviews with Audit Chair
- Tender process established with NDAs concluded, data room prepared, and access to management organised
- Auditor Selection Committee set up comprising Audit & Risk Committee Chair, CFO, CEO, Head of Finance and Group General Counsel
- Request for proposal ('RFP') issued and relevant material provided through data room and management meetings
- Tendering parties reviewed material provided and additional information supplied where requested
- FRC's Audit Quality Review assessments of the firms reviewed
- Three firms still participating provided written RFP responses and presentations made to the Selection Committee. The criteria used to judge the responses included:
  - Audit quality and independence
  - Challenge and professional scepticism
  - Strength and clarity of audit approach
  - Sustainability credentials
  - Value for money
- The Selection Committee recommended KPMG as preferred audit firm to Audit Committee and Board and formal approval given
- Feedback sessions held with tendering parties

### Financial reporting

During the year, the committee and the Board monitor the integrity of any externally published announcements relating to the Group's financial performance. Reports are requested from management on particular matters, especially where a significant element of judgement is required. Additionally, the Chair of the committee has regular contact with the audit partner without the presence of the Executive Directors.

During the first half of the financial year and in relation to the Preliminary Results and Half Year Report, the committee challenged management on the methodology for calculation of Pod Point's market share and requested that a more robust methodology be sought. With the help of the strategic consultants, a new method, which addressed the limitations of the original methodology, was adopted and communicated to shareholders during the Capital Markets Day. Additionally, during the strategy review, the results of which were announced at the Capital Markets Day, the committee challenged management on the impact the Powering Up strategy would have on going concern and viability as well as provisions for the write-off of assets, and additional due diligence was undertaken to satisfy the committee.

An important responsibility of the Committee is to review and agree the most significant management accounting estimates and judgements which impact the financial statements. The key areas of judgement in the year are set out below. After reviewing reports on the significant estimates and areas of judgement and after discussion with KPMG, the committee agreed that the judgements made were appropriate and correctly reflected and presented in the Annual Report.

### Significant issues and other accounting judgements

| Area | Why it is significant | Audit & Risk Committee action |
|---|---|---|
| Impairment | The current economic climate, and delays in EV growth, have impacted on the results of the business and market capitalisation. An impairment charge was made in the interim report to 30th June 2023. Accordingly, goodwill impairment has been classified as a significant risk for the year.<br><br>The Strategic Review announced at the Capital Markets Day in November has led to future expectations in relation to the commercial segment being reduced | Conservative forecast assumptions were used to represent a balanced view of trading performance based on the strategic review undertaken. As a result, an impairment charge of £53.2 million was made to reflect the change in strategic focus and the current economic climate. |
| Revenue recognition | The audit of revenue recognition has taken into account the identification of performance obligations across the Group's revenue streams and the allocation of the associated revenue. | The committee noted the external auditor's report and has considered the revised policy in relation to separate performance obligations and is satisfied that the revised policy is in accordance with accounting standards. For further details see note 2. |
| Capitalisation of development costs | Taking account of increased spend on IT development costs and its increasing complexity in the period, the capitalisation of internally-generated development costs has been a significant accounting assessment. | The committee noted certain controls improvements providing more granularity in the tracking of project costs. There were no material matters to report. With further increases in spend on IT development, this area will remain under review. |

Whilst not a key audit matter, climate change impacts and risks were considered as part of the audit in relation to the carrying value of intangible assets, including goodwill.

As part of their onboarding due diligence, KPMG reviewed our accounts and policies, and met privately with the Chair of the committee to discuss their findings. As a result, KPMG were requested to undertake further work in the following areas:

**Revenue recognition:** Having challenged our policy on revenue recognition, noting that it did not represent the appropriate method for the progress of recognising revenue in line with IFRS, KPMG were asked to explain their rationale and to share examples of best practice. This enabled the Finance team to perform a more forensic analysis of our revenue recognition policy and procedures, and to explain Pod Point's approach to the Audit Committee, who challenged their assumptions. The Committee was satisfied with the adopted practice.

**TCFD disclosures:** Given that we were only partially compliant with two TCFD disclosures in FY2022, KPMG challenged the TCFD disclosures with reference to new reporting requirements for 2023, specifically regarding the resilience of the organisation's strategy to different climate-related scenarios, particularly the risk of higher warming scenarios. KPMG's challenge was considered by the ESG Working Group and the ESG Committee in completing the TCFD disclosures for the current year.

**Internal resource:** Additionally, the committee has monitored the in-house Finance team regularly throughout the year to ensure we have the required level of resource and expertise to enable them to discharge their responsibilities effectively. The Chair of the Committee regularly discusses this with the CFO. The team has been strengthened during the year. The committee held private sessions with KPMG without management present.

**Going concern and viability statements**
The committee reviewed the going concern and viability statements, set out on pages 30 and 90 respectively. To do this, it was ensured that the financial model used was consistent with the approved three-year plan approved by the Board and that scenario and sensitivity testing aligned clearly with the principal risks of the Company. Committee members challenged the underlying assumptions used and reviewed the results of the detailed work performed. The committee was satisfied that the analysis supporting the going concern and viability statements had been prepared on an appropriate basis.

**Fair, balanced and understandable**
The committee has undertaken a careful review to ensure that the Annual Report is 'fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company's consolidated position, performance, business model and strategy.

The committee and other Board members were consulted at various stages of the drafting of the Annual Report, as well as having the opportunity to review the Annual Report as a whole. In forming its opinion and recommendation to the Board in respect of the above matters, the committee carried out the following actions:

- A qualitative review of disclosures and a review of internal consistency throughout the report
- A review of all material matters, as reported elsewhere in this report
- A review of the ESG and TCFD disclosures
- A risk-comparison review, which assessed the consistency of the presentation of risks, and significant judgements throughout the main areas of risk disclosure
- Ensuring the report accurately reflects:
- the Company's position and performance as described on pages 26 to 33
- the Company's business model, as described on pages 17 to 21
- the Company's strategy, as described on pages 22 to 25

Based on this work, together with the views expressed by the external auditor, the committee recommended, and in turn the Board confirmed, that it could make the required statement that the Annual Report is 'fair, balanced and understandable'.

**Risk management and internal control**
The Board is responsible for ensuring that sound risk management and internal control systems are in place. The Executive Directors and Senior Management Team are responsible for designing the risk management and internal control systems, and ensuring they are effective throughout the Group. The internal control system is a framework to manage risks and monitor compliance with procedures. It is designed to meet Pod Point's particular needs and the risks to which it is exposed. However, it can provide only reasonable, not absolute, assurance against material loss to the Group or material misstatement in the financial statements. More details can be found on risk management on pages 76 to 89.

The committee's discussions and oversight of the risk management process continued throughout the year working closely with the Group General Counsel, who leads risk management within the Senior Management Team. This enabled the committee to assess the quality of existing practices and processes used to identify, assess and mitigate responses to risks. Improvements have been made during the year to the risk management framework to enhance the reporting and management of risks through the implementation of more effective tools, and the committee is satisfied that the risk management framework is fit for purpose.

The Technology Sub-Committee, which reported to the Audit & Risk Committee, met three times during the year to review, in greater detail, progress on the systems development, product development and cyber security issues in support of our oversight of management's IT strategy and cyber security plan. As announced on 28th March 2024, the Board recognises the importance of technology to the business and has therefore established a Technology Committee in place of the existing Sub-Committee.

The internal auditors provide information to the committee at each of its meetings to enable it to review the adequacy and effectiveness of the Group's internal control procedures, covering financial, operational and compliance controls. Pod Point conducted a review of its control framework and has identified 50 key controls, which will be reviewed and updated on an ongoing basis as the Group grows and evolves as a company. This iterative review will be known as Project 50. Additionally, a paper from management, setting out the controls in place, any failings during the year and action taken as a result, was discussed. The Group's control environment continues to be a focus area for management and the committee going forward as part of Project 50, taking account of the 2024 Corporate Governance Code and disclosures required in respect of internal controls.

**Internal audit**

The committee is responsible for reviewing and approving the role and mandate of the Company's internal audit function, and monitoring and reviewing the effectiveness of its work. Grant Thornton completed four audit reviews in 2023: (i) IT general controls; (ii) financial controls – inventory; (iii) cyber security review; and (iv) financial controls – purchase to pay. Reports on each of these audits were reviewed at committee meetings and feedback provided on the completion of actions identified in the reports. Additionally, fieldwork was completed during the year in respect of (i) revenue follow up review; and (ii) customer-facing cyber security review and reports provided in early 2024. During the year, the committee met with Grant Thornton without the presence of management, and Grant Thornton confirmed that the businesses engagement with internal audit was good, and progress was being made on identified actions. At the committee meeting in November 2023, an Internal Audit Charter and the Internal Audit Plan for 2024 were approved. Grant Thornton have, at the committee's request, assessed themselves against the Internal Audit Code and provided areas where they feel they can improve. The Pod Point team also assessed Grant Thornton's effectiveness and quality through a questionnaire completed by internal stakeholders, which assessed their performance as good overall with the area of project planning identified for improvement. The results were presented to the committee, which agreed with the assessment.

**Whistleblowing**

The Board has delegated oversight of the Group's whistleblowing policies and procedures to the Audit & Risk Committee. During 2023, Pod Point's whistleblowing policy was reviewed and approved by the committee. Management were requested to ensure that there is widespread awareness of whistleblowing procedures and to encourage reporting. Details of the current policy and procedures are set out on page 104 of the Corporate Governance Report.

Incidents reported via the Company's whistleblowing arrangements are scheduled to be discussed on a quarterly basis at each of the committee's scheduled meetings in 2024. This will ensure that the steps being taken by management in operating the policy are kept under regular review.

**Effectiveness of the committee**

As noted on page 107, an internal evaluation was undertaken in relation to the Board and its committees. The Audit & Risk Committee discussed the elements of the evaluation relating specifically to its effectiveness and overall were satisfied with the work of the committee during the year. The actions highlighted for the committee were the advance scheduling and agenda for meetings of the Technology Sub-Committee and the referral of cyber security discussions to the Board during the year.

**Dr Margaret Amos**
Chair of the Audit and Risk Committee
17th April 2024

# ESG Committee Report

**Dr Margaret Amos**
Chair of ESG Committee

## I am pleased to introduce our first report of the ESG Committee. The committee was established in 2022 to assist the Board in articulating and developing an ESG strategy and in reviewing the practices and initiatives of the Company relating to ESG matters, ensuring they remain effective and up to date.

The function of the committee continued to evolve over the year recognising the momentum of the issues involved and its responsibility for oversight and guiding the Group's sustainability agenda. The ESG Committee is now an important part of the Board's role in monitoring the effectiveness of the Company's sustainability activities.

During the year, the internal resource driving our environmental strategy and sustainability activities was increased, as our Head of Sustainability was joined by a Sustainability Manager, which will enable a greater focus on sustainability matters across the business.

Sustainability is integral to our purpose, that driving shouldn't cost the earth, and it is the reason we were founded. Our Powering Up strategy, which is detailed elsewhere in this report, aims to accelerate the EV charger network at Home and in the Workplace, both in the UK and in Europe, as we play our part in decarbonising transport.

I'd like to thank all colleagues for their commitment to sustainability and look forward to further progress in 2024.

**Dr Margaret Amos**
Chair of the ESG Committee

**Committee members**
- Dr Margaret Amos (Chair of the Committee)
- Karen Myers
- Dr Andy Palmer (from 6th July 2023)
- Erik Fairbairn (until 6th July 2023)

**Summary of key roles and responsibilities**
- Overseeing the Company's approach to its ESG strategy and ensuring it aligns with the overall strategic plan and promotes the Company's long-term sustainable success
- Development of ESG metrics and targets to support improvements in the Company's ESG performance
- Reviewing and advising on ESG and TCFD disclosures
- Approving policies relating to ESG matters
- Working with the Board and other committees to ensure good information flows to support the Board's responsibility for ESG

**Key activities during the year**
- Reviewed and approved the ESG and TCFD disclosures for the 2022 Annual Report
- Received updates on progress of core sustainability activities agreed for 2023
- Reviewed Pod Point's nine-point Environment Strategy: Enable – Encourage – Eliminate
- Reviewed the results of stakeholder engagement in respect of our materiality assessment
- Monitored compliance with applicable ESG and environmental regulations
- Approved metrics and targets and core sustainability activities for 2024
- Monitored employee diversity data and Gender Pay Gap reporting
- Reviewed workforce engagement activities

**Priorities for 2024**
- Discuss the outputs from the climate-related risks and opportunities workshop held in late 2023
- Broadening of our Environmental Strategy to incorporate all elements of ESG, in alignment with our Powering Up strategy
- Further ESG training to be rolled out across the business
- Updating of our Environmental Policy
- Rolling out a supply chain sustainability programme
- Overseeing the move of our UK fleet to 100% BEV by the end of 2025
- Certification of our environmental management system to ISO 14001 standard and relevant training
- Monitoring key metrics and performance against targets

**4**
Committee meetings in the year

**94%**
Meeting attendance

ESG Committee Report continued

**Approach to sustainability**

The ESG Committee is now fully embedded as an important part of the Board's oversight of sustainability related activities across the Group. It has overseen the development of the Environmental Strategy: Enable – Encourage – Eliminate and monitored opportunities for improving our sustainability performance. The Committee has a rolling agenda and during the year continued to receive regular reports on progress on our sustainability activities. The ESG Committee has oversight of the climate-related risk and opportunities, as well as monitoring progress against KPIs including our GHG emissions. During the year, the Committee undertook deep dives into SBTis and BCorp and have added them to the rolling agenda for further discussion in 2024.

The resourcing of sustainability workstreams across the business has increased during the year with the appointment of a Sustainability Manager, an IEMA certified Environmental Management Practitioner, to work with the Head of Sustainability. This will improve support for sustainability projects generally and will lead to certification of our Environmental Management System to ISO 14001 standard in 2024.

The ESG Working Group is a management committee responsible for ESG related subjects on a day-to-day basis and is chaired by the Group General Counsel. It continues to meet on a regular basis and report to the ESG Committee.

**TCFD**

The committee oversees the Company's ESG and TCFD disclosures, and considered how best to report on the four TCFD disclosure areas given the in-depth work that took place in respect of our FY2022 disclosures. The committee received updates between meetings and drafts of our disclosures, as well as challenge provided by KPMG. Members of the ESG Working Group held a multi-disciplinary workshop on climate-related risk and opportunities, the output of which is included in our TCFD disclosures for FY2023. A further workshop was held with the Finance team to ensure that the impact of climate-related risks and opportunities on our financial statements was properly modelled and disclosed. The full report on TCFD is available on pages 45 to 57.

**Impact of strategic review**

Towards the end of the year, Pod Point announced its new focused strategy, Powering Up, which will be transformational for the business and will result in changes to our operations as we focus on our core strengths of Home and Workplace, and increase our presence in Energy Flex, while gradually exiting other markets. Considering this, during 2024 the ESG Committee will consider the broadening of our Environmental Strategy into an ESG Strategy that is aligned to our corporate strategy.

**Dr Margaret Amos**
Chair of the ESG Committee
17th April 2024

## Directors' Remuneration Report

**Karen Myers**
Chair of the Remuneration Committee

**The Directors' Remuneration Report that follows has been prepared in accordance with the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006.**

Dear Shareholder,

This Directors' Remuneration Report consists of three parts:

- The Annual Statement, which summarises the activities of the Remuneration Committee in 2023 and our approach to remuneration, key decisions made and the context for those decisions
- The Annual Report on Remuneration, which will be subject to an advisory vote at the 2024 AGM
- A summary of the Directors' Remuneration Policy (the 'Policy') which sets out the remuneration framework that applies to the Executive Directors, the Chairman and the other Non-Executive Directors and which was approved with a binding vote at the 2022 AGM

### Committee membership

The Remuneration Committee comprises all the independent Non-Executive Directors, namely Karen Myers (Chair of the Committee), Dr Margaret Amos, Norma Dove-Edwin, Dr Andy Palmer (until 6th July 2023) and Dr Erika Schraner. The biographies of each member of the committee are set out on pages 95 to 97.

### Our remuneration philosophy

The main objectives of the Policy are to attract, retain and motivate the Executive Directors and senior employees, and to support the implementation of the Group's business strategy in a way which is aligned to the creation of long-term shareholder value. The Policy reflects the Pod Point culture and values.

The Remuneration Committee oversees the implementation of the Policy and, in particular, ensures that the Executive Directors are fairly rewarded for performance and the successful implementation of the Group's strategy. The Remuneration Committee will also take account of Pod Point's stakeholders and how their interests have been served. To support the Company's growth ambitions, a significant proportion of potential total remuneration is performance-related and will be delivered in shares.

The pay levels determined for our Senior Management Team reflect the fierce competition for talent in our high-growth sector and are intended to support the business as it navigates the growing market for EVs. The Directors' Remuneration Policy was approved by 99.98% of shareholders at the 2022 AGM.

### The context of remuneration decisions

The last financial year was tough for Pod Point and the committee has thought of the year as being in two parts. Performance in the first part of the year was affected by macroeconomic challenges, inflationary pressures and the cost of living crisis, half of which have affected short-term growth. Andy Palmer became Chief Executive Officer on an interim basis in the second half of the year and the Powering Up strategy was developed in the autumn and launched in November. Powering Up builds on Pod Point's core strengths in Home and Workplace, and will create a business that is both streamlined and well-positioned for new product offerings, such as Energy Flex, as well as expansion into new international markets. We made good progress in the second half of 2023, with a number of significant contract wins and strategic and operational milestones achieved. The market remains challenging with increased consumer uncertainty in anticipation of potential changes to UK Government policy and ongoing volatility in private new EV demand, but the Group is well-positioned to execute its transformation plan focusing on core strengths and leveraging them into adjacent markets.

As a result, Pod Point's full-year revenues reduced by 11% year-on-year. Overall gross margin was up 7% driven by improved supply chain, product savings, pricing and margin mix improvement. The adjusted EBITDA loss of £15.3 million was below expectations on lower revenues, but with continued investment in future growth. This was achieved whilst maintaining outstanding levels of customer service with 4.2 out of 5 rating on Trustpilot and 4.6 out of 5 rating on Reviews.io.

The strategic and operational highlights include:

- First Grid Load Management contract signed with UK Power Networks, leading to first consumer-related recurring revenue in 2023 financial year
- Large contract wins with three of the major UK Housebuilders – Barratt Homes, Bellway and Taylor Wimpey – opening significant growth pipeline in this large segment
- Significant growth in network usage, with electricity transferred across our network up 22% at 448 GWh, helping to avoid 399k tonnes of $CO_2e$

- Market leadership in the UK Home sector with a cumulative total of 199,442 home chargepoints installed and able to communicate
- Started the first phase of our restructuring programme as part of the £6 million annualised cost reduction goal in our Powering Up strategy

The Remuneration Committee took particular care in 2023 that all its decisions aligned Executive remuneration outcomes with the performance of the business and the interests of shareholders. There were no basic salary increases for the Executive Directors in 2023. The budget for salary increases across the Group was 6% of the salary with increases of 10% for those in our entry level bands. The LTIP awards granted in 2023 were reduced significantly in the light of the share price. The face value of awards was 64% of salary, which represents a discount of more than 50% of the usual annual awards of 150% of salary. The former Chief Executive Officer's post-IPO LTIP awards lapsed on the date of his termination and, although his pre-IPO awards will continue to vest (and in the case of a portion of the shares only if the performance conditions are met) time pro rating has been applied in full in accordance with our policy – see below. He was not entitled to receive a bonus for 2023. The successful transition of CEO from Erik Fairbairn to Andy Palmer, who is a well-known and highly experienced industry executive, was crucial to the Powering Up strategy. Setting the terms of Andy Palmer's remuneration as interim CEO required careful thought. His salary of £331,000 for the six months of the year he served (and £700,000 on an annualised basis) was set in light of his fee as Senior Independent Director and the number of days he was expected to work as CEO on a package, which matches his experience within the industry. He is not eligible to participate in the LTIP.

The committee continues to actively engage with employees through the use of engagement surveys and other wider Board engagement activities, which are fed back to the committee to assist its deliberations. Employees have had the opportunity to ask Board members questions on any matter, including Executive remuneration through a number of engagement avenues throughout the year as detailed on page 104. This included an Academy session on the role of the Board, hosted by the Chair of the committee, along with Norma Dove-Edwin. The session included an overview of the role of the Remuneration Committee and its approach to Executive remuneration and how it aligns to wider Company pay policy. Attendees were given the opportunity to ask any questions on executive remuneration specifically. The committee will continue to ensure there are appropriate mechanisms in place for employee engagement on Executive remuneration matters in accordance with provision 41 of the UK Corporate Governance Code.

In addition, the Remuneration Committee Chair has regular discussions with our largest shareholder representatives on matters of executive remuneration. Major decisions made by the committee have benefitted from previous dialogue to understand the shareholder perspective.

**Board changes**

As announced on 6th July, Erik Fairbairn stepped down as Chief Executive Officer. He remained employed by Pod Point and continued to receive his salary and benefits in the usual way until 31st December 2023. His notice period commenced from 6th July 2023 and Erik was entitled to six months' notice, which was paid in lieu of notice (based on his salary only) for the portion of his unworked notice, being six days. This is in accordance with the Directors' Remuneration Policy and his contract. He was also paid £5,000 (plus VAT) towards legal costs. Erik was not entitled to receive any bonus in respect of FY2023. The in-flight deferred bonus awards will continue to vest on the original vesting date. The in-flight post-IPO long-term incentive awards lapsed on 31st December 2023.

Erik retains only his IPO Share Plan Awards, which reflect his status as Pod Point's founder. The Awards comprise both an IPO Restricted Share Award and an IPO Performance Share Award. They will continue and vest on the normal vesting dates subject to performance (where relevant) and will be subject to a time pro-rating reduction to reflect the curtailed period of service. Erik will retain a post-employment shareholding of 300% of his annual salary, calculated using the Company's average share price in the month to 3rd July 2023, until 31st December 2025. He is also subject to an ongoing duty of confidentiality, non-compete covenants, and non-solicitation of customers and employees through to July 2024.

Andy Palmer was appointed interim CEO on 6th July 2023. Recognising the full-time commitment and responsibilities associated with the role, Andy was appointed on a pro-rated salary equivalent to £700,000 per annum, which was set as broadly the full-time equivalent of his fee as Senior Independent Director. Andy receives no pension allowance. He was eligible to participate in the 2023 annual bonus on a pro-rated basis but has waived any entitlement (see also below) and was not eligible to participate in the LTIP for 2023 or beyond. The committee extends its grateful thanks to Andy for stepping in to lead the business and for providing the energetic strategic direction and leadership required to launch the Powering Up strategy. The committee believes that the temporary remuneration arrangements for Andy have been value for money for shareholders in the specific circumstances of his interim appointment and in light of his vast experience and expertise in the automotive industry.

As announced on 20th February 2024, Melanie Lane will join Pod Point with effect from 1st May 2024 as our new CEO. Melanie is also well-known in the industry. She has most recently CEO of Shell Recharge Solutions following its acquisition by Shell in 2017. She has extensive experience of leading successful turnaround programmes in Shell's aviation and retail units. Her experience is reflected in a starting base salary of £450,000, which is the same as Erik Fairbairn's base salary. She will receive a pension contribution of 4.5% in line with the employer pension contribution for all employees and she will participate in Pod Point's incentive plans in line with the Directors' Remuneration Policy (see below). At the same time, Andy Palmer will revert to a Non-Executive role as Chair Designate before taking the role of Chair following the AGM on 5th June 2024.

David Wolffe joined the business on 25th July 2022 as CFO Designate and was formally appointed to the Board on 3rd January 2023. His appointment terms were in line with the approved Directors' Remuneration Policy and were set out in last year's report.

**Performance and reward outcomes for 2023**

**Annual bonus**

The 2023 Annual Bonus Plan ('ABP') was assessed against revenue (50% weighting), adjusted EBITDA (25% weighting) and operational objectives (25% weighting). Pod Point's financial performance was negatively impacted by a number of internal and external factors. While revenue continued to grow, it was below the threshold set for bonus purposes as was the adjusted EBITDA outcome. None of the bonus attributable to financial measures was payable. By contrast, most of the operational objectives were met in full despite the macroeconomic challenges. This resulted in an outturn of 20% of the maximum annual bonus. The ABP extends to 70 participants. The committee spent a considerable amount of time reviewing the result in the light of the wider stakeholder groups, including the performance of the share price since IPO. The committee's view is that, when viewed against the financial, operational and strategic achievements in the year, the overall outcome was both fair and proportionate, and hence no discretion to amend the outcome was applied. As a reminder, 30% of the bonus will be deferred into shares for two years. Andy Palmer has waived his bonus entitlement. The former CEO, Erik Fairbairn, was not entitled to receive any bonus for 2023.

**Long-term incentives**

In 2023, Pod Point made LTIP awards to selected employees. The awards were, as set out in last year's report, subject to adjusted EBITDA in FY2025 (25% weighting), relative TSR v FTSE Small Cap Index (25% weighting), operating free cash flow in FY2025 (25% weighting), successful design, development and negotiation of an energy tariff consumer market offering (12.5% weighing) and the signing of a grid load management contract (12.5% weighting). In advance of the award, the Remuneration Committee took account of the share price at the time and decided to reduce the level of award for the former CEO and CFO from the original intended award of 150% of salary to 64% of salary. Full details of the awards are set out on page 125.

**Implementing the policy for FY2024**

The salaries of the Executive Directors were set at appointment and were unchanged for 2023. There will be no increases for the Executive Directors for 2024. The average increases across the Company in 2024 will be 3% of salary and higher increases of 5% of salary will be targeted to entry level employees.

The 2024 ABP will operate on similar terms to 2023. The maximum quantum will remain unchanged and the committee has determined that the most appropriate performance measures are adjusted EBITDA (50% weighting), revenue (25% weighting) and four specific operational measures including ESG objectives (25% weighting). The weighting of adjusted EBITDA has been increased for FY2024 to reflect the priorities of the Powering Up strategy.

The policy limit for awards under the LTIP is up to 200% of salary. The transformation of the Company and the successful execution of the new strategy will require exceptional skill, leadership and tenacity from the Executive Directors as well as the continued commitment and focus of their team. To ensure alignment of reward with strategy delivery and shareholder value creation throughout the organisation, we are proposing changes to our long-term incentive arrangements within the terms of the Directors' Remuneration Policy. The Remuneration Committee is proposing that the Executive Directors should be awarded, in 2024 only, an 'enhanced' LTIP award (called the Powering Up Award), in addition to the usual LTIP awards. This will enhance the award of the new CEO and the CFO. To be clear, this is a one-off additional award to incentivise successful execution of the Powering Up strategy.

The performance and vesting period for the normal LTIP award will be three years and the performance measures and the weightings for the 2024 awards are as follows: adjusted EBITDA (30%); relative TSR v FTSE Small Cap (20%); operating free cash flow (25%) and key specific and measurable strategic measures, which will directly link with the Powering Up strategy (25%). The shares under the one-off Powering Up Award will vest after four years, rather than three, subject to the achievement of free cash flow after capex performance targets aligned to our ambition to be cash flow positive in FY2027. The standard of performance required will be over and above that required to trigger maximum vesting of the normal LTIP award. A two-year holding period will apply to the normal LTIP award and a one-year holding period applied to the Powering Up Award. The committee knows that some investors are sceptical of one-off arrangements, but we are confident that there is a strong rationale for it in our case as it is directly aligned to the new Powering Up strategy and will only reward for superior performance, which will be indicative of its successful delivery by the end of FY2027.

The award levels proposed for the new CEO will be split as one million shares in the normal LTIP award and 750,000 shares in the Powering Up Award. For the CFO, these will be split as 800,000 shares in the normal LTIP and 600,000 shares in the Powering Up Award. The interim CEO, Andy Palmer may not participate in the LTIP. The committee was mindful of the current share price and the potential share price dilution when determining these award levels. The total face value of both awards are equivalent to circa 86% of salary for each of the new CEO and CFO based on the share price at 8th April 2024 (the latest practical date before the publication of this document), and therefore within the limits of the policy. The face value on grant of the normal LTIP award is therefore circa 49% of salary and the face value on grant of the Powering Up award is circa 37% of salary. The Remuneration Committee will be able to modify vesting outcomes to zero if necessary if we are not satisfied with the quality of the performance at the end of the three-year and four-year performance periods and/or we have doubts about its sustainability.

In accordance with TCFD, the Board has set climate-related targets, one of which is that a minimum of 15% of the Executive Directors' variable remuneration potential, including any outstanding in-flight bonus or share awards, should be linked to ESG measures. Accordingly, 2024 awards will continue to include ESG-related performance measures.

**Conclusions**

We are well aware that one-off awards can be a sensitive matter especially at a time of great uncertainty. The Remuneration Committee, over the last two years, has shown that it is able to exercise its discretion to reduce share awards to align the interests of the Executive Directors with those of Pod Point's shareholders. The Board's view is that this is the time to be bold on remuneration to support Powering Up and to maximise shareholder returns.

We look forward to engaging with our shareholders and other stakeholders on an ongoing basis. I would welcome any feedback or comments on the Directors' Remuneration Report more generally.

**Karen Myers**
Chair of the Remuneration Committee
17th April 2024

## Remuneration continued

### Directors' Remuneration Report continued

### Implementation of the Directors' Remuneration Policy for FY2024

| Element of pay | Interim Chief Executive Officer – Andy Palmer | New Chief Executive Officer – Melanie Lane | Chief Financial Officer – David Wolffe |
|---|---|---|---|
| **Base salary** | Pro-rated based on full-year equivalent of £700,000 (no increase for FY2024) | £450,000 on appointment | £360,000 (no increase for FY2024) |
| **Pension** | None | Aligned to the employer contribution for all employees. This is 4.5% of salary in 2023 | |
| **Benefits** | Car allowance of up to £20,000. | Car allowance of up to £20,000 and private medical cover | Car allowance of up to £15,000 and private medical cover |
| **Annual bonus plan** | Maximum: 125% of salary.<br>70% paid in cash/30% deferred into shares for two years when they will vest<br>Subject to performance measures: revenue (25% weighting reduced from 50%), adjusted EBITDA (50% weighting increased from 25%) and four operational measures (25% weighting) including sustainability, business development, operational effectiveness and customer satisfaction. The payment of operational measures is subject to an achievement of an EBITDA threshold. The specific performance measures and targets are considered to be commercially sensitive at this time but will be disclosed on a retrospective basis in next year's report | | |
| **LTIP** | None | The policy limit is up to 200% of salary.<br>Award levels for FY2024 will be based on a fixed number of shares, which will be 1.75m for the new CEO and 1.4m for the CFO, so the face value of awards is expected to be 86% of salary in total based on the current share price*. The awards will comprise the normal award (circa 60% of the total) and the Powering Up award (circa 40% of the total award). The face value on grant of the normal award is circa 49% of salary and the face value on grant of the Powering Up award is 37% of salary.<br>For the normal award, a three-year vesting period plus two-year holding period<br>Subject to performance measures:<br>• Relative TSR v FTSE Small Cap Index (20% weighting) – median to upper quartile ranking<br>• Adjusted EBITDA in year ended 31st December 2026 (30% weighting) - (£3m) to +£5m<br>• Operating Free Cash Flow excluding financing and M&A in 2026 (25% weighting) – (£13m) to (£3m)<br>• Strategic goals (25% weighting) for 2026 – grid flex revenue £1.8m to £3m, cost out annualised £6m to £7.5m, reduce by half Scope 1 and 2 GHG emissions from Pod Point's UK operations by the end of 2026 (using a 2023 baseline)<br>For the Powering Up Award, a four-year vesting period plus one-year holding period<br>Subject to performance measures: stretching free cash flow after capex performance targets aligned to our ambition to be cash flow positive in FY2027, with a range of (£2m) to +£4m<br>For both awards, 25% of the maximum will payout for achieving the threshold, with 100% payout for maximum | |

| Element of pay | Interim Chief Executive Officer – Andy Palmer | New Chief Executive Officer – Melanie Lane | Chief Financial Officer – David Wolffe |
|---|---|---|---|
| **Shareholding guideline** | None | 300% of salary<br>Continues for two years post-cessation | 200% of salary<br>Continues for two years post-cessation |

Note: the table above shows the continuing elements of remuneration for each Executive Director.

*To the extent that the share price between the date of this report and the date of grant increases significantly to result in a face value of awards which would exceed the policy limit, the committee will scale back the number of awards to be granted to remain within the policy.

| Element of pay | Chair's fee | Non-Executive Directors' fees |
|---|---|---|
| **Fees** | £200,000<br>(no increase for FY2024) | • Base fee: £58,000 (no increase for FY2024)<br>• Audit Committee Chair's fee: £12,000 (no increase for FY02024)<br>• Remuneration Committee Chair's fee: £11,000 (no increase for FY2024)<br>• Senior Independent Director's fee: £10,000 (no increase for FY2024)<br>Following the creation of new Board committees, the following additional fees will be paid for FY2024:<br>• Technology Committee Chair's fee: £5,000<br>• ESG Committee Chair's fee: £5,000 |

# Remuneration continued

## Directors' Remuneration Report continued

### Single total figure of remuneration (audited)

The following tables set out the total remuneration received by Executive Directors and Non-Executive Directors from the date of incorporation, which represents full-year ended 31st December 2023 and the full-year ended 31st December 2022.

| £'000 | | Salary and fees | Benefits[1] | Bonus | LTIPs | Pension[2] | Total figure remuneration | Total fixed pay | Total variable pay |
|---|---|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | | | |
| Andy Palmer[3] | 2023 | 331 | – | – | – | – | 331 | 331 | – |
| David Wolffe[4] | 2023 | 360 | 25 | 90 | – | 17 | 492 | 402 | 90 |
| **Former Executive Directors** | | | | | | | | | |
| Erik Fairbairn[3] | 2023 | 232 | 2 | – | – | 21 | 255 | 255 | – |
| | 2022 | 450 | 2 | 238 | – | 16 | 706 | 468 | 238 |
| David Surtees[4] | 2023 | 3 | – | 1 | – | – | 4 | 3 | 1 |
| | 2022 | 360 | – | 191 | – | 13 | 564 | 373 | 191 |
| **Non-Executive Directors** | | | | | | | | | |
| Gareth Davis[5] | 2023 | 224 | 9 | – | – | – | 233 | 233 | – |
| | 2022 | 200 | – | – | – | – | 200 | 200 | – |
| Phillipe Commaret[6] | 2023 | – | – | – | – | – | – | – | – |
| | 2022 | – | – | – | – | – | – | – | – |
| Robert Guyler[6] | 2023 | – | – | – | – | – | – | – | – |
| | 2022 | – | – | – | – | – | – | – | – |
| Andy Palmer[3] | 2023 | 45 | – | – | – | – | 45 | 45 | – |
| | 2022 | 68 | – | – | – | – | 68 | 68 | – |
| Margaret Amos[5] | 2023 | 95 | – | – | – | – | 95 | 95 | – |
| | 2022 | 70 | – | – | – | – | 70 | 70 | – |
| Norma Dove-Edwin | 2023 | 58 | - | - | - | - | 58 | 58 | – |
| | 2022 | 58 | – | – | – | – | 58 | 58 | – |
| Karen Myers[5] | 2023 | 114 | – | - | – | – | 114 | 114 | – |
| | 2022 | 69 | – | – | – | – | 69 | 69 | – |
| Erika Schraner | 2023 | 58 | – | – | – | – | 58 | 58 | – |
| | 2022 | 58 | – | – | – | – | 58 | 58 | – |

Notes to table:
1 Benefits corresponds to the taxable benefits receivable during the relevant financial year. The benefits shown for Gareth Davis relate to the payment of a car allowance
2 Pension corresponds to the amount contributed to defined contribution pension plans or a cash payment in lieu of a pension contribution
3 Andy Palmer served as Senior Independent Director until 6th July 2023 when he was appointed as interim CEO. Erik Fairbairn stepped down as CEO on 6th July 2023
4 David Wolffe was appointed CFO on 3rd January 2023. David Surtees retired as CFO on 3rd January 2023
5 Includes an additional one-off payment for significant additional time spent on Pod Point matters as set out on page 124
6 Philippe Commaret and Robert Guyler are not entitled to any fee from the Company in respect of their Directorships

# Remuneration continued

Directors' Remuneration Report continued

### Base salary in 2023

The annual base salaries for the former CEO and CFO were £450,000 and £360,000 respectively and were not increased for 2023. The base salary for the interim CEO was set at £700,000 on appointment, noting that he was not entitled to a pension contribution and did not participate in the LTIP.

Given the Board changes during the year, there was a material increase in the time commitments required for certain Non-Executive Director roles. The committee agreed to pay Gareth Davis (as Chairman) an additional £24,000 one-off payment as compensation for the significant additional time spent on Pod Point matters during FY2023. The Board, excluding the Non-Executive Directors, approved an additional one-off payment of £40,000 to Karen Myers (as Chair of the Remuneration Committee and Senior Independent Director) and £25,000 to Margaret Amos (as Chair of the Audit Committee) as compensation for the significant additional time spent on Pod Point matters during FY2023. The materiality of the increase in time commitments is reflected in the number of Board and committee meetings held during 2023, which are set out on page 98.

### Benefits

Benefits consisted of life insurance. The former CEO and the interim CEO were entitled to a car allowance of up to £20,000 per annum. The CFO was entitled to a car allowance of up to £15,000 per annum.

### Pension

The Executive Directors (other than the interim CEO) received pension benefits equivalent to 4.5% of salary.

### Annual bonus

| Performance criteria | % of annual bonus | Minimum target | Stretch target | Outcome | Achieved/ not achieved | % of maximum bonus payable |
|---|---|---|---|---|---|---|
| Revenue (in 2023) | 50% | £85m | £100m | £63.8m | Not achieved | **0%** |
| Adjusted EBITDA | 25% | -£8.0m | -£3.0m | -£15.4m | Not achieved | **0%** |
| Operational objectives | 25% | BU implementation – effective operation in business. This goal was intended to encourage and reward the new organisational design for Pod Point and the establishment of business units | | | Achieved in full | **5%** |
| | | Grid load management revenue. Grid load management is a key measure for Pod Point's business. The provision of grid load management services enables our customers to maximise energy use efficiently | | | Achieved in full | **5%** |
| | | Average eNPS[1] of 12. Employee net promotor score was assessed twice during the year through employee surveys. The average participation rate was 74% | | | Not achieved | **0%** |
| | | Measure $CO_2$e/kWh energy transferred over our connected network. To decarbonise the business as much as we can we set out to establish a base line for measurement | | | Achieved in full | **5%** |
| | | Lifecycle assessment Solo and Twin. These are our two key chargers. The life cycle assessment is crucial to understand the environmental impact of our chargepoints | | | Achieved | **5%** |
| **Total bonus payable** | | | | | | **20%** |
| **Application of discretion** | | | | | | **0%** |
| **Final outcome** | | | | | | **20%** |

1 Employee Net Promoter Score

When considering the achievement of the operational objectives, the committee considered a number of factors. This included both quantitative and qualitative assessment depending on the measures. The bonus outturn was 20% of maximum. The committee believed that, when viewed against the financial, operational and strategic achievements in the year, the overall outcome was fair taking into account the contribution of the Executive Directors throughout the year and in particular the second half. No discretion was applied. Andy Palmer has decided to waive his pro-rated bonus entitlement. David Surtees stepped down from the Board on 3rd January 2023 and remained employed until 31st March 2023. The bonus shown below is pro-rated to 3rd January, the period of service as an Executive Director. The former CEO, Erik Fairbairn was not eligible to receive a bonus in relation to FY2023. The final outcomes for the Executive Directors are set out below:

| Name | Role | Max (% of salary) | Final outcome (% of salary) | Payable in cash | Deferred into shares* |
|---|---|---|---|---|---|
| David Wolffe | CFO | 125% | 25% (20% of max) | £63,000 | £27,000 |
| David Surtees | Former CFO | 125% | 25% (20% of max) | £525 (pro-rated) | £225 (pro-rated) |

* In line with the approved policy, 30% of any bonus earned is deferred into shares for two years

## Remuneration continued

**Directors' Remuneration Report** continued

### Awards granted in the year

For 2023, LTIP awards were granted to eligible employees, which vested after three years subject to continued employment and the achievement of performance conditions. In advance of the award, the Remuneration Committee took account of the share price at the time and decided to reduce the level of award for the Executive Directors from the original intended award of 150% of salary to 64% of salary. The details of the awards are set out below:

| Name | Role | Basis for award (% of salary) | Number of shares granted | Date of grant |
|---|---|---|---|---|
| Erik Fairbairn | Former CEO | 64%* | 384,000 | 25th May 2023 |
| David Wolffe | CFO | 64%* | 307,200 | 25th May 2023 |

* Awards were calculated based on the share price of 75p, which means a face value of £288,000 and £230,400 for the former CEO and CFO respectively.

The 2023 LTIP awards were subject to the following performance measures and targets:

| Measure | Weighting | Threshold (25% payable) | Maximum (100% payable) |
|---|---|---|---|
| Relative TSR v FTSE Small Cap Index (excluding investment trusts) | 25% | Median performance | Upper quartile performance |
| Adjusted EBITDA in FY2025 | 25% | £3m | £10m |
| Operating free cash flow in FY2025 (excluding financing and M&A) | 25% | -£15.8m | -£6m |
| The successful design, development and negotiation of an energy tariff consumer market offering | 12.5% | Full attainment of the goals will be the successful launch of an energy tariff, which is integrated with Pod Point's products and services, and the provision of direct benefit to consumers to reduce cost, consumption and carbon intensity | |
| The signing of a 'grid load' management contract | 12.5% | Full attainment will be obtaining of a signed contract with a grid load manager to provide load management services to maximise energy use efficiency | |

### Awards vested in the year

No performance awards were due to vest in 2023.

### Other statutory requirements

Share Interests and Incentives

| | Shares owned outright | Awards unvested and subject to performance conditions | Awards unvested with no performance conditions | Awards vested but not exercised | Shareholding requirement met |
|---|---|---|---|---|---|
| Andy Palmer | 128,778 | – | – | – | n/a |
| David Wolffe | – | 818,079 | 33,218 | – | No – 1% of salary |
| Erik Fairbairn | 1,777,7781 | 732,260 | 216,135 | 478,880 | No – 104% of salary |
| David Surtees | 107,229 | – | 123,509 | – | No – 10% of salary |
| Gareth Davis | 88,889 | – | – | – | n/a |
| Phillipe Commaret | – | – | – | – | n/a |
| Robert Guyler | – | – | – | – | n/a |
| Margaret Amos | 4,444 | – | – | – | n/a |
| Norma Dove-Edwin | 13,333 | – | – | – | n/a |
| Karen Myers | 25,778 | – | – | – | n/a |
| Erika Schraner | 25,778 | – | – | – | n/a |

Shares counting towards the guideline include those purchased from own funds, vested (but unexercised) share awards on a net-of-tax basis, unvested share awards not subject to performance measures on a net-of-tax basis. The shareholding requirement will continue to apply to the Executive Directors for a period of two years after termination of employment. In light of his planned retirement, it was agreed at IPO that the post-employment shareholding requirement for David Surtees will be up to 100% of salary for one year.

Our middle market share price at the close of business on 31st December 2023 was £0.2175 and the range of the middle-market price during the year was £0.201 to £1.00.

Since the year end, there have been no other changes in the shareholdings.

# Remuneration continued

## Directors' Remuneration Report continued

### Change in CEO total remuneration

The following chart shows the value of £100 invested in the Company (at the date of Admission) compared with the value of £100 invested in the FTSE Small Cap Index. We have chosen the FTSE Small Cap Index as it provides the most appropriate and widely recognised index for benchmarking the Company's corporate performance since Admission.

### Total shareholder return

Source: Datastream (a LSEG product)


| CEO remuneration (£'000) | FY2023 (Andy Palmer) | FY2023 (Erik Fairbairn) | FY2022 (Erik Fairbairn) | FY2021 (Erik Fairbairn) |
|---|---|---|---|---|
| Total remuneration excluding legacy awards | £331 | £239 | £706 | £289 |
| Total remuneration including legacy awards | £331 | £239 | £706 | £4,168 |
| Annual bonus as a % of max | Waived any bonus entitlement | n/a | 42% | n/a |
| Shares vesting as a % of max | n/a | n/a | n/a | n/a |

### CEO pay ratio

| Financial year | Element | P25 | P50 | P75 |
|---|---|---|---|---|
| 2023 | Total remuneration ratio | 17:1 | 13:1 | 9:1 |
| | Total remuneration value £'000 | £34,216 | £45,513 | £66,914 |
| | Salary ratio | 20:1 | 15:1 | 10:1 |
| | Salary value £'000 | £28,832 | £38,693 | £58,872 |
| 2022 | Total remuneration ratio | 23:1 | 17:1 | 12:1 |
| | Total remuneration value £'000 | £31,055 | £42,480 | £60,540 |
| | Salary ratio | 16:1 | 12:1 | 8:1 |
| | Salary value £'000 | £27,312 | £36,488 | £55,312 |
| 2021 | Total remuneration ratio excluding legacy awards | 9:1 | 7:1 | 5:1 |
| | Total remuneration ratio including legacy awards | 132:1 | 102:1 | 73:1 |
| | Total remuneration value £'000 | £31,517 | £40,933 | £56,586 |
| | Salary ratio | 11:1 | 9:1 | 6:1 |
| | Salary value £'000 | £25,541 | £31,002 | £46,935 |

The Company has used option A as defined by the regulations and calculated the pay and benefits of all UK employees on a full-time equivalent basis as this is the most accurate way of calculating the ratio. The 2021 total remuneration ratio is not considered to be representative of a normal year as it is distorted by the CEO numerator when the value of legacy awards is included. For this reason, we have also shown the ratio excluding the value of legacy awards.

The movement in the year is a result of the CEO's pay reflecting both Erik Fairbairn and Andy Palmer's time in the role and with no incentive pay received for the year. This compares to 2022, where there was a full year with the CEO's post-IPO remuneration package (as opposed to approximately two months in 2021). Therefore the movement in the pay ratios is a reflection of the CEO changes rather than employee pay more generally. The committee has no reason to believe that the median pay ratio for FY2023 is inconsistent with Pod Point's approach to pay and progression policies for all other UK employees. The committee will monitor future movements in the ratio.

### Relative importance of spend on pay

The table below indicates how amounts spent on pay compare with Pod Point's other financial dispersals.

| | FY2023 | FY2022 | % change |
|---|---|---|---|
| Dividends and share buybacks | – | – | – |
| Staff costs* £'000 | £32,032 | £28,628 | 12% |

* Staff costs for all employees as per note 7 of the financial statements – see page 164

# Remuneration continued

## Directors' Remuneration Report continued

### Percentage change in Directors' pay

The table below shows the change in Directors' remuneration in 2023 compared to previous years compared to that of all employees.

| | 2023 v 2022 | | | 2022 v 2021 | | |
|---|---|---|---|---|---|---|
| | Base salary/fee | Benefits | Annual bonus | Base salary/fee | Benefits | Annual bonus |
| Erik Fairbairn | (47)% | (12)% | (100)% | 60% | -67% | n/a |
| David Surtees | (99)% | 0% | (199)% | 34% | n/a | n/a |
| Andy Palmer (Interim CEO) | 454% | n/a | n/a | 592% | n/a | n/a |
| David Wolffe | n/a | n/a | n/a | n/a | n/a | n/a |
| Gareth Davis | 12% | n/a | n/a | 562% | n/a | n/a |
| Phillipe Commaret | n/a | n/a | n/a | n/a | n/a | n/a |
| Robert Guyler | n/a | n/a | n/a | n/a | n/a | n/a |
| Margaret Amos | 36% | n/a | n/a | 592% | n/a | n/a |
| Norma Dove-Edwin | 0% | n/a | n/a | 592% | n/a | n/a |
| Karen Myers | 65% | n/a | n/a | 592% | n/a | n/a |
| Erika Schraner | 0% | n/a | n/a | 592% | n/a | n/a |
| All employees | 15% | 1,492% | (79)% | 12% | -65% | n/a |

The percentage change has been calculated from the single total figure table and therefore the percentage change figures for Erik Fairbairn, David Surtees and Andy Palmer reflect their change in roles during the year. Fees in 2021 for the Non-Executive Directors were for only part of the year from their appointment and hence the percentage change figures above are not representative. Erik Fairbairn and David Surtees did not participate in a regular annual bonus in 2021. There was no annual incentive for all employees in 2021, which can be compared to the 2022 annual bonus.

### Payments for loss of office and/or payments to former Directors

On 6th July, Erik Fairbairn stepped down as Chief Executive Officer. He remained employed by Pod Point and continued to receive his salary and benefits in the usual way until 31st December 2023 (£229,959). His notice period commenced from 6th July 2023 and Erik was entitled to six months' notice which was to be paid in lieu of notice (based on his salary only) for the portion of his unworked notice, being six days (£6,164). This was in accordance with the Directors' Remuneration Policy and his contract. He was also paid £5,000 (plus VAT) towards legal costs. He will not receive any bonus under the Annual Bonus Plan in respect of FY2023. The Deferred Bonus Share Award in respect of the annual bonus payment for FY2022 will continue and vest in full on the original vesting date. The post-IPO long-term incentive awards lapsed on 31st December 2023. He does retain all vested and unvested IPO Share Plan Awards which comprise both an IPO Restricted Share Award and an IPO Performance Share Award. They will continue and vest on the normal vesting dates subject to, in the case of the awards where vesting is linked to performance, the original performance conditions being met at the end of the performance period. All the IPO Share Plan Awards (the IPO Restricted Share Awards and the Performance Share Awards) will be pro-rated for time according to the proportion of the vesting period, which has elapsed as at the termination date. Erik will retain a post-employment shareholding of 1,954,971 shares (being the number of shares equivalent to a value of 300% of his annual salary, calculated using the Company's average share price in the month to 3rd July 2023) to be retained until 31st December 2025. On 9th November 2023, the second anniversary of IPO, part of the IPO Restricted Share Award vested, with 478,880 shares becoming exerciseable within 12 months of his leave date.

As set out previously, David Surtees retired and stepped down from the Board on 3rd January 2023 and continued to be available to Pod Point until the 31st March 2023. His salary for the period to 31st March was £90,000. He was eligible for a time pro-rated bonus to 31st March 2023 (£15,750 payable in cash and £6,750 deferred into shares) and his outstanding legacy IPO Share Award, which vested on the normal vesting date. He remains subject to the shareholding requirement, whereby up to 100% of salary needs to be retained for one-year post-cessation. On 9th November 2023, the second anniversary of IPO, the final part of his IPO Share Award vested, with 46,277 shares becoming exerciseable within 12 months of the vesting date.

Remuneration continued

Directors' Remuneration Report continued

**Committee members**

- Karen Myers (Chair of the Committee)
- Norma Dove-Edwin
- Dr Margaret Amos
- Dr Erika Schraner
- Dr Andy Palmer (until 6th July 2023)

For as long as EDF's shareholding is equal to or exceeds 10%, it is entitled to appoint a representative (whose identity must be approved in advance by the Board) as an observer to the committee.

The committee may invite the Chairman, the CEO, CFO and other members of management to attend all or part of meetings but no individual is present when their own remuneration is discussed.

**Summary of key roles and responsibilities**

- Develop the Group's policy on executive remuneration
- Determine the levels of remuneration for Executive Directors and the Chair and other Senior Executives
- Consider, determine and approve the provisions of the service agreements for Executive Directors and the Chair and other Senior Executives
- Prepare an annual Remuneration Report for approval by the shareholders at the AGM
- Approve any share scheme to be established by the Company

**Key activities during the year**

- The leaver arrangements for former CEO, Erik Fairbairn
- The temporary appointment arrangements for interim CEO, Andy Palmer
- Recruitment and leaver arrangements for other senior executives
- The drafting of the 2023 Directors' Remuneration Report
- Assessment of the performance measures and targets used for FY2023 ABP and LTIP
- The design and development of the FY2024 LTIP, including monitoring of share dilution
- Pay and employment conditions in the wider workforce, including review of the CEO pay ratio and gender pay gap
- FY2024 salary review
- Monitoring regulatory updates including proxy agency and investor guidelines

**Advisors**

The committee appointed FIT Remuneration Consultants LLP ('FIT') as their independent advisor. FIT advised on all aspects of the Directors' Remuneration Policy and practice and reviewed remuneration structures against corporate governance norms. FIT is a member of the Remuneration Consultants' Group and complies with its Code of Conduct, which sets out guidelines to ensure that its advice is independent and free of undue influence. FIT carries out no other work for Pod Point or its subsidiaries. The Remuneration Committee has used its judgement to assess the advice provided and is satisfied that it is objective. For FY2023, FIT was paid on both a retainer basis and for hours worked on specific pieces of work at the request of the committee Chair. The total for the year amounted to £71,791 (2022: £63,000).

**10**
Committee meetings in the year

**98%**
Meeting attendance

**Directors' Remuneration Policy**

The Directors' Remuneration Policy was approved at the 2022 AGM.

A summary of the policy is set out below. The full policy can be found at https://investors.pod-point.com/remuneration-policy02922

**Remuneration Policy for Executive Directors**

The following table summarises each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

| Element of pay | Purpose/link to strategy | Operation/performance | Maximum |
|---|---|---|---|
| **Base salary** | The foundation stone of the policy. Set to attract and retain individuals with the required capabilities. | Salaries are set on appointment, taking into account the individual's skills and experience and the recruitment market. Usually paid monthly.<br>Salaries are reviewed although not necessarily increased annually, normally with effect from 1st January in the light of:<br>• Affordability<br>• Pay increases for the workforce<br>• Performance<br>• Changes in scope of responsibilities/role<br>• External market trends<br>• Internal differentials/relativities<br>• The value of total remuneration<br>• The Remuneration Committee's judgement<br>Salaries are benchmarked against similarly-sized companies and other relevant comparators and competitors as considered appropriate. | Annual increases will normally be in line with the average increase for the UK employees except in exceptional circumstances, including but not limited to change in the scope and scale of the organisation, change in role, the need for accelerated pay progression, internal differentials and external relativities. |
| **Pension** | To encourage employees to save and build up capital for the long term whether through participation in an occupational scheme or payment of a cash allowance instead. | Contribution or unconsolidated cash allowance (or in combination) determined as a percentage of annual salary and usually paid monthly.<br>Not linked to performance. The level of contribution or cash allowance in lieu of a pension contribution is intended to be in line with the maximum contribution available to all employees. | No more than the pension contribution available to all UK employees (which at the date of policy approval is 4.5% of salary). |

# Remuneration continued

## Directors' Remuneration Report continued

| Element of pay | Purpose/link to strategy | Operation/performance | Maximum |
|---|---|---|---|
| **Other benefits** | To ensure total remuneration is competitive and to provide some financial protection against illness and to encourage wellbeing. | A range of benefits is provided in line with typical market practice including, but not limited to, a car or car allowance and permanent health insurance.<br>Additional benefits may be provided within the Directors' Remuneration Policy for other reasonable business reasons such as relocation whether domestic or international. | The CEO's car allowance will not exceed £20,000 per year.<br>The car allowance for any other Executive Director will not exceed £15,000 per year.<br>The maximum value of other benefits will vary depending on the cost to the Company of providing them.<br>This excludes any relocation benefits, which will be capped by the approved relocation policy. |
| **Annual bonus plan ('ABP')** | To focus the attention of the Executive Directors and reward them for achieving results based on targets set in line with the annual business plan and the longer-term corporate strategy. | The annual bonus will be based on financial, strategic and/or operational measures and targets set for and measured over the financial year.<br>They may also include individual and team-based objectives and targets. At least 50% of the performance measures will be financial.<br>Up to 30% of any bonus earned (subject to a de minimis amount) will usually be delivered in shares which will be deferred for two years (the 'DBSP'). Dividends or dividend equivalents may be paid to the extent the shares vest.<br>Both the cash and DBSP elements of annual bonus will be subject to malus and clawback provisions.<br>Deferred bonus shares are forfeitable on leaving unless the Executive Director is deemed to be a 'good leaver'. | The maximum for the CEO and for any other Executive Director will be 125% of salary a year.<br>No bonus will be paid below threshold and the full bonus will be paid only for meeting or exceeding the maximum performance standards set.<br>The bonus earned for meeting target may vary from year to year depending on the measures and a range of commercial factors. |

| Element of pay | Purpose/link to strategy | Operation/performance | Maximum |
|---|---|---|---|
| **LTIP** | To align the long-term interests of the Executive Directors with those of shareholders. To encourage teamwork across the leadership group. To reward the delivery of long-term sustainable results and to support retention. | Annual awards of performance shares. The share scheme will allow for a variety of share-based arrangements including conditional shares, forfeitable shares and nil-cost or nominal-cost options. The Remuneration Committee may set any measures as it considers appropriate from year to year based on the Board's strategic objectives.<br>The awards vest three years after the date of appointment and Executive Directors will be required to hold (if necessary after tax has been paid) the shares for two years after they have vested.<br>Dividends or dividend equivalents may be paid to the extent the shares vest.<br>Malus and clawback will apply. | Maximum annual award of up to 200% of salary.<br>No more than 25% of the shares under award will vest at threshold or the deemed equivalent. |
| **Share ownership requirement** | To encourage Executive Directors to invest their own capital – including remuneration from released and vested shares – in the Company. | Executive Directors are required to retain some or all of the net value of vested shares under the Deferred Bonus Plan and the Performance Share Plan until they have met the requirement. | 300% of salary for the CEO and 200% of salary for any other Executive Director. Executive Directors will normally be required to maintain their shareholding for two years after they leave the Board. |
| **All-employee share schemes** | To encourage teamwork across the Company and to align the interests of all employees with those of shareholders. To create an opportunity to share in the success of the Company, where possible, tax effectively. | Executive Directors may participate in any all-employee share scheme, on the same terms as other employees, in accordance with HMRC and other requirements. | Subject to the relevant legislation. |

## Remuneration continued

**Directors' Remuneration Report** continued

### Fees policy for Chair and Non-Executive Directors

The following table summarises the fees policy for the Chairman and the Non-Executive Directors.

| Element of pay | Purpose/link to strategy | Operation/performance | Maximum |
|---|---|---|---|
| Fees | To provide a competitive fee to attract Non-Executive Directors who have the requisite skills and experience to oversee the implementation of the Company's strategy. | Fees for the Chair are set by the Committee. Fees for the other NEDs are set by the Board excluding the NEDs.<br>Fees are reviewed, but not necessarily increased, annually. Fee increases are normally effective from 1st January.<br>Fee levels are determined based on expected time commitments of each role and by reference to comparable fee levels in other similar-sized companies.<br>Additional fees are payable to the Senior Independent Director and Chairs of Board Committees to reflect their additional responsibilities.<br>Additional fees may be paid for other responsibilities, which include a higher time commitment than normal.<br>Reasonable business expenses (including any tax thereon) will be reimbursed.<br>The Chair and the other Non-Executive Directors may also receive reasonable benefits including, for example, the installation of a chargepoint. | There is no overall aggregate annual limit for fees payable to the Non-Executive Directors. |

### Discretion retained by the committee in operating the incentive plans

The committee administers the respective incentive plans in line with their rules, in accordance with HMRC regulations and the Listing Rules where relevant. To ensure the efficient administration of these plans, the committee will retain discretions which include (but are not limited to) the following:

- the number of participants in the plans
- the possible timing of grants, vesting and/or payments under the plans
- the size of any grant, vesting and/or payment (within the limits set out in the approved policy for Executive Directors)
- determining the performance measures and targets, which are appropriate for each incentive plan from year to year
- whether it is necessary to use discretion to amend the outcome
- determining the leaver status and the appropriate treatment under the incentive plan
- determining the relevant treatment of outstanding awards in the event of a change of control
- determining the relevant treatment of outstanding awards in certain circumstances (e.g. corporate restructuring events, variation of capital and special dividends)

The committee will also have the ability to amend or replace the performance conditions applying to outstanding awards if an event occurs, which causes the committee to believe that the original condition is no longer appropriate. Any change to the performance conditions cannot be materially less challenging than the original condition would have been but for the event in question.

### Recoupment (malus and clawback)

Malus and clawback may be applied at any time before an award vests or for three years after vesting in the following circumstances:

- material financial misstatement
- significant reputational damage
- gross negligence or gross misconduct by a participant
- fraud effected by or with the knowledge of a participant
- conduct or behaviour by a participant which breaches the Company's values
- material corporate failure
- a failure of risk management, including material breach of health and safety standard or failure to prevent bribery, corruption or tax evasion
- an event resulting in a material detrimental effect on the Company's stakeholders or market reputation
- unreasonable failure to protect the interests of the Company's stakeholders
- where awards were granted or vested based on erroneous or misleading data

Malus permits the Company to reduce the amount of any unvested award, including awards in holding periods. Clawback permits the Company to reduce the amount of any vested award or any future salary or bonus, and also require the employee to pay back amounts.

### Executive Directors' service contracts

Each Executive Director's service agreement will be terminable by the Company or the respective Executive Director on six months' written notice. The Company will also be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice, equal to the basic annual salary that would have been payable during the notice period. The contracts are available for inspection as are the letters of appointment of the Chair and the Non-Executive Directors at the Company's registered office.

The date of each executive joining the Board is noted in the table below:

| | Date of joining the Board |
|---|---|
| Andy Palmer | 9th November 2021 |
| David Wolffe | 3rd January 2023 |

The service contract of any new appointment is expected to be consistent with that of current Executive Directors.

## Remuneration continued

**Directors' Remuneration Report** continued

**Statement of shareholding voting**

The binding resolution on the Directors' Remuneration Policy was passed at 2022 AGM.
The table below shows votes from shareholders on the relevant resolutions:

| | Directors' Remuneration Report (2023 AGM) | | Directors' Remuneration Policy (2022 AGM) | |
|---|---|---|---|---|
| | Votes | % | Votes | % |
| Votes in favour | 133,115,547 | 99.98% | 138,462,585 | 99.98% |
| Votes against | 28,156 | 0.02% | 24,399 | 0.02% |
| Total votes | 133,143,703 | 100% | 138,486,984 | 100% |
| Votes withheld | 8,929 | – | 12,253 | – |

This report was approved by the Board and signed on its behalf by:

**Karen Myers**
Chair of the Remuneration Committee
17th April 2024

## Directors' Report 2023

In accordance with Section 415 of the Companies Act 2006, the Directors of Pod Point Group Holdings plc present their report for the year ended 31st December 2023. Other information that is relevant to this report is incorporated by reference, including information required in accordance with the UK Companies Act 2006 and associated regulations, Listing Rules and Disclosure Guidance and Transparency Rules (DTRs). For the purpose of DTR 4.1.8 R the management report comprises the Strategic Report and the relevant parts of this Directors' Report. The corporate governance statement required under DTR 7.2.1 comprises the content on pages 93 to 131. The following table below sets out where the necessary disclosures can be found.

### Business performance

| | |
|---|---|
| Results | Results for the year ended 31st December 2023 are set out in the Chief Financial Officer's statement on pages 26 to 32 and the consolidated income statement on page 146. |
| Going concern and viability | Going concern and the viability statement are set out on pages 30 and 90 respectively. |
| Dividends | No dividends will be proposed for the year ended 31st December 2023. |
| Strategic Report | The Strategic Report can be found on pages 3 to 90. |
| Corporate governance statement | The Company's statement on corporate governance can be found on page 94. |
| Directors' Remuneration Report | The Directors' Remuneration Report can be found on pages 119 to 131. |
| Activities in research and development | The Company's activities include software and hardware development in relation to its electric vehicle charging products. |
| Future developments | Details about the Company's future developments can be found in the Strategic Report on pages 13 and 31. |
| Post-balance sheet events | There have been no post-balance sheet events. |

### Directors

| | |
|---|---|
| Directors | Summaries of the current Directors' key skills and experience are set out in the Corporate Governance Report on pages 95 to 98. David Surtees and Erik Fairbairn served as Directors during the year before stepping down on 3rd January and 6th July respectively. Details concerning Director appointments can be found on page 109. |
| Directors' interests | Details of the Directors' beneficial interests are set out in the Remuneration Report on page 125. |
| Directors' indemnities | The Company has given indemnities to each of the Directors in respect of any liability arising against them in connection with the Company's (and any associated company's) activities in the conduct of their duties. These indemnities, which constitute a qualifying third-party indemnity as defined by s234 of the Companies Act 2006 remain in place at the date of this report. |
| Directors' and officers' liability insurance | Directors' and officers' liability insurance cover is in place at the date of this report. Cover is reviewed annually. |
| Directors' statement of responsibilities | The Directors' statement of responsibilities is located on page 135. |

### Constitution

Articles of association

- Any amendments made to the articles of association may be made by a special resolution of shareholders.
- The following is a summary of the structure, rights and restrictions of the Company's share capital:
  - The rights attaching to the shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company
  - On a show of hands, every holder of shares in the capital of the Company (each, a 'shareholder') who is present in person shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote per share
  - Except as provided by the rights and restrictions attached to any class of shares, shareholders will under general law be entitled to participate in any surplus assets in a winding-up in proportion to their shareholdings
  - The shares do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law
  - There are no restrictions on the free transferability of the shares

| | |
|---|---|
| Branches outside the UK | The Company has branches in France, Ireland and Spain, and an entity in Norway |

Change of control

The following represents the likely effect on significant agreements with the Company were it to be subject to a change of control:

- The Company's relationship agreement with EDF Energy Customers Limited ('EECL') is described on page 104. The Relationship Agreement may be terminated in the event of the Company ceasing to be listed on the premium listing segment of the Official List and ceasing to trade on the Main Market of the London Stock Exchange; or EECL ceasing to control more than 10% of the voting rights in the Company
- The Company does not have any agreements with any Non-Executive Director, Executive Director or employee that would provide compensation for loss of office or employment resulting from a change of control

# Statutory, regulatory and other information continued

## Directors' Report 2023 continued

### Stakeholders and policies

| | |
|---|---|
| Section 172 statement | The Company's Section 172 statement can be found in the Strategic Report on pages 69 to 74. |
| Employment of disabled persons | Details of policies on equal opportunities recruitment and training can be found in the Strategic Report on page 61. |
| Employee engagement | Details of how the Company engages with its workforce can be found in the Strategic Report on pages 60 and 72 and Corporate Governance Report on page 104. |
| Stakeholder engagement on key decisions | Details of the key decisions and discussions of the Board and the main stakeholder inputs into those decisions are set out in the Strategic Report on pages 69 to 74 and Corporate Governance Report on page 102. |
| Modern slavery statement | The Company has approved and published on its website its modern slavery statement in accordance with the Modern Slavery Act 2015 (pod-point.com/legal/modern-slavery-statement). |
| Diversity policy | The Company approved a policy on diversity and inclusion. An overview of the Company's approach to equity, diversity and inclusion may be found on pages 61 to 62 of the Strategic Report and pages 110 to 111 of the Corporate Governance Report. |
| Greenhouse gas emissions | Details of the Company's greenhouse gas emissions can be found in the Report on pages 41 to 42 of the Strategic Report. |
| Political contributions | The Company did not make any donations to political organisations during the year. |
| Financial risk | Details of the Company's policies on financial risk management and the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk are outlined in note 22 to the financial statements. |

### Shareholders and share capital

| | |
|---|---|
| Share capital | Details of the Company's share capital are set out in note 21 to the financial statements. |
| Powers of Directors to allot shares | At the Company's AGM held on 13th June 2023, the Directors were generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal value of £51,375. The Company has not exercised its power under this authority, which is due to expire at the next AGM. A resolution renewing this power will be proposed at the 2024 AGM. |
| Authority to purchase own shares | At the Company's AGM held on 13th June 2023, the Company was generally and unconditionally authorised by its shareholders to make market purchases (within the meaning of section 693(4) of the Companies Act) of up to a maximum of 15,412,512 of its ordinary shares. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the next AGM. |

Major interests in shares

As at 31st December 2023, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights:

| | Number of voting rights | | % | |
|---|---|---|---|---|
| | As at 31st December 2023 | As at 31st December 2022 | As at 31st December 2023 | As at 31st December 2022 |
| EDF Energy Customers Ltd | **82,907,682** | 82,907,682 | **53.79%** | 53.83% |
| Legal & General Group plc | **21,916,721** | 22,561,560 | **14.22%** | 14.65% |
| Schroder Investment Management Ltd | **15,648,944** | 16,228,035 | **10.15%** | 10.54% |
| Hargreaves Lansdown | **6,315,872** | 3,302,255 | **4.10%** | 2.14% |

As at 8th April 2024, the Company had not been notified of any changes.

| | |
|---|---|
| 2024 AGM | The Company's AGM will be held on 5th June 2024 at 2.00 pm (the 'AGM'). The AGM will be held as a fully virtual meeting. Details of the arrangements for the AGM can be found on the Company's website investors.pod-point.com/. |

### Auditors and audit

| | |
|---|---|
| Auditor appointment | A resolution to appoint KPMG LLP as auditor will be proposed at the AGM. |
| Audit information | Each of the Directors at the date of the approval of this report confirms that:<br>So far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware;<br>He/she has taken all the reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information; and<br>The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. |

## Statutory, regulatory and other information continued

**Directors' Report 2023** continued

### Listing Rule disclosures

| | |
|---|---|
| Listing Rule 9.8.4C | Disclosure requirements under Listing Rule 9.8.4 C are identified below along with cross-references indicating where the relevant information is set out in the Annual Report.<br>Details of the Company's long-term incentive arrangements may be found in the Directors' Remuneration Report on pages 122 to 125.<br>Details of significant contracts with controlling shareholders can be found on page 104 and in note 26 to the financial statements.<br>Details pertaining to services provided to the Company by EDF can be found on page 26 and in note 26 to the financial statements.<br>Statement confirming agreement has been entered into with controlling shareholders and that independence provisions are complied with can be found on page 104. |

The Directors' Report was approved by the Board on 17th April 2024.

By order of the Board

**Anita Guernari**
Company Secretary

**Pod Point Group Holdings plc**
Registered Office:

222 Grays Inn Road
London
WC1X 8HB
United Kingdom

Company number: 12431376

# Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

**Responsibility statement of the directors in respect of the annual financial report**
We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
- the strategic report and directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board on 17th April 2024 and signed on its behalf by:

**Andy Palmer**
Chief Executive Officer

# Financials



## We saw much greater stability in our performance for the second half of the year

## 1 Our opinion is unmodified

We have audited the financial statements of Pod Point Group Holdings plc ("the Company") for the year ended 31 December 2023 which comprise the Consolidated income statement, Consolidated statement of financial position, Consolidated statement of changes in equity, Company statement of financial position, Company statement of changes in equity and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 28 July 2023. The period of total uninterrupted engagement is the one financial year ended 31 December 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non- audit services prohibited by that standard were provided.

## 2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

### Recoverability of Intangible assets, including Goodwill, in UK Home, UK Commercial and UK Distribution

(£61 million; 2022: £110.9 million)

Impairment charge: £53 million; 2022: £0.6 million

*Refer to page 112 (Audit Committee Report), page 155 (accounting policy) and page 167 (financial disclosures).*

**Forecast-based assessment**
Intangibles assets including Goodwill are significant to the Group's assets. There is a risk of recoverability of these assets as a result of the revised trading outlook for the Group, following its 2023 trading performance, strategic review completed in November 2023 and recent trends in the EV market.

- An inappropriate amount could be determined for the recoverable amount (value-in-use) of the CGUs due to the assumptions used, including future cash flow estimates related to the growth of the EV charging market, the Group's recent strategic review announced in November 2023 and assumptions in determining the discount rate and terminal value
- There may be circumstances in which the value in use exceeds the market capitalisation. Differences could indicate further impairment is required or that an inaccurate carrying amount is held
- The effect of these matters is that, as part of our risk assessment, we determine that the value in use of Intangibles assets including Goodwill has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 2) disclose the sensitivity estimated by the Group

Our procedures included:

**Our sector experience:** We identified trends, events and conditions that may impact the entity's forecasted cash flows and used our knowledge of the business to assess the adequacy of those cash flows by reference to our sector insights to challenge the Group's forecast.

**Evaluating directors' plans:** We inspected the Group's strategic plans used to derive the forecast cash flows, including the work performed by management's external experts. We assessed the competency of management's external experts, to evaluate the growth potential of the Group's key markets, including expected revenues and margins. We have tested the assumptions applied by the Directors in the forecast cash flows against those plans, and the forecast approved by the Board.

- **Benchmarking assumptions:** With the assistance of KPMG valuation specialists, we assessed the reasonableness of the discount rate. For other key assumptions such as forecast revenue, growth rate, terminal value we have benchmarked assumptions with reference to internally and externally derived sources to confirm the Group's assumptions are acceptable
- **Sensitivity Analysis:** We performed breakeven and sensitivity analysis for key assumptions, including revenue growth and discount rate assumptions to test if a reasonably possible change could cause further impairment. We also performed sensitivity analysis to assess the method of allocation for central overheads
- **Climate risk:** We assessed the Group's long-term strategy in the context of the UK's transition to net zero emissions and climate-related regulations, to assess the reasonableness of the cash flow forecasts prepared by the directors
- **Model Design and Application:** We assessed if the Value in-use model design is compliant with IAS 36 requirements by obtaining the discounted value in use cash flow model and assessed the methodology, principles and integrity of the model
- **Assessing Application:** We assessed and challenged the difference between the market capitalisation and value in use prepared by the Group and whether the assumptions applied in the impairment test were acceptable
- **Comparisons:** We considered whether there is consistency between the forecast cash flows used for the Value in-use model, going concern assessment as well as the viability statement to assess the reasonableness of forecast cash flows
- **Assessing Transparency:** We assessed the appropriateness of the Group's disclosures in respect of impairment testing and whether disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the estimation risks inherent in the recoverability of intangible assets, including goodwill

We performed the detailed tests above rather than seeking to rely on any of the group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

**Our results**
We found the recoverability of Intangible assets, including Goodwill, in UK Home, UK Commercial and UK Distribution, and the related impairment charges, to be acceptable.

## Capitalisation of Development Costs and Overhead Costs

(£15.5 million; 2022: £10.6 million)

*Refer to page 112 (Audit Committee Report), page 155 (accounting policy) and page 167 (financial disclosures).*

**Accounting for Capitalised development and overhead costs**

- Management exercise judgement in assessing which development costs meet the IAS 38 criteria to be capitalised including overheads incurred by the Group. This is a key audit matter due to the inherent level of judgment the directors exercise in determining whether the capitalisation criteria are met for development cost spend and directly attributable overheads, and the allocation of those costs to different projects.
- EBITDA is one of the key KPIs for management as it impacts directors' incentives and remuneration. This results in the fraud risk of inappropriate capitalisation of development costs in order to meet targets.

Our procedures included:

- **Assessing principles:** We assessed if the Group's policy for the capitalisation of development and overhead costs are in accordance with IAS 38 requirements
- **Enquiry with Senior Team Members:** Inquired with the senior members in the technology department and challenged them on the judgement applied to whether the capitalisation criteria are met
- **Tests of details:** We selected a sample of projects where costs had been capitalised in the year and assessed if the costs met the IAS 38 criteria for capitalisation through inspecting evidence of the results of the project as well as whether the costs allocated to a project was acceptable
- **Assessing Transparency:** We assessed the adequacy of the Group's disclosures including key judgments made in respect of capitalisation of development costs

We performed the detailed tests above rather than seeking to rely on any of the group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

**Our results**
We found the application of the accounting policy for capitalisation of development costs and the associated recognition of capitalised development costs to be acceptable.

## Revenue Recognition for installation services in UK Commercial and sale and installation in UK Home

(Sale and installation in UK Home: £27 million; 2022: £41.4 million

Installation services in UK Commercial: £19.8 million, 2022: £19.3 million)

*Refer to page 112 (Audit Committee Report), page 152 (accounting policy) and page 180 (financial disclosures).*

**Revenue recognition policy**

- There is a risk that the approach taken to the recognition of revenue and contracts costs to reflect the transfer of control to customer in a managed install contract (part of commercial revenue) is not in line with IFRS 15. This approach requires judgement in determining the appropriate timing of revenue recognition and the measure of progress
- We also identified a risk in the prior periods recognition of revenue and contract costs as the accounting policy used in the prior period was not in line with the requirements of IFRS 15. This creates a risk that the disclosure is not adequate or transparent to explain the changes in the revenue recognition policy and the impact of this change on the current year accounts and the restatement of the prior period resulting from the incorrect revenue policy
- There is a risk of error associated with the accuracy and completeness of managed installation revenues as a result of incorrectly applying the updated accounting policy for revenue and contract cost recognition
- Home revenue is recognised at a point in time as delivery of units and installation occurs at the same time. This is not part of the significant risk but is part of the KAM as it represents 42% of revenue and is made up of high-volume low value transactions
- As a result of our assessment, we have rebutted the presumed fraud risk over revenue recognition for installation services in UK Commercial and sale and installation in UK Home

Our procedures included:

- **Accounting policy review:** Evaluate the application of restated Group's accounting policy against the requirements of IFRS 15 and our understanding of the entity's operations and contract delivery
- **Tests of details:** For managed install revenue contracts that are completed in the period, we tested the revenue recognised in the period on a sample basis to the underlying evidence including calculation of revenue and associated contract assets, and evidence of installation where applicable
- **Tests of details:** For the managed install contracts that are in-progress as at 31 December 2023, 31 December 2022 and 31 December 2021, we assessed the adjustment proposed by management to correct the prior period and current year revenue recognition, by checking the mathematical accuracy of the portfolio analysis and the integrity of the calculation. We assessed the costs incurred to underlying evidence such as invoices and labour rates, to ensure they were accurate
- **Tests of details:** For UK Home revenue, we tested a sample of sale and installation contracts to underlying evidence including invoices, bank payments and evidence of installation
- **Assessing Transparency:** Consider the adequacy of the Group's disclosures in respect of revenue and prior period adjustments relating to Revenue and associated balance sheet accounts

We performed the detailed tests above rather than seeking to rely on any of the group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

**Our results**

We found the corrected accounting policy for revenue recognised from managed installation contracts over time applied in the current period to be acceptable, and the associated revenue recognised during the period to be acceptable. This conclusion is drawn after the correction of the Prior Period Adjustment that was identified due to incorrect revenue recognition in the prior periods.

We found the accounting policy for UK Home and the associated revenue recognised during the period to be acceptable.

## Going Concern

*Refer to page 112 (Audit Committee Report), page 150 (financial disclosures).*

**Disclosure quality**

- The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and parent Company
- That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements
- The risks most likely to adversely affect the Group's and Company's available financial resources over this period were:
  - The recent significant reduction in the liquidity position of the group
  - Management's significant judgment with respect to the entity's current performance levels and execution of new strategies
  - The funding arrangements available and how these would be applied given the terms of the agreement

There are also less predictable but realistic second order impacts, such as industry factors and the recent slowdown in EV sales alongside the entity's growth ambitions which could result in a rapid reduction of available financial resources.

The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the directors' sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively.

Our procedures included:

- **Key dependency assessment:** Evaluate how management's risk assessment process identifies business risks relating to events and conditions that may cast significant doubt on the ability to continue as a going concern
- **Funding assessment:** We assessed the financing arrangements currently in place and the actions taken by Group to maintain liquidity and the headroom throughout the going concern assessment period. We challenged the terms of the funding arrangement in place and confirmed the intentions of the counterparty directly
- **Evaluating directors' intent:** We assessed the achievability of the actions the directors consider they would take to improve the position should the risks as disclosed in Section 2.6 of the significant accounting policies in the financial statements materialise, taking into account the extent to which the directors can control the timing and outcome of these
- **Key Dependency Assessment:** We critically assessed the key assumptions used in the Group's financial forecasts including the source of market-based assumptions to assess events and conditions that may cast significant doubt on ability to continue as a going concern by comparison to internal and external sources of data. We evaluated whether management's downside scenarios were severe but plausible downside scenarios and were acceptable, considering our knowledge of the Group, the Group's strategic plans and our sector experience
- **Sensitivity Analysis:** considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking into account the plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. We assessed whether the sensitivities considered reflected plausible impacts of uncertainty in the UK economy and the impact this might have on the broader EV industry. We sensitised the liquidity position based on the plausible downside scenario and an analysis of inter-month and inter- week movements in liquidity
- **Assessing Transparency:** Considering whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities

**Our Results:**
We found the going concern disclosure in note 2 without any material uncertainty to be acceptable.

## Recoverability of the Parent Company investment in subsidiary

(£128.4 million; 2022: £124.3 million)

Impairment charge: £nil; 2022: £nil

*Refer to page 112 (Audit Committee Report), page 184 (accounting policy) and page 187 (financial disclosures).*

**Forecast-based assessment**
The investments in subsidiaries are significant to the Parent Company's assets. There is a risk of recoverability associated with the revised trading outlook, which is largely driven by the performance of Pod Point Limited, the operating company of the Group, following its 2023 trading performance, strategic review completed in November 2023 and recent trends in the EV market.

- There was an impairment to Goodwill and Intangible assets in the Group financial statements in the period which indicates a risk to the carrying value of the Parent Company investment. The carrying value of the investment exceeds the market capitalisation. This is also a significant indicator of impairment
- The recoverable amount of the Parent Company Investment is partly driven by cash flows from CGUs with no allocated goodwill, which are included in the recoverable amount of the Investment but not in the Consolidated impairment assessment. These CGUs are Owned Assets, Grid and international
- There is therefore increased judgement from the directors in forming this assessment as Grid and International which are nascent CGUs set up following the Group's new strategy announced in November 2023
- An inappropriate amount could be determined for the recoverable amount (value-in-use) of the CGUs due to the assumptions used, including future cash flow estimates related to the growth of the EV charging market, the Group's recent strategic review announced in November 2023 and assumptions in determining the discount rate and terminal value
- The impairment testing disclosures may be incomplete, inaccurate or not a fair presentation and as a result users may not have an accurate picture of the situation
- The effect of these matters is that, as part of our risk assessment, we determine that the future cash flows of the subsidiary companies has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 2) disclose the sensitivity estimated by the Group

Our procedures included:

- **Our sector experience:** We identified trends, events and conditions that may impact the entity's forecasted cash flows and used our knowledge of the business to assess the adequacy of those cash flows by reference to our sector insights to challenge the Group's forecast
- **Evaluating directors' plans:** We inspected the Group's strategic plans including the work performed by management's external experts. We assessed the competency of management's external experts to evaluate the growth potential of the Group's key markets, including expected revenues and margins. We particularly focussed on the assumptions applied in Grid and International CGUs as this drive the recoverable amount. This includes, inter alia, the ability of the Group to scale its grid revenues and expand into international markets, leveraging partnerships. We challenged the Group's forecast assumptions for cash flow projections, including the rate of growth. We have tested the assumptions applied by the Directors in the forecast cash flows against those plans, and the forecast approved by the Board
- **Benchmarking assumptions:** With the assistance of KPMG valuation specialists, we assessed the reasonableness of the discount rate. For other key assumptions such as forecast revenue, growth rate, terminal value we have benchmarked assumptions with reference to internally and externally derived sources to confirm management's assumptions are acceptable
- **Sensitivity Analysis:** We performed breakeven and sensitivity analysis for key assumptions, including revenue growth and discount rate assumptions. We considered downside scenarios on the forecast performance of Grid and international to assess the reliability of management's forecasts and the impact that would have on an impairment of the investment balance
- **Model Design and Application:** We assessed if the Value in-use model design is compliant with IAS 36 requirements by obtaining the discounted value in use cash flow model and assessed the methodology, principles and integrity of the model
- **Assessing Application:** We assessed and challenged the difference between the market capitalisation and value in use prepared by the Group and whether the assumptions applied in the impairment test were acceptable
- **Comparisons:** We considered whether there is consistency between the forecast cash flows used for the Value in-use model, going concern assessment as well as the viability statement to assess the reasonableness of forecast cash flows
- **Assessing Transparency:** We assessed the appropriateness of the Group's disclosures in respect of impairment testing of the Parent Company investment and whether disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the estimation risks inherent in the recoverability of the Parent Company investment

We performed the detailed tests above rather than seeking to rely on any of the group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

**Our results**
We found the investment balance to be acceptable.

## 3. Our application of materiality and an overview of the scope of our audit

As the Group has reported a loss before tax, materiality for the Group financial statements as a whole was set at £600,000, determined with reference to a benchmark of Group Revenue of which it represents 0.9%.

Materiality for the parent Company financial statements as a whole was set at £400,000, determined with reference to a benchmark of Company total assets, of which it represents 0.17%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% of materiality for the financial statements as a whole, which equates to £390,000 for the Group and £260,000 for the parent Company. We applied this percentage in our determination of performance materiality because we identified factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £30,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 6 reporting components, we subjected 3 to full scope audits for group purposes. For the residual 3 components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these. The components within the scope of our work accounted for 100% of Group revenue, 99% of the total profits and losses that made up group loss before tax and 99.9% of total assets. All Group work performed over full scope components, including the audit of the parent company, was performed by the Group engagement team.

The Group engagement team applied component materialities to full scope components, which ranged from £175k to £520k, having regard to the mix of size and risk profile of the Group across the components.

## 4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period
- we have nothing material to add or draw attention to in relation to the directors' statement in Note 2.6 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2.6 to be acceptable
- the related statement under the Listing Rules set out on page 31 is materially consistent with the financial statements and our audit knowledge

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

## 5. Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, internal auditors and several operational team members, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading Board, Audit Committee, Nomination Committee and Remuneration Committee minutes
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as capitalised development costs. On this audit we do not believe there is a fraud risk related to revenue recognition because the Home and supply only revenues relate to high volume, low value transactions. The amount of revenue recognised for Managed Install revenues was not highly sensitive to the estimates used for measuring costs.

We also identified a fraud risk related to inappropriate capitalisation of development costs in response to possible pressures to meet profit targets.

Further detail in respect of inappropriate capitalisation of development costs is set out in the key audit matter disclosures in section 2 of this report.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, unusual account combinations as well as journals with specific key words in the description
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and others in management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, employment law, and consumer protection laws. recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## 6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

**Strategic report and directors' report**
Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report
- in our opinion the information given in those reports for the financial year is consistent with the financial statements
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

**Directors' remuneration report**
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

**Disclosures of emerging and principal risks and longer-term viability**
We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement page 90 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity
- the Risk Management disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions

We are also required to review the viability statement, set out on page 90 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

**Corporate governance disclosures**
We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

## 7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns
- certain disclosures of directors' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

## 8. Respective responsibilities

**Directors' responsibilities**
As explained more fully in their statement set out on page 135, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## 9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Wrigglesworth (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants
15 Canada Square
London
E14 5GL

17 April 2024

# Consolidated income statement

| | Notes | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|---|
| **Revenue** | 6 | **63,756** | 71,409 |
| Cost of sales | | **(44,516)** | (54,820) |
| **Gross profit** | | **19,240** | 16,589 |
| Other income | 5 | **1,000** | 1,461 |
| Administrative expenses excluding impairment charges | | **(51,439)** | (37,461) |
| **Operating loss before impairment of intangible assets** | | **(31,199)** | (19,411) |
| **Impairment charges relating to intangible assets** | 11 | **(53,154)** | (604) |
| **Operating loss** | 5 | **(84,353)** | (20,015) |
| Finance income | 9 | **1,586** | 457 |
| Finance costs | 9 | **(418)** | (366) |
| Income tax expense | 10 | **(229)** | (287) |
| **Loss before tax** | | **(83,185)** | (19,924) |
| **Loss after tax** | | **(83,414)** | (20,211) |
| **Basic and diluted loss per ordinary share** | 24 | **£(0.54)** | £(0.13) |

All amounts relate to continuing activities.

All realised gains and losses are recognised in the consolidated income statement and there is no other comprehensive income. Therefore, no separate statement of other comprehensive income is presented.

The notes on pages 150 to 181 form part of the consolidated financial statements.

# Consolidated statement of financial position

| | Notes | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 | As at 31st December 2021 restated[1] £'000 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Goodwill | 11 | **34,365** | 77,639 | 77,639 |
| Intangible assets | 11 | **26,735** | 33,236 | 29,421 |
| Property, plant and equipment | 12 | **4,957** | 5,498 | 4,277 |
| Right-of-use assets | 13 | **2,379** | 2,914 | 1,400 |
| | | **68,436** | 119,287 | 112,737 |
| **Current assets** | | | | |
| Inventories | 14 | **4,524** | 5,640 | 5,749 |
| Trade and other receivables | 15 | **16,809** | 16,654 | 20,440 |
| Contract assets – accrued income | 15 | **6,730** | 6,227 | 5,164 |
| Short-term investments | | **–** | – | 50,000 |
| Cash and cash equivalents | 16 | **48,743** | 74,103 | 46,112 |
| | | **76,806** | 102,624 | 127,465 |
| **Total assets** | | **145,242** | 221,911 | 240,202 |
| **Current liabilities** | | | | |
| Trade and other payables | 17 | **(22,835)** | (19,955) | (24,578) |
| Contract liabilities – deferred income | 17 | **(13,398)** | (10,833) | (10,765) |
| Loan and borrowings | 18 | **(1,272)** | (2,842) | (707) |
| Lease liabilities | 19 | **(1,095)** | (1,634) | (896) |
| Provisions | 20 | **(530)** | (265) | (160) |
| | | **(39,130)** | (35,529) | (37,106) |
| **Net current assets** | | **37,676** | 67,095 | 90,359 |
| **Total assets less current liabilities** | | **106,112** | 186,382 | 203,096 |

| | Notes | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 | As at 31st December 2021 restated[1] £'000 |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Loan and borrowings | 18 | **(2,140)** | (481) | (2,326) |
| Lease liabilities | 19 | **(1,406)** | (1,515) | (763) |
| Provisions | 20 | **(219)** | (301) | (244) |
| | | **(3,765)** | (2,297) | (3,333) |
| **Total liabilities** | | **(42,895)** | (37,826) | (40,439) |
| **Net assets** | | **102,347** | 184,085 | 199,763 |
| **Equity** | | | | |
| Share capital | 21 | **154** | 154 | 154 |
| Share premium | | **139,887** | 139,887 | 139,899 |
| Other reserves | | **8,327** | 6,651 | 2,264 |
| ESOP reserve | | **(1,318)** | (1,318) | (1,318) |
| Retained earnings | | **(44,703)** | 38,711 | 58,764 |
| | | **102,347** | 184,085 | 199,763 |

1 Restated – see note 27

The notes on pages 150 to 181 form part of the consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17th April 2024. They were signed on its behalf by:

**Andy Palmer**
Chief Executive Officer

**David Wolffe**
Chief Financial Officer

## Consolidated statement of changes in equity

### As at 31st December 2023:

| | Share capital £'000 | Share premium[1] £'000 | Other reserves £'000 | ESOP reserve £'000 | Retained earnings[1] £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| **Balance as at 1st January 2023 as restated** | **154** | **139,887** | **6,651** | **(1,318)** | **38,711** | **184,085** |
| Loss after tax and total comprehensive income for the year | **-** | **-** | **-** | **-** | **(83,414)** | **(83,414)** |
| Equity – settled share-based payments | **-** | **-** | **1,676** | **-** | **-** | **1,676** |
| **Balance as at 31st December 2023** | **154** | **139,887** | **8,327** | **(1,318)** | **(44,703)** | **102,347** |

1 Restated – see note 27

### As at 31st December 2022:

| | Share capital £'000 | Share premium[1] £'000 | Other reserves £'000 | ESOP reserve £'000 | Retained earnings[1] £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| Balance at 1st January 2022 as previously reported | 154 | 140,057 | 2,264 | (1,318) | 58,678 | 199,835 |
| Restatements | – | (158) | – | – | 86 | (72) |
| Balance as at 1st January 2022 as restated | 154 | 139,899 | 2,264 | (1,318) | 58,764 | 199,763 |
| Loss after tax and total comprehensive income for the year | – | – | – | – | (20,211) | (20,211) |
| Issue of shares during the year as restated | – | – | (158) | – | 158 | – |
| Equity-settled share-based payments | – | – | 4,545 | – | – | 4,545 |
| Share issuance costs | – | (12) | – | – | – | (12) |
| Balance as at 31st December 2022 as restated | 154 | 139,887 | 6,651 | (1,318) | 38,711 | 184,085 |

1 Restated – see note 27

# Consolidated statement of cash flow

| | Notes | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 restated[1] £'000 |
|---|---|---|---|
| Loss for the year | | **(83,414)** | (20,211) |
| *Adjustment for non-cash items:* | | | |
| Amortisation of intangible assets | 11 | **8,138** | 5,484 |
| Impairment of customer relationships intangibles | 11 | **9,880** | – |
| Impairment of goodwill | 11 | **43,274** | – |
| Impairment of internally generated intangible assets | 11 | **–** | 604 |
| Depreciation of tangible assets | 12 | **1,338** | 1,123 |
| Depreciation of right-of-use assets | 13 | **1,378** | 1,136 |
| Loss on disposal of tangible assets | | **–** | 4 |
| Share-based payment charges | 23 | **1,676** | 4,545 |
| Tax paid/(received) | 10 | **229** | 287 |
| Interest received | | **(1,586)** | (457) |
| Interest paid | | **418** | 366 |
| Tax (paid)/received | | **(229)** | (287) |
| **Operating cash outflow before changes in working capital** | | **(18,898)** | (7,406) |
| **Changes in working capital** | | | |
| Movement in inventories | | **1,116** | 109 |
| Movement in trade and other receivables | | **(155)** | 3,786 |
| *Movement in contract assets – accrued income* | | **(503)** | *(1,063)* |
| Movement in trade and other payables | | **2,866** | (4,623) |
| Movement in contract liabilities – deferred income | | **2,565** | 68 |
| Movement in provisions | | **183** | 162 |

| | Notes | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 restated[1] £'000 |
|---|---|---|---|
| **Net cash flow used in operating activities** | | **(12,826)** | (8,967) |
| **Cash flows from investing activities** | | | |
| Purchase of tangible assets | 12 | **(797)** | (2,348) |
| Development expenditure capitalised | 11 | **(11,518)** | (9,902) |
| Redemption of short-term investments | | **–** | 50,000 |
| Interest received | | **1,586** | 458 |
| **Net cash flow (used in)/generated from investing activities** | | **(10,729)** | 38,208 |
| **Cash flows from financing activities** | | | |
| Proceeds from new borrowings | 18 | **1,466** | 1,243 |
| Loan repayment of principal | 18 | **(1,401)** | (990) |
| Loan repayment of interest | *18* | **(166)** | (158) |
| Payment of principal of lease liabilities | *19* | **(1,481)** | (1,129) |
| Payment of lease interest | *19* | **(223)** | (216) |
| **Net cash flows used in financing activities** | | **(1,805)** | (1,250) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(25,360)** | 27,991 |
| **Cash and cash equivalents at beginning of the year** | | **74,103** | 46,112 |
| **Closing cash and cash equivalents** | | **48,743** | 74,103 |

1 Restated – see note 27

The notes on pages 150 to 181 form part of the consolidated financial statements.

## 1. General information

Pod Point Group Holdings plc (referred to as the "Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England. Its registration number is 12431376. The registered address is 222 Grays Inn Road, London WC1X 8HB.

The principal activity of the Company and its subsidiary undertakings (the "Group") during the years presented is that of development and supply of equipment and systems for recharging electric vehicles. The entire issued share capital of the Company is traded on the Main Market of the London Stock Exchange.

## 2. Summary of significant accounting policies

**2.1 Basis of preparation**
The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and in conformity with the requirements of the Companies Act 2006.

The accounting policies set out in the sections below have, unless otherwise stated, been applied consistently to all periods presented within the financial information and have been applied consistently by all subsidiaries.

**2.2 Statement of compliance**
The consolidated financial statements have been prepared in accordance with the significant accounting policies described in this note 2.

**2.3 Basis of measurement**
The consolidated financial statements are prepared on the historical cost convention as modified by financial instruments recognised at fair value.

**2.4 New standards and interpretations not yet adopted**
**Future standards**
There are new IFRS standards, interpretations and amendments that are effective for periods beginning on or after 1st January 2024 as follows:

**Effective 1st January 2024**

i) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

ii) Amendments to IAS 1 Presentation of Financial Statements (Non-current Liabilities with Covenants, Classification of Liabilities as Current or Non-Current)

iii) Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback)

The Group does not believe that any of the above items nor any other new standards or amendments not yet effective will have a material impact on the consolidated financial statements or on other financial statements in future periods. The Directors expect to apply these standards from their effective dates.

**2.5 Functional and presentation currency**
The Company's functional and presentational currency is GBP because that is the currency of the primary economic environment in which the Company operates. The presentation currency of the Group is GBP. Foreign operations are included in accordance with the policies set out below.

**2.6 Going concern**
In adopting a going concern basis for the preparation of the financial statements, the Directors have made appropriate enquiries and have considered the Group's business activities, cash flows and liquidity position as set out on pages 17 to 21 and in note 22 to the financial statements, and the Group's principal risks and uncertainties as set out on pages 81 to 89, in particular economic and competitive risks.

The Directors have taken into account reasonably possible future economic factors in preparing and reviewing trading and cash flow forecasts covering the period to 30th April 2025 (the assessment period), being over 12 months from the date of approval of these financial statements. This assessment has recognised the significant loss and cash outflow in FY2023, and the actions management has taken and has planned in FY2024 to implement the Group's change in strategy as set out on pages 22 to 25.

The Group is expected to continue to experience negative cash flows in 2024 and 2025, before generating positive cashflows on a monthly basis during the course of 2026. The Directors are of the view that the plans in place are realistic and achievable.

This assessment has taken into consideration sensitivity analysis as set out below and the steps which could be taken to further mitigate costs if required. Mitigations which are available and entirely within the control of the Group include a reduction in investment in brand marketing expenditure, delays in investment in new technology not expected to be in use during the assessment period, and reductions in expenditure on the Group's support functions to match any reductions in demand levels.

Since the Group's commitments to carbon emission reductions do not have a significant cost implication (as explained on page 57 of the Strategic Report), the impact of climate change has not had a significant effect on the forecasts considered.

In satisfying themselves that the going concern basis is appropriate, the Directors have considered the following key sensitivities to the base case forecast listed below. In assessing the impact of a reasonably possible downside scenario, the Directors have modelled the combined impact of those sensitivities set out below.

## 2. Summary of significant accounting policies continued

The Directors consider a scenario where these sensitivities occur in combination is unlikely, but not remote. A scenario where some of these sensitivities occur, but not others, would therefore be upsides against the scenario considered.

i) A sensitivity related to economic risk factors, reflecting a general reduction in economic confidence or reduction in willingness of individual and corporate customers to incur discretionary cost, or reduction in expected rates of adoption of EVs. This sensitivity results in a fall in forecast revenues of 5% resulting from a decrease in UK installations resulting from lower than expected market demand for EVs.

ii) A reduction of 1% in revenue during the assessment period due to a reduction in the Group's ability to apply inflationary price increases.

iii) In addition to sensitivity (i), a further fall in forecast revenues of 5% resulting from a decrease in UK installations resulting from lower than expected market share performance by the Group, due to realisation of risks arising from competitive pressures or to the Group's own execution performance.

iv) An increase in forecast cash outflow of 4% resulting from a three-month delay in realising cost savings anticipated under Group's change in strategy.

v) A sensitivity to supply chain risk, with an increase of 1% in total cost of sales due to supplier cost increases which cannot be passed on to customers.

A sensitivity reflecting an increase in forecast cashflow outflow during the assessment period due to a six-month delay in scaling the Energy Flex business and the International business has considered by the Directors but not been reflected in the assessment.

Despite the importance of the Energy Flex and International business to the medium and long-term prospects of the Group, the Directors consider that this would not have a material impact on the cash flows of the Group over the assessment period, as those revenue streams do not have a significant contribution to the Group's cash flows until later years, in line with the strategy.

Mitigating actions available to the Group have been considered as follows, resulting in a 25% overall reduction in cash outflow, arising from actions to delay or reduce:

i) discretionary marketing spend (2%);

ii) investment in new product technology (8%);

iii) investment in internal systems (5%);

iv) working capital management (3%); and

v) to reduce overhead costs (7%).

The severe but plausible downside scenario considered shows a limited, but still positive, amount of available cash at the end of the assessment period. This date is also the lowest point within the assessment period. However, the effect of mitigating actions leaves the Group with positive liquidity throughout the assessment period. In the event of a further downside beyond the severe but plausible scenario considered, the EDF facility is also available to provide £30 million of further liquidity headroom, in addition to those mitigations identified by the Group.

Given the Group's cash position at 31st December 2023 of £48.7 million, and mitigations available in a downside scenario, the Group expects to maintain a position of sufficient liquidity throughout the forecast period to at least 30th April 2025, such that the Group does not anticipate the need to take advantage of the facility provided by EDF or to seek further sources of finance in the assessment period.

The level of liquidity available means that the Group has the flexibility to address any reasonably possible change in costs, and the Group does not anticipate the need to take advantage of the facility provided by EDF or to seek further sources of finance during the assessment period.

In light of the Group's current liquidity and the results of the sensitivity testing conducted, the Directors are satisfied that the Company, and the Group as a whole, has sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

### 2.7 Basis of consolidation

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries are included in the consolidated financial information from the date on which control commences until the date on which control ceases.

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

### 2.8 Revenue

**Overview**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The Group has no specific obligations for returns, refund clauses nor any other similar obligations specified in the contract with customers. However, standard product compliance warranty is provided to customers, which is not considered a separate performance obligation.

Revenue is recognised at the total amount billed to a customer where it is earned from the sale of goods or services as principal. Revenue is presented as the net amount retained by the Group where it is earned as an agent through a commission or fee.

The following paragraphs provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies per business line. In general there are no variable consideration clauses, such as volume related discounts, included in contracts with customers. However, direct discounts can be provided on a customer-by-customer basis. Payment is due upfront for the majority of residential chargepoints sold, and with 30-day payment terms for most other commercial chargepoints sold. The amounts of refunds and rebates in the current and preceding year are immaterial.

## 2. Summary of significant accounting policies continued

### Sale and installation of charging units in the Home market

The Group has concluded that the sale and installation of charging equipment to Home customers represents two distinct performance obligations. As the transfer of control to the customer occurs concurrently over a short time period (installation of unit typically occurs within one day), the revenue is recognised at a point in time when the installation is completed.

Domestic customers may be entitled, if eligible, for an Office for Zero Emission Vehicles ("OZEV") government grant under the OZEV EV chargepoint grant (formerly the Electric Vehicle Homecharge Scheme ("EVHS"). Under this scheme, the Group claims a portion of the fee it charges for the installed unit from The Driver and Vehicle Licensing Agency ("DVLA") on behalf of the customer.

As the OZEV grant is provided to the customer, it forms part of the total consideration due to the Group for the products and services provided to the customer. Therefore, the Group's revenue comprises both the element of the installation fee received directly from the customer, and also the portion of the installation fee claimed from the DVLA.

Warranties are provided with all Home units sold. The accounting policy for warranties is set out below.

### Commercial installation projects

The Group offers a commercial installation service, whereby units are delivered to and installed at a specific customer site as agreed on a case-by-case basis, as set out in the revenue recognition policy above.

During the year ended 31st December 2023, management identified that the previous policy for recognition of revenue arising from commercial installation contracts did not faithfully reflect the transfer of control of goods and services to the customer. The Group concluded that the previous policy did not fully align to the requirements of IFRS 15. The update to the accounting policy to comply with IFRS 15 is set out below and the application of the updated policy has resulted in the correction of previously misstated balances, as set out in note 27.

#### Previous accounting policy

Previously, costs associated with commercial installation contracts, being both the cost of units purchased and installation costs, were presented in inventory as work-in-progress. This work-in-progress balance did not reflect an asset controlled by the Group, since the installation projects take place on a customer site, with transfer of control of the installed units to the customer over time as work is completed.

Previously, revenue was not recognised until invoice for the majority of projects. For a limited number of larger projects, revenue was accrued based on customer agreement that key project milestones had been reached.

Under the revised accounting policy, revenue is recognised at the point of delivery to customer site, for units sold, and over time for installation services, as these services are provided. Where work takes place ahead of invoicing, this leads to recognition of a contract asset in the form of accrued income.

#### Current accounting policy

The Group has re-assessed that these installation contracts include two separate performance obligations that are distinct under IFRS 15, the first being the delivery to the customer of the chargepoint units, and the second being the service of installation of those units.

In arriving at the assessment that sale of units and installation of units represents two separate performance obligations, the Group has considered the fact that the Group sells units as a stand-alone product, with the customer either installing themselves or separately contracting for installation with a third party.

The transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where such stand-alone selling prices are not directly observable, these are estimated based on expected cost-plus margin.

The Group has assessed that control of units passes to the customer upon delivery of units to the customer site. Therefore, revenue associated with the units is recognised at a point in time, upon delivery.

The installation work performed by the Group under commercial installation contracts has no alternative use. Under these contracts, the Group has an enforceable right to payment for work done, including if a contract is cancelled part-way through by a customer.

The installation service is recognised as it is provided over time, with revenue accrued on an input basis using the costs incurred to date as a ratio of total expected costs. This approach gives rise to a contract asset in the form of accrued income, until the relevant amounts are invoiced.

Under this method, actual costs are compared with the total estimated costs to measure progress towards complete satisfaction of the performance obligation. To measure the relevant proportion of revenue to recognise, the Group is required to estimate the margin on contracts in progress at each reporting date. This estimation is performed on a portfolio basis.

The effect of the change in policy on the results as previously stated is set out in note 27.

### Maintenance revenue

Service-related revenue comprises additional service and/or maintenance sold to a customer by means of a separate contract for periods up to 4 years. Revenues generated through services rendered are recognised over time in the income statement as customers simultaneously receive and consume the benefits as the Group performs the services.

## 2. Summary of significant accounting policies continued

**Warranties**

A standard 36-month warranty is included with the sale of all chargepoints. As the chargepoint is not available for sale without this warranty, it is considered an integral part of the supply of the unit, and is not unbundled from the sale price. Instead, a provision for expected warranty costs is recognised within cost of sales.

During the year ended 31st December 2023, certain Home customers were offered the option to extend the standard warranty to 60 months at no charge. The fair value of the extended period has been carved out of the price paid by these customers and deferred until the period covered by the extension. The fair value of the carve-out has been determined based on the previous stand-alone selling price of extended warranties.

An extended warranty is offered for purchase in addition to standard warranty included with the sale of a chargepoint. Extended warranty revenue is deferred at the point of sale and is then recognised on a straight-line basis over the lifetime of the extended warranty period.

Amounts billed in advance to customers are presented as contract liabilities in the form of deferred income.

**Sale of accessories & supply only goods**

Sale of accessory goods are recognised at a point in time, when the item is delivered to the customer and the transfer of control occurs.

Supply-only sales represent a sale of a chargepoint at wholesale, without the combined installation of the chargepoint. These sales are also recognised at a point in time, once transfer of control occurs, at the time the chargepoint is delivered to the customer.

Pod Point acts as principal in sale to the wholesaler, and is not then a party to the transactions whereby units are sold on to customers by the wholesaler (except to honour the warranty provided with these units).

**Smart Reporting**

Smart Reporting is a distinct service provided to customers, which provides the customer with access to the transactional data collected by the chargepoint by the Group's software system.

Smart reporting is billed up front in full, covering service for up to three years. The transaction price is set out within commercial contracts with customers, and revenue is deferred upon billing, and then recognised on a straight line basis over the period covered by Smart Reporting.

**Revenue share agreements**

The Group operates revenue share agreements in respect of public charging networks relating to both assets owned by the Group, and assets owned by Commercial customers.

In both of these cases, the Group collects the payment from the end user for the usage of the chargepoint through the Pod Point App. The amount paid by the end user is accounted for as set out below.

*Owned assets*

Where the Group operates revenue share agreements in respect of chargepoints owned by the Group, it acts as principal in collecting revenue and recognises the gross amounts paid by chargepoints customers as principal.

*Assets not owned by the Group*

Where the Group operates revenue share agreements in respect of chargepoints owned by customer of the Group, it acts as an agent in collecting revenue and recognises the net fee due to the Group at a point in time as the chargepoint is used.

**Owned asset media screens**

Revenue is generated through the provision of media screens for display on the chargepoint installed at a customer's site. The chargepoints are owned and managed by the Group, and a monthly fee is collected on any chargers of which the media screens are in working use.

The transaction price is the monthly fee as stated in the contract with the customer and revenue is recognised over time, over the period in which the media screens are in place and working.

**Contract assets – accrued income**

Accrued income represents revenue recognised to date less amounts invoiced to customers. Accrued income primarily arises from managed installation contracts.

**Contract liabilities – deferred income**

Where sales of goods and services are billed upfront, the income is deferred and released at the point at which revenue is to be recognised and the performance obligation is satisfied. Deferred income primarily arises from extended warranty sales, Smart Reporting and customer top-ups.

### 2.9 Leases

**The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, with the exception of short-term leases of less than 12 months and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the life of the lease as permitted by paragraph 6 of IFRS 16.

The leased assets recognised by the Group comprises a lease of office space, and several leases of installer vans and vehicles used by staff.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Group's incremental borrowing rate, since the rates implicit in leases cannot be determined.

## 2. Summary of significant accounting policies continued

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected to use this practical expedient. Any modifications made to the terms of a lease are reflected in the month that these are agreed with the lessor. The adjustments are reflected in the balance sheet value of both the lease liability and the corresponding right-of-use asset.

Other costs associated with leases, such as maintenance and insurance, are expensed as incurred.

Cash flows relating to repayment of lease liabilities are presented within financing cash flows.

### 2.10 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates applicable on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on translation are generally recognised in the consolidated income statement. Non-monetary items that are measured based on historical cost in foreign currency are not re-translated.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are expressed in sterling using exchange rates prevailing at the reporting period date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

### 2.11 Non-IFRS information

The Group makes use of certain financial measures that are not defined or recognised under IFRS, including adjusted EBITDA. The definition of and rationale for these measures is set out in note 5.

Costs related to major financing and other corporate projects and restructuring costs which are material by amount are excluded from adjusted EBITDA.

See note 8 for a summary of large corporate transaction and restructuring costs incurred during the periods disclosed.

### 2.12 Taxation

Current and deferred tax is recognised in the consolidated income statement except where it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity, respectively.

#### (i) Current tax

Current tax, including UK corporation tax, is calculated for each entity by applying the relevant statutory tax rates to taxable profits for the year, which is calculated in accordance with the tax laws of the country in which each entity is tax resident. Tax rates applied are those which are enacted, or substantially enacted at each balance sheet date. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other accounting periods and it further excludes items of income or expenses that are never taxable or deductible.

Repayable tax credits relating to research and development expenditure arising under the HMRC R&D regime are recognised within current tax.

#### (ii) Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at each balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but where they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. At 31st December 2022 and 31st December 2021, deferred tax assets and liabilities were presented gross on the balance sheet, and the prior periods has been restated in this regard as set out in note 27.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences, including tax losses, can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date by reassessing whether sufficient future taxable profits will be generated in future periods such that these deferred tax assets continue to be recoverable. The Group considers all available evidence in evaluating whether or not it is probable that sufficient taxable profits will be generated in future periods.

## 2. Summary of significant accounting policies continued

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### 2.13 Intangible assets & goodwill

**Business combinations and goodwill**

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below)
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill is measured as the excess fair value of the consideration transferred over the fair value of the identifiable net assets acquired. If the total of the consideration transferred, and previously held interest measured at fair value, is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase gain.

**Impairment**

Goodwill and other intangible assets with indefinite lives are not amortised but tested for impairment annually, or when there are any indications that carrying value is not recoverable. For impairment testing purposes, goodwill is allocated to cash-generating units ("CGUs"). If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit or loss on sale.

Intangible assets which are amortised over their useful lives are tested for impairment when an indicator of potential impairment is identified.

Intangible assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation and impairment on intangible assets are recognised in the income statement.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

**Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost, if appropriate, less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Internally generated intangible assets**

Expenditure on research activities are recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

## 2. Summary of significant accounting policies continued

Directly attributable costs that are capitalised as part of the product include the development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Expenditure on research activities is recognised as expense in the period in which it is incurred.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and any impairment losses, on the same basis as intangible assets that are acquired separately.

All intangible assets other than goodwill are considered to have a finite useful life.

**Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

- Capitalised development cost – 3 years
- Customer relationships – 15 years
- Brand – 20 years

### 2.14 Property, plant and equipment

Property, plant and equipment are stated at cost, less any accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| Short-term leasehold property | Over remaining term of the lease |
|---|---|
| Plant and machinery | 3 years |
| Fixtures and fittings | 3 years |
| Computer equipment | 3 years |
| Owned assets | 7–10 years |

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

### 2.15 Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and definite life intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

### 2.16 Inventories

Inventory is initially valued based on the cost of purchase on a first in, first out basis.

At each balance sheet date, inventories are assessed for impairment. Inventories are assessed at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand together with other short-term, highly liquid deposits which are not subject to significant risk of changes in value.

## 2. Summary of significant accounting policies continued

### 2.18 Financial instruments

Financial assets comprise trade and other receivables which are initially measured at fair value. They are subsequently measured at amortised cost as it is held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest. De-recognition occurs either when the contractual rights expire or if substantially all the risks and rewards associated with the ownership of the asset are transferred.

The Group applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to lifetime-expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The expected credit losses are assessed considering all reasonable and supportable information, including that which is forward-looking. If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The amount of credit losses (or reversal) is recognised in profit or loss, as an impairment gain or loss at the reporting date.

#### Credit-impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

(a) a breach of contract, such as a default or past due event; and

(b) it is becoming probable that the borrower will enter bankruptcy or another type of financial reorganisation.

#### Write off policy

Receivables are written off where there is no reasonable expectation of recovery and enforcement activity has ceased. Any recoveries made are recognised in profit or loss.

Financial liabilities comprise bank loans, amounts owed to Group undertakings and trade payables. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. De-recognition occurs when the contractual obligations are extinguished, cancelled or expired.

### 2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Group's obligation.

### 2.20 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. A credit is recognised directly in equity.

The fair value of the options at grant date based on market conditions is measured using the Black-Scholes or Monte Carlo model. The impact of non-market conditions is estimated at grant date and re-estimated at each reporting date. The expense is allocated over the vesting period of each tranche of options granted. The relevant deferred tax amount is calculated at each reporting date over the vesting period equivalent to the expected tax deduction on future exercise and is recognised if appropriate (see deferred tax accounting policy note).

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

## 2. Summary of significant accounting policies continued

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Market based vesting conditions are assessed at grant and not subsequently re-assessed. Non-market conditions are re-assessed each reporting date.

Where equity instruments are granted to persons other than employees, these schemes are cash-settled. The income statement is charged with the fair value of the expected cash settlement, with reference to performance conditions and current share price.

Awards are made over the share capital of Pod Point Group Holdings Plc. Amounts relating to employees of other group companies are recharged to those companies. Amounts relating to Directors are recharged in line with other benefits to the entity to which they provide qualifying services.

**2.21 Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**2.22 Operating segments**

In accordance with IFRS 8 the Group determines and presents its operating segments based on internal information that is provided to the Board, which is considered to be the Group's Chief Operating Decision Maker ("CODM"). During the years presented, management have assessed the Group's segments and established that the Group has five reportable segments as presented in note 4, on the basis of the information received and monitored by the CODM.

## 3. Critical accounting judgements and key source of estimation uncertainty

In the application of the Group's accounting policies, described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying accounting policies**

**(i) Capitalisation of development costs (see note 11)**

Development costs are capitalised where they relate to a qualifying project and where the relevant costs can be separately identified. The capitalised development costs are based on management judgements taking into account:

- the technical feasibility to complete the product or system so that it will be available for use
- management intends to complete the product or system and use or sell it
- the ability to use or sell the product or system
- the availability of adequate technical, financial and other resources to complete the development

In determining the development costs to be capitalised, the Group estimates the expected future economic benefits of the respective product or system that is the result of a development project.

Management also make judgements regarding the level of purchased services which are directly attributable to the work to develop the capitalised projects and therefore are included within the overall project costs.

The overall cost of this team is material and a significant change in this estimate could have a significant effect on the value of costs capitalised. The impact of a change to this estimate could result, at the most extreme, i.e. in a scenario where either no development team costs are capitalised, or where they are capitalised in full, in a decrease of £1.5 million or increase of £11.5 million in administrative expenses in the current year.

**(ii) Revenue recognition**

Contracts are accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers'. Revenue is recognised as, and when, identified performance obligations are satisfied.

Identifying the performance obligations, and the relevant method to faithfully reflect the timing of transfer of control of services to customer, for some contracts, may require management to exercise judgement.

**Performance obligations identified in contracts**

In the current year, the Group has identified that there are separate performance obligations in respect of Commercial installation contracts, for the supply of units and the installation of those units.

In the current year, the revenue recognition approach to these contracts has changed in two respects. Firstly, to split the delivery of units to customer site from the work done to install those units into two performance obligations, as set out above. Secondly, to recognise contract assets in the form of accrued income prior to invoicing, based on the percentage of the total installation project which has been completed. Revenue accrued also includes the relevant proportion of expected margin to be earned on the overall project as set out below. If the Group cannot reliably measure progress of installation services, the Group restricts revenue recognition to the level of costs incurred. Costs are taken to the income statement as incurred.

## 3. Critical accounting judgement and key source of estimation uncertainty continued

**Transfer of control to customers**

During the year, management identified that the previous policy for recognition of revenue arising from commercial installation contracts did not appropriately reflect the transfer of control of the installation of the asset to the customer.

Previously, revenue derived from funded development and large programmes was recognised as milestone obligations were completed in full. Since many projects did not contain such milestones, for many projects, this resulted in point-in-time recognition, at the end of an installation. A work-in-progress inventory asset was recognised on the balance sheet prior to completion of milestones or invoicing, reflecting costs incurred by the Group but not margin. This work-in-progress balance did not reflect an asset controlled by the Group, since the project was on a customer site.

Under the revised method, actual costs are compared with the total estimated costs to measure progress towards complete satisfaction of the performance obligation. To measure the relevant proportion of revenue to recognise, the Group is required to estimate the margin on contracts in progress at each reporting date. This estimation is performed on a portfolio basis.

The changes described above have resulted in a new contract asset, accrued income, and the de-recognition of a previously presented asset, work in progress. The revised approach therefore results in earlier recognition of revenue and of cost of sales. The effect of the change on the prior year is set out within note 27.

**Key source of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(i) Impairment of goodwill and other intangibles**

During the year, the Group performed an assessment of the carrying value of goodwill arising on acquisition, and concluded that an impairment of £53.2 million was required, primarily relating to goodwill allocated to the UK Commercial CGU.

The amount of the impairment identified was based on the key inputs to the discounted cash flow model used to estimate the value in use of each CGU. Key assumptions in the model are in line with the Group's November 2023 strategic plan, and include:

i) 15% CAGR in the addressable residential home charging market between 2024 and 2030, and a 40% CAGR growth in the Workplace market over the same period;

ii) 20% cumulative annual growth rate in revenue between 1st January 2024 and 31st December 2027;

iii) A 5 percentage point improvement in gross margin by 2025 and sustained throughout the plan period;

iv) A £6 million annualised reduction in overhead costs by 2025, offset in later years by investment in brand marketing and international expansion; and

v) The Group to become cash generative from 2027.

As well as estimates on future trading performance, key estimation inputs include the weighted average cost of capital used to discount the estimated cash flows, and the terminal growth rate applied to cash flows beyond the specific assessment period. Changes in these assumptions could have significantly increased or decreased the amount of impairment charge. However the Group has taken a charge based on its best estimate of all relevant assumptions.

## 4. Segment reporting

During the year, the Group undertook a strategic review, which resulted in a change in the operating segments reviewed by the Chief Operating Decision Maker (CODM). The Group now has six operating segments, five of which are as set out in the table below. The results for FY2022 have been re-presented according to the revised segments.

In future, the Group also expects to report activity within an International segment. However for the current and preceding financial year, trading, assets and liabilities and cash flows for this segment is immaterial.

| Reportable segment | Operations |
|---|---|
| UK Home | Activities generated by the sale of chargepoints to for installation at homes in the UK. |
| UK Commercial | Activities generated by the sale and installation of chargepoints in commercial settings such as destinations and workplace parking in the UK, as well as the recurring revenue generated on chargepoints, relating to fees charged from the ongoing use of the Pod Point software and information generated from the management information system. |
| UK Distribution | Activities generated by the sale of chargepoints to commercial customers such as housebuilders and wholesale channels in the UK. |
| Owned assets | Operating activities relating to customer contracts, in which Pod Point owns the chargepoint assets but charges a fee for provision of media screens on the chargepoints for advertising purposes, and charges end customers for the use of these assets. |
| Energy Flex | Activities relating to provision of a flexibility service, to arrange access to Pod Point's installed base of domestic charging units distributor network operators and distribution system operators to manage energy usage in geographically designated areas over time to match production capacity. |

There are no transactions with a single external customer amounting to 10% or more of the Group's revenues.

**Segmental analysis for the year ended 31st December 2023:**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Energy Flex £'000 | Total Group £'000 |
|---|---|---|---|---|---|---|
| Installation services provided to Commercial customers | - | 19,835 | - | - | - | 19,835 |
| Other services provided to customers over time | 135 | 3,162 | - | 8,348 | - | 11,645 |
| Wholesale and Supply only sales to Commercial customers at point in time | - | - | 5,400 | - | - | 5,400 |
| Sale and installation of chargepoints to residential customers at point in time | 26,837 | - | - | - | - | 26,837 |
| Energy flex revenues | - | - | - | - | 39 | 39 |
| **Revenue** | **26,972** | **22,997** | **5,400** | **8,348** | **39** | **63,756** |
| **Cost of sales** | **(19,406)** | **(16,943)** | **(2,281)** | **(5,886)** | **-** | **(44,516)** |
| **Gross margin** | **7,566** | **6,054** | **3,119** | **2,462** | **39** | **19,240** |
| Other income | 617 | 319 | 64 | - | - | 1,000 |
| Administrative expenses including impairment charges | (30,863) | (63,490) | (8,983) | (1,235) | (22) | (104,593) |
| **Operating (loss)/profit** | **(22,680)** | **(57,117)** | **(5,800)** | **1,227** | **17** | **(84,353)** |
| Finance income | 979 | 505 | 102 | - | - | 1,586 |
| Finance costs | (136) | (70) | (14) | (198) | - | (418) |
| **(Loss)/profit before tax** | **(21,837)** | **(56,682)** | **(5,712)** | **1,029** | **17** | **(83,185)** |

Notes to the financial statements continued

## 4. Segment reporting continued

**Reconciliation of operating loss to adjusted EBITDA for the year ended 31st December 2023**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Energy Flex £'000 | Total Group £'000 |
|---|---|---|---|---|---|---|
| Operating (loss)/profit | (22,680) | (57,117) | (5,800) | 1,227 | 17 | (84,353) |
| Depreciation and amortisation and impairment charges | 6,106 | 50,546 | 6,396 | 960 | - | 64,008 |
| Share-based payments charge | 1,403 | 724 | 146 | - | - | 2,273 |
| Exceptional restructuring costs | 1,729 | 892 | 181 | - | - | 2,802 |
| Adjusted EBITDA | (13,442) | (4,955) | 923 | 2,187 | 17 | (15,270) |

**Segmental analysis for the year ended 31st December 2022:**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Total Group £'000 |
|---|---|---|---|---|---|
| Installation services provided to Commercial customers | – | 19,340 | – | – | 19,340 |
| Other services provided to customers over time | 63 | 2,163 | – | 4,233 | 6,459 |
| Wholesale and Supply only sales to Commercial customers at point in time | – | – | 4,273 | – | 4,273 |
| Sale and installation of chargepoints to residential customers at point in time | 41,337 | – | – | – | 41,337 |
| Revenue | 41,400 | 21,503 | 4,273 | 4,233 | 71,409 |
| Cost of sales | (33,443) | (17,402) | (2,028) | (1,947) | (54,820) |
| Gross margin | 7,957 | 4,101 | 2,245 | 2,286 | 16,589 |
| Other income | 900 | 468 | 93 | – | 1,461 |
| Administrative expenses including impairment charges | (22,824) | (11,855) | (2,355) | (1,031) | (38,065) |
| Operating (loss)/profit | (13,967) | (7,286) | (17) | 1,255 | (20,015) |
| Finance income | 282 | 146 | 29 | – | 457 |
| Finance costs | (110) | (58) | (11) | (187) | (366) |
| (Loss)/profit before tax | (13,795) | (7,198) | 1 | 1,068 | (19,924) |

## 4. Segment reporting continued

**Reconciliation of operating loss to adjusted EBITDA for the year ended 31st December 2022**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Total Group £'000 |
|---|---|---|---|---|---|
| Operating (loss)/profit | (13,967) | (7,286) | (17) | 1,255 | (20,015) |
| Depreciation and amortisation | 4,287 | 2,226 | 442 | 788 | 7,743 |
| Share-based payments charge | 3,190 | 1,656 | 329 | – | 5,175 |
| Exceptional restructuring costs | 35 | 18 | 4 | – | 57 |
| Adjusted EBITDA | (6,455) | (3,386) | 758 | 2,043 | (7,040) |

Costs have been attributed to segments on a specific basis where possible, and on an activity basis where necessary.

Information relating to assets, liabilities and capital expenditure information is presented to the CODM in aggregate.

## 5. Group operating loss

Loss for the year has been arrived at after charging/(crediting):

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Amortisation of intangible fixed assets | **8,138** | 5,484 |
| Depreciation of tangible fixed assets | **1,338** | 1,123 |
| Depreciation of right-of-use asset | **1,378** | 1,136 |
| Exchange differences | **1** | 56 |
| Cost of inventories recognised as an expense | **21,009** | 28,818 |
| Staff costs | **32,032** | 28,628 |
| Other income – RDEC R&D tax credit income | **(1,000)** | (1,461) |
| Loss on impairment of internally generated intangible assets | **-** | 604 |
| Loss on impairment of customer relationship intangibles | **9,880** | – |
| Loss on impairment of goodwill | **43,274** | – |
| Loss on disposal of tangible assets | **-** | 4 |
| Marketing costs | **2,270** | 350 |
| Aggregate charge against income in respect of research and development costs not eligible for capitalisation | **3,119** | 1,436 |
| Audit fees – consolidated Group accounts | **222** | 155 |
| Audit fees – Parent Company | **87** | 61 |
| Audit fees – subsidiaries | **141** | 99 |
| Fees for audit-related assurance services, relating to the half-year results for the six months ended 30th June 2022 | **-** | 45 |

**Alternative performance measures**

The Group makes use of an alternative performance measure, adjusted EBITDA, in assessing the performance of the business. The definition and relevance of this measure is set out below. The Group believes that this measure, which is not considered to be a substitute for or superior to IFRS measures, provides stakeholders with helpful additional information on the performance of the Group.

## 5. Group operating loss continued

**Adjusted EBITDA**

**Definition**

Profit or loss from operating activities, adding back depreciation, amortisation, impairment charges, share-based payment charges and exceptional restructuring costs.

**Relevance to strategy**

The adjusted measure is considered relevant to assessing the performance of the Group against its strategy and plans.

The rationale for excluding certain items is as follows:

- Depreciation: a non-cash item which fluctuates depending on the timing of capital investment. We believe that a measure which removes this volatility improves comparability of the Group's results period on period
- Amortisation: a non-cash item which varies depending on the timing of and nature of acquisitions, and on the timing of and extent of investment in the internally generated intangibles arising from development of the Group's products. We believe that a measure which removes this volatility improves comparability of the Group's results period on period. Where applicable, impairment of intangible assets is also excluded as an exceptional item
- Share-based payment charges: a non-cash item which varies significantly depending on the share price at the date of grants under the Group's share option schemes, and depending on the assumptions used in valuing these awards as they are granted. We believe that a measure which removes this volatility improves comparability of the Group's results period on period and also improves comparability with other companies that do not operate similar share-based payment schemes
- Exceptional restructuring items: these items represent amounts which result from unusual transactions or circumstances and of a significance which warrants individual disclosure. We believe that adjusting for such exceptional items improves comparability period on period. See note 8 for further detail of amounts disclosed as exceptional in the year

**Reconciliation**

See segmental reporting in note 4.

## 6. Revenue

The Group's revenue by nature is set out below.

Revenue in the current and preceding year arises materially all in the United Kingdom. Materially all assets and liabilities were UK based in both years.

During the year, no customer contributed 10% or more of the Group's revenues (2022: none).

**Segmental analysis for the year ended 31st December 2023:**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Grid £'000 | Total Group £'000 |
|---|---|---|---|---|---|---|
| Installation services provided to Commercial customers | – | 19,835 | – | – | – | 19,835 |
| Other services provided to customers over time | 135 | 3,162 | – | 8,348 | – | 11,645 |
| Wholesale and Supply only sales to Commercial customers at point in time | – | – | 5,400 | – | – | 5,400 |
| Sale and installation of chargepoints to residential customers at point in time | 26,837 | – | – | – | – | 26,837 |
| Energy flex revenues | – | – | – | – | 39 | 39 |
| **Revenue** | **26,972** | **22,997** | **5,400** | **8,348** | **39** | **63,756** |

**Segmental analysis for the year ended 31st December 2022:**

| | UK Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Owned assets £'000 | Total Group £'000 |
|---|---|---|---|---|---|
| Installation services provided to Commercial customers | – | 19,340 | – | – | 19,340 |
| Other services provided to customers over time | 63 | 2,163 | – | 4,233 | 6,459 |
| Wholesale and Supply only sales to Commercial customers at point in time | – | – | 4,273 | – | 4,273 |
| Sale and installation of chargepoints to residential customers at point in time | 41,337 | – | – | – | 41,337 |
| Revenue | 41,400 | 21,503 | 4,273 | 4,233 | 71,409 |

## 7. Directors and employees

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £1,339k for the year ended 31st December 2023 (2022: £266k).

Pension contributions payable at 31st December 2023 were £222k (2022: £180k). Pension contributions payable to Directors are set out within the table below.

The table below presents the staff costs of employees, including those in respect of the Directors, which have been recognised in the income statement.

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Wages and salaries | **33,506** | 25,574 |
| Social security costs | **3,656** | 3,852 |
| Costs of defined contribution scheme | **1,339** | 329 |
| Share-based payment expense | **2,273** | 4,545 |
| Capitalised as internally generated intangible assets | **(8,742)** | (5,672) |
| Net staff costs | **32,032** | 28,628 |

Staff costs presented in this note reflect the total wage, tax and pension cost relating to employees of the Group. These costs are allocated between administrative expenses, cost of sales or capitalised where appropriate as part of deferred development costs. Directors' aggregate emoluments are disclosed within the Directors' Remuneration Report.

The average number of employees employed by the Group during the year ended 31st December 2023 was 577 (2022: 494)

**Directors**
The table below presents the Directors remuneration which has been recognised in the income statement.

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Short-term employee benefits | **1,671** | 1,905 |
| Post-employment benefits | **14** | – |
| Total | **1,685** | 1,905 |

The remuneration of the highest paid Director for the year ended 31st December 2023 was £492k (2022: £706k).

During the year ended 31st December 2023, no directors accrued benefits under a defined benefit pension scheme (2022: none).

During the year ended 31st December 2023, one director was a member of the Group's defined contribution pension plan (2022: none).

**Key management personnel**
Key management personnel of the Group have been assessed for the year ended 31st December 2023 as the members of the Board of Directors. For 2022, as well as the Board of Directors, one other employee was assessed as directing and controlling the activities of the Group.

Directors appointed by EDF are remunerated by EDF and their costs are not recharged and an allocation of cost is not considered readily identifiable.

## 7. Directors and employees continued

Key management costs include the following expenses:

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Short-term employee benefits | **1,908** | 3,058 |
| Post-employment benefits | **14** | 56 |
| Net share-based payment expense | **668** | 2,987 |
| Total key management personnel expenses | **2,590** | 6,101 |

The aggregate emoluments of the highest paid key management personnel in the Group for the year ended 31st December 2023 was £492k (2022: £706k).

During the year ended 31st December 2023, one key management personnel was a member of the Group's defined contribution pension plan (2022: one).

## 8. Adjusting restructuring costs

Adjusting restructuring costs, for the purposes of presenting non-IFRS measure of adjusted EBITDA as per accounting policy noted in note 2.11, are as follows:

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Restructuring costs | **2,802** | 57 |

In 2023, £2,802k of restructuring costs were incurred, representing professional fees associated with the strategic review exercise undertaken in during 2023 and the staff costs arising from executing this restructuring activity. £346k of these costs related to amounts paid to the former CEO after he had left his role and associated professional fees.

Included within this amount is a provision of £326k which has been recognised at 31st December 2023, to cover the expected costs of staff exits in 2024 resulting from the strategic review exercise which had been communicated to those affected by the year end.

The Group anticipates further significant restructuring costs in 2024, relating to further actions arising from the strategic review. These will include additional staff exit costs, and professional fees and other costs associated with the exit of non-core segments.

Restructuring costs in 2022 related to the closure of the Norway branch.

## 9. Finance income and finance costs

Net financing costs comprise bank interest income and interest expense on borrowings, and interest expense on lease liabilities.

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Interest receivable on bank deposits | **1,586** | 457 |
| **Finance income** | **1,586** | 457 |
| Interest payable on loans | **(190)** | (150) |
| Interest payable on lease liabilities | **(228)** | (216) |
| **Finance costs** | **(418)** | (366) |
| **Net finance income** | **1,168** | 91 |

## 10. Taxation

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Current tax charge | **229** | 287 |
| Deferred tax charge | **–** | – |
| **Total tax charge** | **229** | 287 |

## 10. Taxation continued

The amount of income tax recorded in the consolidated income statement differs from the expected amount that would arise by applying the standard rate of corporation tax in the UK during the year of 23.52% (2022: 19%). The differences are explained below:

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Loss before tax | **(83,185)** | (19,924) |
| Tax credit based on the standard rate of corporation tax in the UK of 23.52% (2022: 19%) | **(19,565)** | (3,786) |
| Fixed assets timing differences | **17** | – |
| Expenses not deductible for tax purposes | **13,276** | 706 |
| Income not taxable | **–** | (127) |
| Adjustments to brought forward values | **82** | – |
| Remeasurement of deferred tax for changes in tax rates | **(364)** | – |
| Movement in deferred tax not recognised | **6,554** | 3,207 |
| R&D other income tax charge | **229** | 287 |
| **Total tax charge** | **229** | 287 |

Key elements of expenses not deductible for tax purposes are the impairment charges described in note 11 and share-based payment charges.

The main rate of UK corporation tax for the year ended 31st December 2023 is a weighted average of 23.52%. The Finance Act 2021, which was substantially enacted on 10th June 2021, announced that the main rate of UK corporation would increase from 19% to 25% with effect from 1st April 2023.

Deferred taxes have been measured at the corporation tax rate expected to apply at the time of reversal of the timing difference.

No tax was included in equity in the current or prior year.

### Unrecognised deferred tax assets

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 restated[1] £'000 |
|---|---|---|
| Tax losses | **63,887** | 37,408 |
| Share-based payments | **854** | 1,181 |
| Short-term timing differences | **213** | 102 |
| | **64,954** | 38,691 |

Historically the Group has presented deferred tax liabilities and assets on the face of the balance sheet. Deferred tax assets have been recognised only up to the level of deferred tax liabilities arising.

Since these assets and liabilities arise only in the UK, and since they therefore relate to income taxes levied by the same tax authority on the same group of entities, and since there is an expectation that the tax assets and liabilities will be realised simultaneously, these have been netted off in FY2023 and in the comparative balance sheets presented.

All unrecognised temporary differences above can be carried forward indefinitely. Temporary differences in respect of share-based payments arise in respect of Part 12 CTA 2009 share options deduction for which a deduction should be available in the future. The value of the future tax deduction for share-based payments is dependent on the share price at the point of exercise and therefore its value is highly uncertain.

1 The restatement described in note 38 has affected prior year taxable profit and losses in individual Group entities and associated group relief claim amounts. This has led to a change in unrecognised deferred tax by nature as at 31st December 2022, although the net amount of unrecognised deferred tax has not changed.

## 11. Intangible assets

**Intangible assets as at 31st December 2023:**

| | Development £'000 | Brand £'000 | Customer relationships £'000 | Goodwill £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **At 1st January 2023** | **20,702** | **13,940** | **13,371** | **77,639** | **125,652** |
| **Additions** | **11,518** | **–** | **–** | **–** | **11,518** |
| **Disposals** | **(4,239)** | **–** | **–** | **–** | **(4,239)** |
| **At 31st December 2023** | **27,981** | **13,940** | **13,371** | **77,639** | **132,931** |
| **Accumulated amortisation:** | | | | | |
| **At 1st January 2023** | **(10,146)** | **(2,033)** | **(2,599)** | **–** | **(14,778)** |
| **Amortisation** | **(6,549)** | **(697)** | **(892)** | **–** | **(8,138)** |
| **Impairment** | **–** | **–** | **(9,880)** | **(43,274)** | **(53,154)** |
| **Disposals** | **4,239** | **–** | **–** | **–** | **4,239** |
| **At 31st December 2023** | **(12,456)** | **(2,730)** | **(13,371)** | **(43,274)** | **(71,831)** |
| **Carrying amounts:** | | | | | |
| **At 31st December 2023** | **15,525** | **11,210** | **–** | **34,365** | **61,100** |

**Intangible assets as at 31st December 2022:**

| | Development £'000 | Brand £'000 | Customer relationships £'000 | Goodwill £'000 | Total £'000 |
|---|---|---|---|---|---|
| Cost: | | | | | |
| At 1st January 2022 | 10,800 | 13,940 | 13,371 | 77,639 | 115,750 |
| Additions | 9,902 | – | – | – | 9,902 |
| At 31st December 2022 | 20,702 | 13,940 | 13,371 | 77,639 | 125,652 |
| Accumulated amortisation: | | | | | |
| At 1st January 2022 | (5,646) | (1,336) | (1,708) | – | (8,690) |
| Amortisation | (3,896) | (697) | (891) | – | (5,484) |
| Impairment | (604) | – | – | – | (604) |
| At 31st December 2022 | (10,146) | (2,033) | (2,599) | – | (14,778) |
| Carrying amounts: | | | | | |
| At 31st December 2022 | 10,556 | 11,907 | 10,772 | 77,639 | 110,874 |

**At 31st December 2023, £1,535k of development projects were in progress and were not yet amortised.**

### Impairment charges

#### Internally generated intangibles

During year ended 31st December 2022, an impairment loss of £604k was recognised against development costs, relating to staff and other costs capitalised against internally generated fixed assets which were related to products assessed as no longer generating economic benefits to the Group. No such impairment was recognised for the year ended 31st December 2023.

#### Goodwill and customer relationships

Following the Group's announcement of a change to its strategic priorities in November 2023, the Group now operates new reporting segments which are aligned to those priorities, as set out in note 4.

Goodwill and other intangible assets arising on acquisition were re-allocated from the previous segments to the new segments. The goodwill previously allocated to the Commercial Recurring and Commercial Non-Recurring segments has been split between the UK Commercial and UK Distribution segments based on the current year revenue associated with those segments under the new reporting structure. As a result of the re-allocation exercise, there has been no re-allocation to or from Home from other segments.

Goodwill and other intangible assets were allocated to cash generating units or groups of cash generating units as follows during 2023:

| | Home £'000 | UK Commercial £'000 | UK Distribution £'000 | Total £'000 |
|---|---|---|---|---|
| Goodwill | **20,231** | **45,061** | **12,347** | **77,639** |
| Brand | **2,921** | **6,506** | **1,783** | **11,210** |
| Customer relationships | **–** | **9,880** | **–** | **9,880** |
| **Total** | **23,152** | **61,447** | **14,130** | **98,729** |
| Impairment in year ended 31st December 2023 – Goodwill | **–** | **(37,516)** | **(5,758)** | **(43,274)** |
| Impairment in year ended 31st December 2023 – UK Customer relationships | **–** | **(9,880)** | **–** | **(9,880)** |
| **Total** | **–** | **(47,396)** | **(5,758)** | **(53,154)** |
| Carrying amount at 31st December 2023 | | | | |
| *Goodwill* | **20,231** | **7,545** | **6,589** | **34,365** |
| *Brand* | **2,921** | **6,506** | **1,783** | **11,210** |
| *Customer relationships* | **–** | **–** | **–** | **–** |
| *Total* | **23,152** | **14,051** | **8,372** | **45,575** |

No intangible assets were allocated to the Owned Assets segment, or to the new Energy Flex or International segments.

## 11. Intangible assets continued

As a result of the November 2023 strategy change, the Group is exiting certain commercial markets, such as Domestic, Fleet and Public Charging, to focus on Workplace charging going forward.

The Customer Relationships asset has been re-assessed in light of the Group's strategy for its UK Commercial business and the updated cash flows expected from those customer relationships identified at initial recognition in 2020. The Directors have assessed that the recoverable value of this asset on an individual basis at 31st December 2023 is nil and its carrying value at 31st December 2023 of £9,880k has been impaired in full.

For the annual impairment review of goodwill, CGUs have been identified in line with the new segments.

The recoverable amount of each CGU was estimated on a value-in-use basis, using a discounted cash flow model. Key assumptions in the model are in line with the strategic plan presented at the Group's Capital Markets Day in November 2023. These assumptions include future trading estimates which include the size of the UK market for new charging points, and the Group's forecast market share. The Group's forecast takes into account its principal risks that may impact the cash flows, including macroeconomic factors, and has been determined using input from external advisors as part of the strategic review.

The forecasts are based on management's assessment of future market prospects, informed by publicly available data published by the UK Government and Euromonitor as well as proprietary insight from external advisors. The cashflow forecasts have been informed by the Group's actual trading performance in 2023, management's assessment of current and likely future market conditions, and expectations on future cashflows arising from the Group's refocused Commercial activities following strategic review.

The forecasts run to 31st December 2030. Key assumptions include:

i) 15% CAGR in the addressable residential home charging market between 2024 and 2030, and a 40% CAGR growth in the Workplace market over the same period;

ii) 20% cumulative annual growth rate in revenue between 1st January 2024 and 31st December 2027;

iii) A 5 percentage point improvement on 2023 gross margin by 2025 and sustained throughout the plan period;

iv) A £6 million annualised reduction in overhead costs by 2025, offset in later years by investment in brand marketing and international expansion; and

v) The Group to become cash generative from 2027.

Management projected cash flows using Board-approved budgets and forecasts to 2030. A period longer than 5 years was considered appropriate given the growth in electric vehicles is expected to increase significantly beyond 5 years, driven by Government policy initiatives to decarbonise most transport and increased demand for electric vehicles. The Group's Scope 1 and Scope 2 emissions targets for 2026 are not expected to have a material impact on the future cash flows of the Group.

A post-tax weighted-average cost of capital ("WACC") of 12.7% (2022: 13.0%) was used to discount forecast cash flows, along with a terminal growth rate of 1.7%, based on UK GDP forecasts, to extrapolate cash flows beyond the forecast period.

The WACC of 12.7% is equivalent to a pre-tax discount rate of 17.0% (2022: 16.0%). Management considers that the inputs into the WACC model appropriately consider recent increases to risk-free rates and the estimated optimal long-term capital structure based on a market participant's view. Based on the Directors' assessment of the risks associated with each business segment, a single WACC for each segment was considered appropriate.

The recoverable amount determined through this value-in-use test identified impairments in the UK Commercial and UK Distribution segments, totaling £53.2 million. This amount has been charged to the income statement within administrative expenses.

### Sensitivities

The headroom of recoverable value over carrying value of intangible assets in the Home CGU is £22.7 million at 31st December 2023. A decrease in forecast revenue CAGR of 2% over the assessment period would be required to cause the carrying value of the intangibles assets within the Home segment to exceed its recoverable value. A reduction in terminal growth rate to 1.0% would reduce the headroom to £19.4 million.

An adverse change in the assumptions applied to the UK Commercial and UK Distribution segments may result in a material adjustment to the carrying value of the associated intangible assets in future reporting periods.

A reasonably possible change in these assumptions could result in an impairment of the remaining intangible assets, with a carrying value of £14.1 million in the UK Commercial CGU and £8.4 million in the UK Distribution CGU.

A decrease in forecast revenue CAGR of 4% over the assessment period, or an increase in pre-tax discount rate to 15.8%, would be required to cause the carrying amount of the intangibles assets within the UK Commercial segment to become zero. A reduction in terminal growth rate to 1.0% would lead to a further impairment charge of £1.4 million.

A decrease in forecast revenue CAGR of 3% over the assessment period, or an increase in pre-tax discount rate to 18.4%, would be required to cause the carrying amount of the intangibles assets within the UK Distribution segment to become zero. A reduction in terminal growth rate to 1.0% would lead to a further impairment charge of £0.7 million.

The Directors have assessed the market capitalisation of the Group as an indicator of impairment in the context of the appropriateness of the assumptions applied, including the total impairment charge of £53.2 million recognised for the year ended 31st December 2023.

Notes to the financial statements continued

## 12. Property, plant and equipment

**Property, plant and equipment as at 31st December 2023:**

| | Short-term leasehold property £'000 | Plant & machinery £'000 | Furniture & fittings £'000 | Computer equipment £'000 | Owned charging assets £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| **At 1st January 2023** | **33** | **271** | **19** | **1,336** | **6,496** | **8,155** |
| **Additions** | **–** | **–** | **–** | **280** | **517** | **797** |
| **At 31st December 2023** | **33** | **271** | **19** | **1,616** | **7,013** | **8,952** |
| **Accumulated depreciation and impairment:** | | | | | | |
| **At 1st January 2023** | **(32)** | **(202)** | **(19)** | **(828)** | **(1,576)** | **(2,657)** |
| **Depreciation charge for the year** | **(1)** | **(48)** | **–** | **(318)** | **(971)** | **(1,338)** |
| **At 31st December 2023** | **(33)** | **(250)** | **(19)** | **(1,146)** | **(2,547)** | **(3,995)** |
| **Carrying amounts:** | | | | | | |
| **At 31st December 2023** | **–** | **21** | **–** | **470** | **4,466** | **4,957** |

**Property, plant and equipment as at 31st December 2022:**

| | Short-term leasehold property £'000 | Plant & machinery £'000 | Furniture & fittings £'000 | Computer equipment £'000 | Owned charging assets £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| At 1st January 2022 | 31 | 229 | 19 | 837 | 4,698 | 5,814 |
| Additions | 2 | 42 | – | 499 | 1,805 | 2,348 |
| Disposals | – | – | – | – | (7) | (7) |
| At 31st December 2022 | 33 | 271 | 19 | 1,336 | 6,496 | 8,155 |
| Accumulated depreciation and impairment: | | | | | | |
| At 1st January 2022 | (31) | (153) | (19) | (553) | (781) | (1,537) |
| Depreciation | (1) | (49) | – | (275) | (798) | (1,123) |
| Disposals | – | – | – | – | 3 | 3 |
| At 31st December 2022 | (32) | (202) | (19) | (828) | (1,576) | (2,657) |
| Carrying amounts: | | | | | | |
| At 31st December 2022 | 1 | 69 | – | 508 | 4,920 | 5,498 |

## 13. Right-of-use asset

The corresponding lease liability of the right-of-use asset is set out in note 19.

**Right-of-use asset at 31st December 2023:**

| | Right-of-use assets - buildings £'000 | Right-of-use assets - vehicles £'000 | Right-of-use assets - total £'000 |
|---|---|---|---|
| **Cost:** | | | |
| At 1st January 2023 | **1,368** | **3,904** | **5,272** |
| Additions | **–** | **936** | **936** |
| Disposals | **–** | **(227)** | **(227)** |
| **At 31st December 2023** | **1,368** | **4,613** | **5,981** |
| **Accumulated depreciation:** | | | |
| At 1st January 2023 | **(1,206)** | **(1,152)** | **(2,358)** |
| Depreciation | **(162)** | **(1,216)** | **(1,378)** |
| Disposals | **–** | **134** | **134** |
| **At 31st December 2023** | **(1,368)** | **(2,234)** | **(3,602)** |
| **Carrying amounts:** | | | |
| **At 31st December 2023** | **–** | **2,379** | **2,379** |

A lease for new office premises was signed in January 2024, running to June 2025, at a monthly cost of around £40k. As this lease was not signed at the balance sheet date, no associated right of use asset is shown in the table above.

**Right-of-use asset at 31st December 2022:**

| | Right-of-use assets - buildings £'000 | Right-of-use assets - vehicles £'000 | Right-of-use assets - total £'000 |
|---|---|---|---|
| Cost: | | | |
| At 1st January 2022 | 1,368 | 2,640 | 4,008 |
| Additions | 113 | 2,656 | 2,769 |
| Disposals | (113) | (1,392) | (1,505) |
| At 31st December 2022 | 1,368 | 3,904 | 5,272 |
| Accumulated depreciation: | | | |
| At 1st January 2022 | (1,043) | (1,565) | (2,608) |
| Depreciation | (276) | (860) | (1,136) |
| Disposals | 113 | 1,273 | 1,386 |
| At 31st December 2022 | (1,206) | (1,152) | (2,358) |
| Carrying amounts: | | | |
| At 31st December 2022 | 162 | 2,752 | 2,914 |

Notes to the financial statements continued

## 14. Inventories

| | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 |
|---|---|---|
| Finished goods | **4,478** | 5,523 |
| Work in progress | **46** | 117 |
| | **4,524** | 5,640 |

1 Restated – see note 27

The cost of inventories recognised as an expense during the year ended 31st December 2023 was £21,009k (2022: £28,818k).

The decrease in cost of inventories during the year was due to the reduced level of activity year-on-year.

As set out in note 27, in order to reflect the change in approach to commercial revenue recognition as set out in the accounting policies note 2, costs relating to commercial installation projects previously presented as work in progress as at 31st December 2022 have been de-recognised from the balance sheet, and presented within cost of goods sold. Accrued income, inclusive of applicable expected margin, has been recognised as a contract asset, where work had been performed in advance of invoicing.

Included within work in progress is hardware purchased for installation in progress but not yet complete.

An impairment provision of £457k was held at 31st December 2023 (2022: £698k) against risk relating to slow-moving and obsolete stock.

## 15. Trade and other receivables and contract assets

| | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 |
|---|---|---|
| Trade receivables | **12,558** | 13,808 |
| Loss allowance | **(549)** | (507) |
| | **12,009** | 13,301 |
| Other receivables | **2,927** | 940 |
| R&D tax credit receivable | **800** | 1,174 |
| Prepayments | **1,073** | 1,239 |
| Total trade and other receivables | **16,809** | 16,654 |
| Contract assets – accrued income | **6,730** | 6,227 |
| Total trade and other receivables and contract assets | **23,539** | 22,881 |

1 Restated – see note 27

Other receivables at 31st December 2023 includes £2,285k (2022: £nil) of cash lodged on deposit with suppliers.

As set out in note 27, in order to reflect the change in approach to commercial revenue recognition as set out in the accounting policies note 2, costs relating to commercial installation projects previously presented as work in progress as at 31st December 2022 have been de-recognised from the balance sheet, and presented within cost of goods sold. Accrued income, inclusive of applicable expected margin, has been recognised as a contract asset, to reflect transfer of control of the work performed to the customer in advance of invoicing.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group's maximum potential exposure to credit risk at 31st December 2023 was £22,466k 2022: £19,528k). The Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any one counterparty did not exceed 5% of gross monetary assets at any time during the year.

The Group's accrued income balance is monitored periodically in order to ensure that it is stated at the level of expected recovery through future invoicing. No significant credit loss in respect of that future income is expected.

The movement in the provision for doubtful debts is as follows:

| | £'000 |
|---|---|
| **At 1st January 2023** | **507** |
| Amounts recovered | **–** |
| Written off | **(74)** |
| Change in loss allowance due to new trade and other receivables originated | **116** |
| **As at 31st December 2023** | **549** |
| **At 1st January 2022** | **216** |
| Amounts recovered | (47) |
| Written off | (18) |
| Change in loss allowance due to new trade and other receivables originated | 356 |
| **As at 31st December 2022** | 507 |

Notes to the financial statements continued

## 15. Trade and other receivables and contract assets continued

Ageing of trade receivables before provision.

| | As at 31st December 2023 £'000 | As at 31st December 2022 £'000 |
|---|---|---|
| Current | **5,200** | 2,839 |
| Trade receivables past due | | |
| 31-60 days | **1,020** | 4,046 |
| 61–90 days | **644** | 2,294 |
| More than 90 days | **5,694** | 4,629 |
| Trade receivables before allowance for doubtful receivables | **12,558** | 13,808 |
| Less: allowance for doubtful receivables | **(549)** | (507) |
| **Total trade receivables** | **12,009** | 13,301 |
| Allowance for doubtful receivables – current | **22** | *7* |
| Allowance for doubtful receivables – past due 31-60 days | **10** | *67* |
| Allowance for doubtful receivables – past due 61-90 days | **10** | *75* |
| Allowance for doubtful receivables – past due more than 90 days | **507** | *358* |
| | **549** | *507* |

| | 2023 £'000 | 2022[1] £'000 |
|---|---|---|
| Opening accrued income at 1st January | **6,227** | 5,164 |
| Amounts invoiced | **(40,602)** | (28,031) |
| Revenue recognised prior to invoice | **41,105** | 29,094 |
| Closing accrued income at 31st December | **6,730** | 6,227 |

1 Restated – see note 27

Accrued income primarily arises from activity performed in advance of invoicing relating to installations funded by a customer's employer, and to commercial installations work performed in advance of invoice.

## 16. Cash and cash equivalents

| | As at 31st December 2023 £'000 | As at 31st December 2022 £'000 |
|---|---|---|
| Cash at bank and on deposit with instant availability | **5,156** | 10,121 |
| Cash on deposit with maturity within 30 days | **33,000** | – |
| Cash on deposit with maturity within 65 days | **10,587** | 63,982 |
| **Total cash and cash equivalents** | **48,743** | 74,103 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

## 17. Trade and other payables and contract liabilities

| | As at 31st December 2023 £'000 | As at 31st December restated[1] 2022 £'000 |
|---|---|---|
| Trade payables | **5,579** | 4,062 |
| Other taxation and social security | **929** | 3,098 |
| Accruals | **10,148** | 9,732 |
| Other payables | **6,179** | 3,063 |
| **Total trade and other payables** | **22,835** | 19,955 |
| Contract liabilities – deferred income | **13,398** | 10,833 |
| **Total trade and other payables and contract liabilities** | **36,233** | 30,788 |

1 Restated – see note 27

There is no material difference between the carrying value and fair value of trade and other payables presented.

Other payables includes revenue share amounts due to customers in the operation of public charging networks.

## 17. Trade and other payables and contract liabilities continued

Deferred income primarily arises from performance obligations relating to extended warranties sold to customers, performance obligations relating to Smart Reporting, and amounts topped up by customers in the Pod Point Charging app.

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Opening deferred income at 1st January | **10,833** | 10,765 |
| Payments received from customers | **10,699** | 12,854 |
| Revenue recognised net of refunds | **(8,134)** | (12,786) |
| **Closing deferred income at 31st December** | **13,398** | 10,833 |

## 18. Loans and borrowings

| | As at 31st December 2023 £'000 | As at 31st December 2022 £'000 |
|---|---|---|
| **Current liabilities** | | |
| Secured bank loan | **1,272** | 2,842 |
| **Non-current liabilities** | | |
| Secured bank loan | **2,140** | 481 |
| **Total loans and borrowings** | **3,412** | 3,323 |

In 2020, the Group entered into a £3.5 million facility agreement with Triodos Bank UK Limited for a period of 5 years, to fund chargepoints owned by the Group and installed at customer sites. The interest rate is fixed at 3.5%. The loan is repayable in quarterly instalments, with the final instalment of the loan is repayable on 31st December 2025.

During the year ended 31st December 2022 a further loan for £1.25 million was entered into and drawn down with a fixed interest rate of 4.969%.

In December 2022 a further loan of £1.6 million was agreed, which was drawn down in May 2023. The fixed interest rate on this loan was 6.366%.

The loans are each repayable in 18 quarterly instalments starting from the first payment date.

In November 2023, the Group entered into a facility agreement with its Parent Company EDF Energy Customers Limited. The facility agreement makes available up to £30 million to the Group, up to November 2028, but repayable within 3 months on demand of the lender, subject to funds being available. The agreement has an interest rate of SONIA plus a margin. As at 31st December 2023 this facility has not been drawn upon.

## 19. Leases

**Lease liability as at 31st December 2023:**

| | Lease liability – buildings £'000 | Lease liability – vehicles £'000 | Lease liability – total £'000 |
|---|---|---|---|
| At 1st January 2023 | 314 | 2,835 | 3,149 |
| Additions | – | 936 | 936 |
| Interest charge | 9 | 214 | 223 |
| Repayments | (323) | (1,381) | (1,704) |
| Disposals | – | (103) | (103) |
| At 31st December 2023 | – | 2,501 | 2,501 |
| Amounts payable within 12 months | – | 1,237 | 1,237 |
| Amounts payable later than one year but within 5 years | – | 1,418 | 1,418 |
| Minimum lease payments | – | 2,655 | 2,655 |
| Future finance charges | – | (154) | (154) |
| Minimum lease payments less future finance charges | – | 2,501 | 2,501 |
| Recognised as a liability – current | – | 1,095 | 1,095 |
| Recognised as a liability – non-current but within 5 years | – | 1,406 | 1,406 |
| Recognised as a liability – total | – | 2,501 | 2,501 |

A lease for new office premises was signed in January 2024, running to June 2025, at a monthly cost of around £40k. As this lease was not signed at the balance sheet date, no associated liabilities are shown in the table above.

Future lease liabilities in respect of low-value and short-term leases, which are not accounted for under IFRS 16 in accordance with the policy set out in note 2, are immaterial.

## 19. Leases continued

**Lease liability as at 31st December 2022:**

| | Lease liability – buildings £'000 | Lease liability – vehicles £'000 | Lease liability – total £'000 |
|---|---|---|---|
| At 1st January 2022 | 557 | 1,102 | 1,659 |
| Additions | 114 | 2,645 | 2,759 |
| Interest charge | 34 | 182 | 216 |
| Repayments | (391) | (951) | (1,342) |
| Disposals | – | (143) | (143) |
| At 31st December 2022 | 314 | 2,835 | 3,149 |

## 20. Provisions

**Provisions at 31st December 2023:**

| | Warranty £'000 | Restructuring £'000 | Total £'000 |
|---|---|---|---|
| **As at 1st January 2023** | **567** | **–** | **567** |
| **Utilised in the year** | **(144)** | **–** | **(144)** |
| **Charged/(credited) to income statement** | **–** | **326** | **326** |
| **As at 31st December 2023** | **423** | **326** | **749** |
| **Of which current** | **204** | **326** | **530** |
| **Of which non-current** | **219** | **–** | **219** |

Inclusive warranties cover a standard term of 36 months. The amount of the warranty provision is estimated based on historical experience of claim rates and costs of servicing units under warranty. The effect of discounting on the non-current portion of the warranty provision has been assessed as immaterial.

The restructuring provision relates to the expected costs of staff exits relating to the change in strategy communicated in November 2023 which raised an expectation of the impact of the restructuring exercise in the affected staff population. The provision is expected to be utilised in full within 12 months.

**Provisions at 31st December 2022:**

| | Warranty £'000 |
|---|---|
| As at 1st January 2022 | 404 |
| Utilised in the year | (163) |
| Charged to income statement | 326 |
| As at 31st December 2022 | 567 |
| Of which current | 265 |
| Of which non-current | 301 |

The warranty provision as at 31st December 2023 would be expected to unwind in full by November 2028 (2022: by November 2027).

## 21. Share capital and reserves

| | As at 31st December 2023 | | As at 31st December 2022 | |
|---|---|---|---|---|
| | Number | £'000 | Number | £'000 |
| **Allotted, called up and fully paid:** | | | | |
| Ordinary shares of £0.001 each | **154,125,118** | **154** | 154,025,118 | 154 |

On 17th March 2023, 100,000 new shares were issued and allotted to the Group's Employee Benefit Trust, bringing the total issued share capital to 154,125,118 at 31st December 2023.

On 7th September 2022, 2,394 shares were issued, and on the 20th December 2022, 70,187 shares were issued with nominal values of £0.001 following an exercise of IPO Restricted Share Awards, bringing the total issued share capital to 154,025,118 at 31st December 2022.

**Share premium**
Share premium represents the amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them.

**Other reserves**
The share-based payment reserve represents cumulative share-based payment charges less amounts transferred to retained earnings on exercise of share options.

**ESOP reserve**
The ESOP reserve represents the value associated with the shares issued pursuant to the employee Share Incentive Plan ("SIP") and other share plans.

## 21. Share capital and reserves continued

**Accumulated losses**
Accumulated losses reserve represents the accumulated losses of the Group generated through business activities.

**Capital management**
The Group's policy is to maintain a strong asset base so as to maintain investor, creditor and market confidence, and to sustain the future development of the business.

Due to the significant equity finance raised by the Group historically, low levels of borrowing are currently required. The Group has specific borrowing related to its portfolio of owned chargepoint assets. The Group leases office space and vehicles in order to avoid the upfront cash outflows associated with purchasing these assets.

**Reconciliation of movement in liabilities to cash flows arising from financing activities FY2023**

| | Loans and borrowings £'000 | Lease liabilities £'000 | Share capital and premium £'000 | Total £'000 |
|---|---|---|---|---|
| Balance at 1st January 2023 | **3,323** | **3,149** | **140,041** | **146,513** |
| Proceeds from loans and borrowings | **1,466** | **–** | **–** | **1,466** |
| Repayment of borrowings | **(1,401)** | **–** | **–** | **(1,401)** |
| Loan interest expense | **190** | **–** | **–** | **190** |
| Loan interest paid | **(166)** | **–** | **–** | **(166)** |
| New leases | **–** | **936** | **–** | **936** |
| Repayment of lease liabilities | **–** | **(1,481)** | **–** | **(1,481)** |
| Lease interest expense | **–** | **223** | **–** | **223** |
| Lease interest paid | **–** | **(223)** | **–** | **(223)** |
| Leases terminated | **–** | **(103)** | **–** | **(103)** |
| **Balance at 31st December 2023** | **3,412** | **2,501** | **140,041** | **145,954** |

## 22. Financial instruments

The Group had the following financial assets and liabilities. The amounts below are contractual undiscounted cash flows and include both interest and principal amounts.

**Accounting policy**
Categorisation within the hierarchy, measured or disclosed at fair value, has been determined based on the lowest level of input that is significant to the fair value measurement as follows:

- Level 1 – valued using quoted prices in active markets for identical assets or liabilities
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data

All of the financial assets and financial liabilities set out below are shown at fair value by reference to valuation techniques using inputs that are not based on observable market data (level 3). In each case the fair value approximates to the carrying value.

| | As at 31st December 2023 £'000 | As at 31st December restated[1] 2022 £'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | **48,743** | 74,103 |
| Trade and other receivables | **16,809** | 16,654 |
| Accrued income | **6,730** | 6,227 |
| **Total financial assets** | **72,282** | 96,984 |
| **Financial liabilities** | | |
| Trade and other payables | **(12,687)** | (10,223) |
| Accruals | **(10,148)** | (9,732) |
| *Loans and borrowings* | | |
| Undiscounted cash flows | **(3,741)** | (3,560) |
| Future interest payments | **329** | 237 |
| As presented | **(3,412)** | (3,323) |
| **Total financial liabilities** | **(26,247)** | (23,278) |

1 Restated – see note 27

All financial assets and financial liabilities shown above, and loans and borrowings, are measured at amortised cost. There have been no transfers between levels in any of the years.

## 22. Financial instruments continued

**Financial assets and financial liabilities**
The Group's financial assets are held at amortised cost. No assets are held at fair value through the income statement.

The Group's financial liabilities are held at amortised cost. No liabilities are held at fair value through the income statement.

The Directors consider that the carrying amount for all financial assets and liabilities which are not held at fair value through profit or loss approximates to their fair value.

**Financial risk management**
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management framework seeks to minimise potential adverse effects on the Group's financial performance.

### (i) Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (ii) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Management make their assessment of balances in default on a customer-by-customer basis, following review of balances past due and using judgement that the likelihood that the customer will fulfil the payment obligation is remote. This results in a write off of the balance as irrecoverable.

Expected credit loss provisions are estimated using data in respect of both ageing of receivables and management's assessment of individual customers' likelihood to settled their overall balances due.

The maximum credit risk exposure at the statement of financial position's date is represented by the carrying value of trade and other receivables (excluding prepayments) of £22,466k (2022: £21,642k), and cash and cash equivalents of £48,743k (2022: £74,103k).

### (iii) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group had loan balances at 31st December 2023 and at 31st December 2022 with Triodos bank. See note 18 for further details on repayment.

In November 2023, the Group entered into a facility agreement with its Parent Company EDF Energy Customers Limited. The facility agreement makes available up to £30 million to the Group, up to November 2028. The agreement has an interest rate of SONIA plus a margin.

The following tables detail the Group's remaining contractual maturity for its financial assets and financial liabilities:

**As at 31st December 2023:**

| | Less than 1 year £'000 | 1-5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| **Trade and other payables** | **12,687** | **-** | **-** | **12,687** |
| **Accruals** | **10,148** | **-** | **-** | **10,148** |
| **Lease liabilities - future lease payments** | **1,237** | **1,418** | **-** | **2,655** |
| **Loans and borrowings** | **1,428** | **2,313** | **-** | **3,741** |
| **Future interest payments** | **(298)** | **(185)** | **-** | **(483)** |
| **Total financial liabilities as presented** | **25,202** | **3,546** | **-** | **28,748** |

**As at 31st December 2022[1]:**

| | Less than 1 year £'000 | 1-5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| Trade and other payables | 10,223 | – | – | 10,223 |
| Accruals | 9,732 | – | – | 9,732 |
| Lease liabilities – future lease payments | 1,730 | 1,604 | – | 3,334 |
| Loans and borrowings | 3,045 | 515 | – | 3,560 |
| *Future interest payments* | *(299)* | *(123)* | – | *(422)* |
| Total financial liabilities | 24,431 | 1,996 | – | 26,427 |

1 Restated – see note 27

### (iv) Foreign currency risk
Certain of the Group's purchases are priced with reference to the US$ and as such the Group is exposed to foreign exchange rate risk.

## 23. Share-based payments

**Charge to the income statement:**

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Equity-settled awards | **1,676** | 4,431 |
| Cash-settled awards | **320** | 114 |
| Charge in respect of employment tax liabilities | **277** | 630 |
| **Total share-based payment expense** | **2,273** | 5,175 |

During the current and preceding financial year, the Group operated the following share-based payment schemes. With the exception of the SIP, all of the schemes have equity-settled and cash-settled (phantom) components. The cash-settled awards are held by employees outside of the UK. The fair value of the liability in respect of cash-settled awards was adjusted at the reporting date based on the year end share price.

The weighted average remaining contractual life of the awards is 8.3 years (FY2022: 7.4 years).

The exercise price of all share-based payment schemes is nil. Shares issued in relation to equity-settled schemes are allotted first to the Group's Employee Benefit Trust, and then issued at no charge to the award holders.

No current or former Director exercised awards during the year.

### IPO Restricted Share Award

The IPO Restricted Share Awards were a service-based award granted to senior management and certain other employees at the time of IPO and vest over time subject to continued employment with the Group.

| Year granted | Share price per award (£) | Exercise price of award | Date of vesting | No. of shares for which awards outstanding at 1st Jan 2023 | Awards granted during the year | Awards vested during the year | Number of shares for which awards exercised | Number of shares for which awards forfeited | Number of shares for which awards outstanding at 31st Dec 23 |
|---|---|---|---|---|---|---|---|---|---|
| 2021 | 2.20 | – | Nov-21 | 734,402 | – | – | 2,394 | 2,395 | 729,613 |
| 2021 | 2.20 | – | Nov-22 | 665,647 | – | – | – | 10,056 | 655,591 |
| 2021 | 2.20 | – | Nov-23 | 709,550 | – | 709,550 | 11,493 | 26,658 | 671,399 |
| 2021 | 2.20 | – | Nov-24 | 95,776 | – | – | – | 27,440 | 68,336 |
| 2021 | 2.20 | – | Nov-25 | 95,776 | – | – | – | 44,517 | 51,259 |

### IPO Performance Share Awards

The IPO Performance Share Awards were granted to senior management and certain other employees at the time of IPO, and vesting is subject to market conditions linked to the revenue and total shareholder return performance of the Group.

| Year granted | Share price at award (£) | Exercise price of award | Date of vesting | No. of shares for which awards outstanding at 1st Jan 2022 | Awards granted during the year | Awards vested during the year | Number of shares for which awards exercised | Number of shares for which awards forfeited | Number of shares for which awards outstanding at 31st Dec 23 |
|---|---|---|---|---|---|---|---|---|---|
| 2021 | 2.20 | – | Feb-24 | 876,952 | – | – | – | 263,411 | 613,541 |
| 2021 | 2.20 | – | Feb-25 | 876,952 | – | – | – | 445,563 | 431,389 |

The charge in respect of the IPO Performance Share awards has been adjusted at the reporting date for the fair value of the estimated achievement of the performance conditions, which are based on revenue for the period FY2022 to FY2025.

### All-employee SIP

The SIP was granted to all employees employed at the time of IPO, excluding senior management, used to incentivise retention and reward contribution.

| Year granted | Share price at award (£) | Exercise price of award | Date of vesting | No. of shares for which awards outstanding at 1st Jan 2023 | Awards granted during the year | Awards vested during the year | Number of awards forfeited | Number of shares for which awards outstanding at 31st Dec 23 |
|---|---|---|---|---|---|---|---|---|
| 2021 | 2.40 | – | Dec-24 | 432,000 | – | – | 66,000 | 366,000 |

## 23. Share-based payments continued

**Long-term incentive plan ("LTIP")**
The LTIP was granted to senior management and certain other employees. The scheme is used to incentivise retention and reward performance and vesting is based upon market and non-market performance factors.

| Year granted | Share price at award (£) | Exercise price of award | Date of vesting | No. of shares for which awards outstanding at 1st Jan 2023 | Awards granted during the year | Awards vested during the year | Number of awards forfeited | Number of shares for which awards outstanding at 31st Dec 23 |
|---|---|---|---|---|---|---|---|---|
| 2022 | 1.65 | – | Feb-25 | 2,863,411 | – | – | 1,746,785 | 1,116,626 |
| 2023 | 0.75 | – | Feb-26 | – | 4,679,124 | – | 917,059 | 3,762,065 |

The 2023 LTIP grant was valued using the Black-Scholes method based upon the following assumptions:

| | |
|---|---|
| Weighted average share price at grant date | 0.75 |
| *Fair value of share award at grant date in respect of total shareholder return condition* | *0.55* |
| Fair value of share award at grant date in respect of other performance conditions | 0.75 |
| Exercise price | – |
| Expected volatility | 38.75% |
| Risk-free rate | 4.48% |
| Life of scheme | 3 years |
| Dividend yield | – |

Volatility is based on trading history to date at time of valuation. As all share awards are nil-cost options, volatility does not have an effect on the fair value.

The charge in respect of the 2023 LTIP awards has been adjusted at the reporting date for the fair value of the estimated achievement of the performance conditions, which are based on Adjusted EBITDA for FY2025, cashflows in FY2025, and the achievement of certain strategic goals of the Group. The FY2023 award included 559,918 cash-settled awards. The charge in respect of these awards has been re-measured at the reporting date to the share price as at that date.

**Deferred share bonus plan**
The first awards under the Group's deferred share bonus plan were granted in March 2023 to senior management and certain other employees, representing 30% of the 2022 annual bonus amount. A total of 858,862 shares were awarded to scheme participants in recognition of performance targets met under the terms of the scheme. These awards become exercisable 12 months from the date of grant. Since grant, 195,119 awards have lapsed due to participants leaving employment with the Group, leaving 663,743 awards which will be capable of exercise in the future, subject to meeting the employment condition.

**Treasury shares**
Treasury shares are shares of Pod Point Group Holdings plc which are held by the Pod Point Group Holdings plc Employee Share Trust for the purpose of issuing shares under the Group's employee share schemes. Shares issued to employees are recognised on a first-in-first-out basis.

The Trust acquires shares by allotment based on forecast requirements and holds them as treasury shares until such time as they are issued in satisfaction of options which have vested and exercised.

When the options are exercised, the trust transfers the appropriate amount of shares to the employee. Since exercises are at nil cost, there are no proceeds received at exercise.

The Trust was allotted 100,000 shares on 17th March 2023, and these remain held by the Trust.

The Employee Share Trust is consolidated into the results of the Group.

## 24. Loss per share

Basic earnings per share is calculated by dividing the loss attributable to the equity holders of the Group by the weighted average number of shares in issue during the year.

The Group has potentially dilutive ordinary shares in the form of share options granted to employees. However, as the Group has incurred a loss in the current and preceding financial year, the loss per share is not increased for potentially dilutive shares.

| | **Year ended 31st December 2023 £'000** | **Year ended 31st December 2022 £'000** |
|---|---|---|
| Loss for the period attributable to equity holders | **83,414** | 20,211 |
| Weighted average number of ordinary shares in issue | **154,104,570** | 153,405,628 |
| **Loss per share (basic and diluted)** | **(0.54)** | (0.13) |

## 25. List of subsidiaries

The Group consists of a Parent Company, Pod Point Group Holdings plc, incorporated in the UK, a subsidiary held directly by Pod Point Holdings plc (Pod Point Holding Limited), and further subsidiaries held by Pod Point Holding Limited as listed below:

| Name of company | Classification | Country of incorporation | Principle activity | Ownership | Registered address |
|---|---|---|---|---|---|
| Pod Point Holding Limited | Direct | United Kingdom | Holding Company | 100% | 222 Grays Inn Road London WC1X 8HB |
| Pod Point Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |
| Open Charge Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |
| Pod Point Norge AS | Indirect | Norway | Development and supply of equipment and systems for electric charging vehicles | 100% | Engebrets vei 3, 0275, Oslo, Norway |
| Pod Point Asset One Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |

## 26. Related parties

**Transactions with shareholders**

During the year ended 31st December 2023, the Group had the following transactions with Group Companies part of the EDF Group:

| Group Company | Sales of goods £'000 | Purchase of goods £'000 |
|---|---|---|
| EDF Energy Limited | – | 488 |
| EDF Energy Customers Limited | 3 | – |

During the year ending 31st December 2022, the Group had the following transactions with Group Companies part of the EDF Group:

| Group Company | Sales of goods £'000 | Purchase of goods £'000 |
|---|---|---|
| EDF Energy Limited | 335 | – |
| EDF Energy Customers Limited | – | 390 |

**Transactions with related parties who are not members of the Group**

During the year ended 31st December 2023, the Group had the following transactions with Imtech Inviron Limited, a related party which is not a member of the Group. Imtech Inviron Limited is a related party by virtue of their ultimate parent and controlling party being Électricité de France S.A.:

- Sale of goods of £232k (2022: £180k)

**Transactions with key management personnel of the Group**

Key management personnel are defined as member of the Group's Strategic Board and other key personnel.

See note 7 for details of compensation of key management personnel. Certain employees hold shares in the Group, including key management personnel.

## 27. Prior year restatement

**Commercial revenue accounting**
In order to reflect the change in approach to commercial revenue recognition as set out in the accounting policies note 2 above, costs and revenue relating to the installation work which had been completed by 31st December 2021 and 31st December 2022 have been recognised.

The adjustment has resulted in commercial installation projects previously presented as work in progress as at 31st December 2021 and 31st December 2022 being de-recognised from the balance sheet, and presented within cost of goods sold. To reflect revenue, accrued income, inclusive of applicable expected margin, has been recognised as a contract asset, where work had been performed in advance of invoicing. At 31st December 2022, WIP has been reduced by £1,702k, accrued income increased by £1,032k and deferred income reduced by £598k. At 31st December 2021, WIP has been reduced by £2,123k, accrued income increased by £1,564k, deferred income reduced by £149k, and trade and other payables reduced by £681k.

**Balance sheet representation**
Management have also presented previously existing accrued income and deferred income balances at 31st December 2021 and 31st December 2022 as separate contract assets and liabilities, outside of trade and other receivables and trade and other payables respectively. The effect at 31st December 2022 was to reduce trade payables by £11,431k and present the equivalent balance in deferred income, and to reduce trade receivables by £5,195k and present the equivalent balance as accrued income, prior to the adjustments described above. The effect at 31st December 2021 was to reduce trade payables by £10,914k and present the equivalent balance in deferred income, and to reduce trade receivables by £3,600k, and present the equivalent balance as accrued income, prior to the adjustments described above.

Management have also identified a gross up adjustment made as at 31st December 2022 as previously reported of £5,033k, which increased the reported amounts of trade and other receivables and trade and other payables respectively. This adjustment was not appropriate, and has been reversed in the restated figures for 31st December 2022.

The table below sets out the effect of these changes. No income statement amounts have been re-presented in the year to 31st December 2022, as the effects on revenue, cost of sales, and gross margin are not significant within that year.

These restatements have also resulted in changes to the prior year cashflow statement relating to working capital movements. The net cashflow from operating activities remains unchanged.

**Presentation of deferred tax assets and liabilities**
Historically the Group has presented deferred tax liabilities and assets on the face of the balance sheet. Deferred tax assets have been recognised only up to the level of deferred tax liabilities arising.

Since these assets and liabilities arise only in the UK, and since they therefore relate to income taxes levied by the same tax authority on the same group of entities, and since there is an expectation that the tax assets and liabilities will be realised simultaneously, these have been netted off in FY2023 and in the comparative balance sheets presented.

**Reserves reclassification**
Management identified that on exercise of share-based awards in FY2022 and FY2021, a transfer of share-based payment charge had been incorrectly made to credit the share premium account. This transfer should have been made to credit retained earnings, and a correction has been made as at 31st December 2022. This was identified as part of the review of Parent Company share-based payment accounting, as described in note 38.

| Group £'000 | As previously reported at 31st December 2022 | Restatement | As restated at 31st December 2022 |
|---|---|---|---|
| **Commercial revenue accounting** | | | |
| *Current assets* | | | |
| Inventory – work-in-progress | 1,819 | (1,702) | 117 |
| Inventories – total | 7,342 | (1,702) | 5,640 |
| Contract assets – accrued income | – | 6,227 | 6,227 |
| Trade and other receivables | 26,882 | (10,228) | 16,654 |
| Total impact on current assets | | (5,703) | |
| *Current liabilities* | | | |
| Contract liabilities – deferred income | – | (10,833) | (10,833) |
| Trade and other payables | (36,419) | 16,464 | (19,955) |
| Total impact on current liabilities | | 5,631 | |
| | | (72) | |
| *Reserves reclassification* | | | |
| Share premium | 140,203 | (316) | 139,887 |
| Impact on retained earnings as at 31st December 2022 | 38,467 | 244 | 38,711 |
| *Presentation of deferred tax* | | | |
| Non-current assets – deferred tax | 5,670 | (5,670) | – |
| Non-current liabilities – deferred tax | (5,670) | 5,670 | – |

Notes to the financial statements continued

## 27. Prior year restatement continued

| Group £'000 | As previously reported at 31st December 2021 | Restatement | As restated at 31st December 2021 |
|---|---|---|---|
| **Commercial revenue accounting** | | | |
| *Current assets* | | | |
| Inventory – work-in-progress | | | |
| Inventories – total | 8,214 | (2,465) | 5,749 |
| Contract assets – accrued income | – | 5,164 | 5,164 |
| Trade and other receivables | 24,041 | (3,601) | 20,440 |
| Total impact on current assets | | (902) | |
| *Current liabilities* | | | |
| Contract liabilities – deferred income | – | (10,765) | (10,765) |
| Trade and other payables | (36,173) | 11,595 | (24,578) |
| Total impact on current liabilities | | 830 | |
| | | (72) | |
| *Reserves reclassification* | | | |
| Share premium | 140,057 | (158) | 139,899 |
| Impact on opening retained earnings as at 31st December 2021 | 58,678 | 86 | 58,764 |
| *Presentation of deferred tax* | | | |
| Non-current assets – deferred tax | 7,379 | (7,379) | – |
| Non-current liabilities – deferred tax | (7,379) | 7,379 | – |

## 28. Post balance sheet events

There are no post balance sheet events requiring disclosure.

Capital commitments approved by the Board and existing at 31st December 2023 amounted to £nil (2022: £nil).

## 29. Ultimate Parent undertaking and controlling party

The immediate Parent Company of the Company and its subsidiaries is EDF Energy Customers Limited, a company registered in the United Kingdom.

The immediate Parent Company of EDF Energy Customers Limited is EDF Energy Limited, a company registered in the United Kingdom.

At 31st December 2023 and 31st December 2022, Électricité de France SA, a Company incorporated in France, is regarded by the Directors as the Company's ultimate Parent Company and controlling party. This is the largest Group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from the registered office at Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

# Company statement of financial position

| | Notes | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Loans to subsidiary undertakings | 31 | **66,627** | 43,641 |
| Investments in subsidiary undertakings | 32 | **128,431** | 124,349 |
| | | **195,058** | 167,990 |
| **Current assets** | | | |
| Cash and cash equivalents | | **44,854** | 68,798 |
| Trade and other receivables | 33 | **1,641** | 1,137 |
| | | **46,495** | 69,935 |
| **Total assets** | | **241,553** | 237,925 |
| **Current liabilities** | | | |
| Trade and other payables | 34 | **(7,800)** | (6,261) |
| **Net current assets** | | **38,695** | 63,674 |
| **Total assets less current liabilities, being net assets** | | **233,753** | 231,664 |

| | Notes | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000 |
|---|---|---|---|
| **Equity** | | | |
| Called up share capital | 36 | **154** | 154 |
| Share premium reserve | | **139,887** | 139,887 |
| Other reserves | | **8,327** | 6,651 |
| ESOP reserve | | **(1,318)** | (1,318) |
| Retained earnings | | **86,703** | 86,290 |
| | | **233,753** | 231,664 |

1 Restated – see note 38

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The profit for the year to 31st December 2023 was £413k (2022 as restated: £231k).

The accompanying notes on pages 184 to 189 form part of the financial statements.

Approved by the Board of Directors on 17th April 2024 and signed on their behalf by

**David Wolffe**
Chief Financial Officer

# Company statement of changes in equity

## As at 31st December 2023:

| | Share capital £'000 | Share premium[1] £'000[1] | Other reserves £'000 | ESOP reserve £'000 | Retained earnings £'000[1] | Total equity[1] |
|---|---|---|---|---|---|---|
| **Balance as at 1st January 2023 as restated** | **154** | **139,887** | **6,651** | **(1,318)** | **86,290** | **231,664** |
| **Profit after tax and total comprehensive income for the year** | **-** | **-** | **-** | **-** | **413** | **413** |
| **Share-based payments charge** | **-** | **-** | **1,676** | **-** | **-** | **1,676** |
| **Balance as at 31st December 2023** | **154** | **139,887** | **8,327** | **(1,318)** | **86,703** | **233,753** |

1 As restated – see note 38

## As at 31st December 2022:

| | Share capital £'000 | Share premium[1] £'000[1] | Other reserves £'000 | ESOP reserve £'000 | Retained earnings £'000[1] | Total equity[1] |
|---|---|---|---|---|---|---|
| *Balance at 1st January 2022 as previously stated* | *154* | *140,057* | *2,264* | *(1,318)* | *80,577* | *221,734* |
| *Restatement – see note 38* | *–* | *(158)* | *–* | *–* | *5,324* | *5,166* |
| Balance as at 1st January 2022 as restated | 154 | 139,899 | 2,264 | (1,318) | 85,901 | 226,900 |
| Profit after tax and total comprehensive income for the year as restated | – | – | – | – | 231 | 231 |
| Issue of shares during the year as restated | – | – | (158) | – | 158 | – |
| Equity-settled share-based payments | – | – | 4,545 | – | – | 4,545 |
| Share issuance costs | – | (12) | – | – | – | (12) |
| Balance as at 31st December 2022 | 154 | 139,887 | 6,651 | (1,318) | 86,290 | 231,664 |

1 As restated – see note 38

## 30. Accounting policies

**Basis of preparation**
Pod Point Group Holdings plc ("PPGH") is a public limited company incorporated in the United Kingdom. The address of the registered office is 222 Grays Inn Road, London WC1X 8HB. The balance sheet has been prepared for the purpose of compliance with section 92(1)(b) and (c) of the Companies Act 2016. The balance sheet has been prepared at 31st December, which is the financial year end of the Company.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework ('FRS 101')'. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken. The financial statements are prepared under the historical cost convention.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company financial statements have been prepared in accordance with FRS 101. In these financial statements, PPGH applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 28 of IAS 1 to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based Payment'
- the requirements in IAS 24 Related Party Disclosures to disclose related party transaction entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the effects of new but not yet effective IFRS

As the consolidated financial statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36: Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets
- Certain disclosures required by IFRS 3: Business Combinations in respect of business combinations undertaken by the Company

As the consolidated financial statements of the Group include the equivalent disclosures, PPGH has also taken the exemptions under section 408(4) of the Companies Act 2006, not to present its individual income statement and related notes as part of the financial statements.

The accounting policies set out below, has unless otherwise stated, been applied consistently to all periods presented in the Company financial statements. The accounting policies presented in note 2 of the consolidated notes to the financial statements of PPGH also apply to the Parent Company, subject to the exemptions listed above.

**Going concern**
The Directors have assessed the going concern position of the Group as a whole in note 2.6 above.

**Interest income**
Interest income is recognised as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

**Investment in subsidiary undertakings**
Subsidiary undertakings are those entities controlled by the Company, and where the substance of the relationship between the Company and the entity indicates that the entity is controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Considerations in the assessment of control include:

- the purpose and design of the entity
- what the relevant activities are and how decisions about those activities are made
- whether the rights of the Company give it the current ability to direct the relevant activities
- whether the Company is exposed, or has rights, to variable returns from its involvement with the entity
- whether the entity has the ability to use its power over the investee to affect the amount of the investor's returns

## 30. Accounting policies continued

The Company continues to assess whether it controls an entity if facts and circumstances indicate that there changes to the elements of control. Investment in subsidiaries is recorded at cost and is subsequently assessed for indicators of impairment. If such factors exist, a detailed impairment test is carried out. Impairment is recognised in the income statement when the recoverable amount of the Company's investment is lower than the carrying amount of the investment. Upon disposal of the investment in the entity, the Company measures the investment at its fair value. Any difference between the fair value of the Company's investment and the proceeds of disposal is recognised in the income statement.

**Financial instruments**
Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the profit or loss are recognised immediately in profit or loss. The effective interest method is a method of calculating the amortised cost of a financial liability or a financial asset and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or asset or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Financial assets**
The Company's financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) the Company's business model for managing of financial assets; and

(b) the contractual cash flow characteristics of financial asset.

**Financial assets measured at amortised cost**
Financial assets are classified as measured at amortised cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at fair value through other comprehensive income ("FVOCI")**
Financial assets are classified as measured at fair value through other comprehensive income if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

(b) the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at fair value through profit or loss ("FVTPL")**
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

**Recognition of expected credit losses**
The Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The expected credit losses are assessed considering all reasonable and supportable information, including that which is forward-looking.

If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The amount of credit losses (or reversal) is recognised in profit or loss, as an impairment gain or loss at the reporting date.

**De-recognition of financial assets**
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with substantially all the risks and rewards of ownership to a third party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying value, the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

## 30. Accounting policies continued

**Financial liabilities and equity.**
Financial liabilities as subsequently measured at amortised cost, except for:

(a) financial liabilities at fair value through profit or loss – these include derivatives that are liabilities which are subsequently measured at fair value.

(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when continuing involvement applies.

(c) financial guarantee contracts to which (a) or (b) does not apply are subsequently measured as the higher of: the amount of loss allowance determined, or, the amount initially recognised less the cumulative amount of income recognised.

(d) commitments to provide a loan at below market interest rate to which (a) or (b) does not apply are subsequently measured as the higher of: the amount of loss allowance determined, or, the amount initially recognised less the cumulative amount of income recognised.

(e) contingent consideration recognised as an acquirer in a business combination which is measured at fair value through profit or loss.

**Borrowings**
All borrowings are initially recorded at fair value. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing. Interest expense is recognised based on the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Share capital**
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the Company's accounting policies, which are described in this note, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the view of the Directors, the critical accounting judgements which affect the Company's financial statements relates to recoverability of the investment held in the Parent Company as there is an indicator of impairment at the reporting date. The Directors have assessed the carrying value of the investment as set out below.

## 31. Financial assets

| | As at 31st December 2023 £'000 | As at 31st December 2022 resated[1] £'000 |
|---|---|---|
| Loans to subsidiaries | **66,627** | 43,641 |

1 Restated – see note 38

The Company has granted a loan to its subsidiary Pod Point Holding Limited. This loan is unsecured and accrues interest LIBOR plus a margin of 7.3%. The amount is repayable on demand. The balance of this loan at 31st December 2023 was £42,452k (31st December 2022: £22,189k).

At 31st December 2023, the loans to subsidiaries balance also included £24,175k (31st December 2022: £21,452k) of intercompany receivable balances due from subsidiaries which are interest free and repayable on demand.

The Directors expect that repayment of all loans is likely to occur more than 12 months from the balance sheet date, and therefore these balances are presented as non-current.

The Directors have considered the recoverability of loans to subsidiaries in light of the trading performance of those subsidiaries and of the Group as a whole. While the Group is currently lossmaking, the Directors expect the Group to begin cash generative trading during 2026. The assessment resulted in an immaterial credit loss provision.

Loans to subsidiaries are held at amortised cost.

## 32. Investments in subsidiary undertakings

| | As at 31st December 2023 £'000 | As at 31st December 2022 restated[1] £'000[1] |
|---|---|---|
| Investments | **128,431** | 124,349 |

1 As restated – see note 38

The Directors have considered the recoverable value of the investment of the Company in its subsidiary Pod Point Holding Limited. The recoverable value represents the value in use of the trading business conducted by the subsidiaries of Pod Point Holding Limited.

A post-tax weighted-average cost of capital ("WACC") of 12.7% (2022: 13.0%) was used to discount forecast cash flows, along with a terminal growth rate of 1.7%, based on UK GDP forecasts, to extrapolate cash flows beyond the forecast period.

The WACC of 12.7% is equivalent to a pre-tax discount rate of 17.0% (2022: 16.0%). Management considers that the inputs into the WACC model appropriately consider recent increases to risk-free rates and the estimated optimal long-term capital structure based on a market participant's view. Based on the Directors' assessment of the risks associated with each business segment, a single WACC for each segment was considered appropriate.

The recoverable amount determined through this value-in-use test is in excess of its carrying value, however the headroom, at £3.6 million, is small in the context of the investment amount. A significant proportion of the recoverable value arises within the International and, especially, Energy Flex cash-generating units.

The future performance of these CGUs is especially uncertain, since they represent activities of the business which have been launched recently. These business units are forecast to grow significantly, to represent by FY2030 17% (Energy Flex) and 29% (International) of the total business by revenue.

Due to the inherent uncertainty within the forecasted results of the Energy Flex and International CGUs, any significant reasonably possible underperformance against forecast in any of the cash-generating units would result in the carrying value of the investment being in excess of the recoverable amount. In particular, value to the Group generated per charger (home and workplace) for qualifying and opted-in customers, is forecast to grow by a CAGR of 26% between FY2024 and FY2030. A reasonably possible lower CAGR in this metric of 21% would result in an impairment of investment of £27.7 million.

A reduction in terminal growth rate to 1.0% would lead to an impairment of investment of £8.2 million.

An increase in pre-tax discount rate of 2% would lead to an impairment of investment of £43.5 million.

Additionally, a 0.1% increase in discount rate would lead to the carrying value of the investment being in excess of the recoverable amount.

The Company's subsidiary undertakings at 31st December 2023, which are incorporated in the United Kingdom and are registered and operate in England and Wales, or Scotland (unless otherwise stated), are as follows:

| Name of Company | Classification | Country of incorporation | Principal activity | Ownership | Registered address |
|---|---|---|---|---|---|
| Pod Point Holding Limited | Direct | United Kingdom | Holding Company | 100% | 222 Grays Inn Road London WC1X 8HB |
| Pod Point Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |
| Open Charge Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |
| Pod Point Norge AS | Indirect | Norway | Development and supply of equipment and systems for electric charging vehicles | 100% | Engebrets vei 3, 0275, Oslo, Norway |
| Pod Point Asset One Limited | Indirect | United Kingdom | Development and supply of equipment and systems for electric charging vehicles | 100% | 222 Grays Inn Road London WC1X 8HB |

## Notes to the Company financial statements continued

### 33. Trade and other receivables

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 restated[1] £'000 |
|---|---|---|
| Prepayments | **294** | 232 |
| Other taxation and social security | **1,347** | 905 |
| | **1,641** | 1,137 |

1 As restated – see note 38

### 34. Trade and other payables

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 £'000 |
|---|---|---|
| Other liabilities | **491** | 97 |
| Trade payables | **-** | 586 |
| Accruals | **801** | 972 |
| Amounts owed to Parent Group undertakings | **320** | 320 |
| Intercompany payable | **6,188** | 4,286 |
| | **7,800** | 6,261 |

Amounts due to Group companies are interest free and repayable on demand. Intercompany payable balance in the prior year related to payroll and other costs paid by subsidiary companies.

### 35. Taxation

The Company has the following temporary differences for which no deferred tax asset has been recognised:

| | Year ended 31st December 2023 £'000 | Year ended 31st December 2022 as restated £'000 |
|---|---|---|
| Tax losses | **-** | 774 |
| Short-term timing difference | **213** | 295 |
| | **213** | 1,069 |

### 36. Called up share capital and reserves

| | As at 31st December 2023 | | As at 31st December 2022 | |
|---|---|---|---|---|
| | Number | £'000 | Number | £'000 |
| **Allotted, called up and fully paid:** | | | | |
| Ordinary shares of £0.001 each | **154,125,118** | **154** | 154,025,118 | 154 |

On 17th March 2023, 100,000 new shares were issued and allotted to the Group's Employee Benefit Trust, bringing the total issued share capital to 154,125,118 at 31st December 2023.

On 7th September 2022, 2,394 shares were issued, and on 20th December 2022, 70,187 shares were issued with nominal values of £0.001 following an exercise of IPO Restricted Share Awards, bringing the total issued share capital to 154,025,118 at 31st December 2022.

**Share premium**
The share premium reserve reflects the excess over nominal value arising on the issue of ordinary shares.

**Other reserves**
Other reserves includes the share-based payment charge on share options issued to employees of Group companies.

**ESOP reserve**
The ESOP reserve represents the value associated with the shares issued pursuant to the employee SIP and other share plans.

**Accumulated losses**
Accumulated losses reserve represents the accumulated losses of the Company generated through business activities.

### 37. Directors and employees

All employees of the Company are also Directors. The average number of employees employed by the Company for the year ended 31st December 2023 is 7 (2022: 3).

The assessment of qualifying services provided to the Company has changed in the current period, and in the view of the Directors all services in the current and preceding year were provided to subsidiary undertakings. Remuneration in respect of the employees and Directors of the Company was therefore £nil in the current year and the prior year has been restated to reflect a nil charge. See note 38 for a summary of the effect of the prior year restatement.

## 38. Prior year restatement

Historically, Pod Point Group Holdings Plc has borne the full cost of share-based payment schemes operated by the Group. During FY2023, a restatement has been made to reflect share-based payment costs relating to employees of Pod Point Limited for FY2022 and FY2021 in the retained earnings of Pod Point Limited.

Historically, Pod Point Group Holdings Plc has borne the full cost of emoluments of the Directors of the Group, who are also Directors of the Company. During FY2023, a restatement has been made to recharge Director costs to Pod Point Limited, as the company receiving qualifying services, for FY2022 and FY2021 in the retained earnings of Pod Point Limited.

The adjustments described above have led to a credit in the retained earnings of Pod Point Group Holdings Plc and an increase in the Company's cost of investment in subsidiaries as at 31st December 2022.

During FY2023, the Directors re-assessed the presentation of £21,452k of intercompany receivables presented as current receivables as at 31st December 2022. Given the financial position of the entities from which these amounts were due, the Directors assess that, at 31st December 2023 and 31st December 2022, it was not likely that repayment would be made within 12 months of the balance sheet date. Accordingly, at 31st December 2022, these amounts have been re-presented as non-current assets.

During FY2023, a requirement for a reserves transfer relating to share-based awards exercised in FY2022 and FY2021 from share premium to retained earnings has been identified and reflected in the balance sheet as at 31st December 2022.

| Company<br>£'000 | As previously reported at 31st December 2022 | Restatement | As restated at 31st December 2022 |
|---|---|---|---|
| **Recharge accounting** | | | |
| *Non-current assets* | | | |
| Investment in subsidiaries | 112,596 | 11,753 | 124,349 |
| *Presentation of intercompany balances* | | | |
| *Loans to subsidiary undertakings* | *22,189* | *21,452* | *43,641* |
| *Trade and other receivables* | *22,589* | *(21,452)* | *1,137* |
| **Reserves reclassification** | | | |
| Share premium | 140,203 | (316) | 139,887 |
| Impact on retained earnings as at 31st December 2022 | 74,221 | 12,069 | 86,290 |

## 39. Ultimate controlling party

At 31st December 2022, EDF Energy Customers Limited holds a 53.83% interest in the Company and is considered to be the immediate Parent Company. Copies of that Company's consolidated financial statements may be obtained from the registered office at 90 Whitfield Street, London, W1T 4EZ and is the smallest group for which consolidated financial statements are prepared.

At 31st December 2021 and 31st December 2020, Électricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate Parent Company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that Company's consolidated financial statements may be obtained from the registered office at Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

# Glossary

| | |
|---|---|
| **AC** | alternating current |
| **Admission or IPO** | the admission of the shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 9th November 2021 |
| **Articles** | the articles of association of the Company as adopted upon admission |
| **BEV** | battery electric vehicle |
| **BNEF** | Bloomberg New Energy Finance |
| **Board** | the Board of Directors of the Company |
| **CMA** | the Competition and Markets Authority |
| **Company or Pod Point** | Pod Point Group Holdings plc |
| **Controlling Shareholder** | means a shareholder who exercises or controls on their own or together with any person with whom they are acting in concert, at least 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company |
| **DC** | direct current |
| **Directors** | the Directors of the Company |
| **DSO** | Distribution System Operators |
| **EDF** | Électricité de France S.A. |
| **EECL** | EDF Energy Customers Limited |
| **ESG** | environmental, social & governance |
| **EU** | The European Union |
| **EV** | electric vehicle |
| **EVHS** | OZEV's Electric Vehicle Homecharge Scheme |
| **Executive Directors** | the Executive Directors of the Company |
| **FTE** | full-time equivalent employee |
| **GHG** | greenhouse gases |
| **Governance Code** | the UK Corporate Governance Code published by the Financial Reporting Council, as amended |
| **Group** | The Company and its subsidiaries |
| **ICE** | internal combustion engine |
| **IFRS** | International Financial Reporting Standards, as adopted by the European Union |
| **IPO or Admission** | the Admission of the shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 9th November 2021 |
| **KPI** | key performance indicator |
| **kW** | kilowatt |
| **kWh** | kilowatt hour |
| **LCM** | Local Constraint Market |
| **LEVI** | Local Electric Vehicle Infrastructure |
| **Net zero** | Net zero means that the total greenhouse gas emissions would be equal to the emissions removed from the atmosphere, with the aim of limiting global warming and resultant climate change |
| **Non-Executive Directors** | the Non-Executive Directors of the Company |
| **OCPP** | the Open Charge Point Protocol – an application protocol for communication between electric vehicle (EV) chargepoints and a central management system |
| **OEM** | original equipment manufacturer |
| **OZEV** | Office for Zero Emission Vehicles |
| **PHEV** | plug-in hybrid electric vehicle |
| **PiV** | plug-in electric vehicle |
| **Pod Point Group** | Pod Point Group Holdings plc, consolidated with its subsidiaries |
| **RCF** | Rapid Charging Fund |
| **REGO** | Renewable Energy Guarantees of Origin |
| **Relationship Agreement** | the relationship agreement entered into between the Company and EEC |
| **REX** | range-extended vehicle |
| **SASB** | Sustainability Accounting Standards Board |
| **SDGs** | UN Sustainable Development Goals |
| **SECR** | Streamlined Energy and Carbon Reporting |

## Glossary continued

| | |
|---|---|
| **Shares** | the ordinary shares of the Company |
| **SID** | Senior Independent Director |
| **Smart chargepoints** | Pod Point's Smart, Wi-Fi or mobile enabled EV chargepoints |
| **Smartcharge Regulations** | The Electric Vehicles (Smart Charge Points) Regulations 2021 |
| **Smart Reporting** | Pod Point's management information system |
| **SMEs** | small and medium-sized enterprises |
| **SMMT** | Society of Motor Manufacturers and Traders |
| **TCFD** | Task Force on Climate-related Financial Disclosures |
| **WCS** | the UK Government's Workplace Charging Scheme |
| **WEEE Regulations** | Waste Electrical and Electronic Equipment Regulations 2013 |
| **Well-to-wheel** | Well-to-wheel emissions include all emissions related to fuel production, processing, distribution, and use |
| **ZEV** | zero emission vehicle |

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