



FOSTERING GROWTH AND CONNECTIVITY

ANNUAL REPORT 2024



About this report

Materiality

This report aims to provide a fair, balanced and understandable assessment of our business model, strategy, performance and prospects in relation to material financial, economic, social, environmental and governance issues.

The material focus areas have been identified by taking into consideration:

- Matters that are critical to achieving our strategic objectives
- Key risks identified through our risk management processes
- Feedback from key stakeholders over the past year and in previous years

Improving our reporting

The EU's Corporate Sustainability Reporting Directive (CSRD) will require large companies to report on their material environmental, social and governance (ESG) topics. The specific requirements are set out in the European Sustainability Reporting Standards (ESRS) adopted by the EU. In our 2024 report, we have therefore included a 'Sustainability statement' section with the aim of adapting our disclosures to the fundamental principles of CSRD/ESRS as far as possible on a best-effort basis. TIP Group will comply with CSRD/ESRS when they become officially applicable.

We are committed to ensuring that our annual report is of high quality, easy to understand and transparent. This year, we have taken the opportunity to simplify aspects of the report, to improve readability and reduce complexity.

Table of contents

MANAGEMENT REVIEW	4	SUSTAINABILITY STATEMENT	49	FINANCIAL STATEMENTS	65	ADDITIONAL INFORMATION	145
Our company	5	General	50	Consolidated statement of profit or loss	66	Corporate information	146
At a glance	5	Basis for preparation	50	Consolidated statement of comprehensive income	67	Forward-looking statements	148
We are TIP Group	6	Sustainability governance	51	Consolidated statement of financial position	68	Eighteen-year financial summary	149
Our services	7	Sustainability strategy	52	Consolidated statement of changes in equity	70	Glossary and references	150
Where we operate	13	Double materiality assessment	54	Consolidated statement of cash flows	71	Other key terms and abbreviations	154
Our fleet	14	Environment	55	Additional information on the consolidated statement of cash flows	72	Acknowledgements	156
Our history	15	Climate change (E1)	55	General notes	73		
Our business model	16	Circular economy (E5)	58	Specific notes	93		
Our strategy, services and value chain	16	EU Taxonomy	58	Company financial statements	130		
Managing our risk	17	Social	59	Statement of profit or loss	131		
Review of the year	22	Own workforce (S1)	59	Statement of financial position	132		
CEO review	22	Driving social impact	61	Statement of changes in equity	133		
Financial review	26	Governance	63	Notes to the company financial statements	134		
Commercial and operational review	33	Business conduct (G1)	63	Board of directors of Global TIP Holdings Two B.V.	139		
Leadership and governance	39			Other information	140		
Board of Directors	39			Independent auditor's report	141		
Senior leadership	41						
Corporate governance structures	43						
Viability statement	48						

MANAGEMENT REVIEW

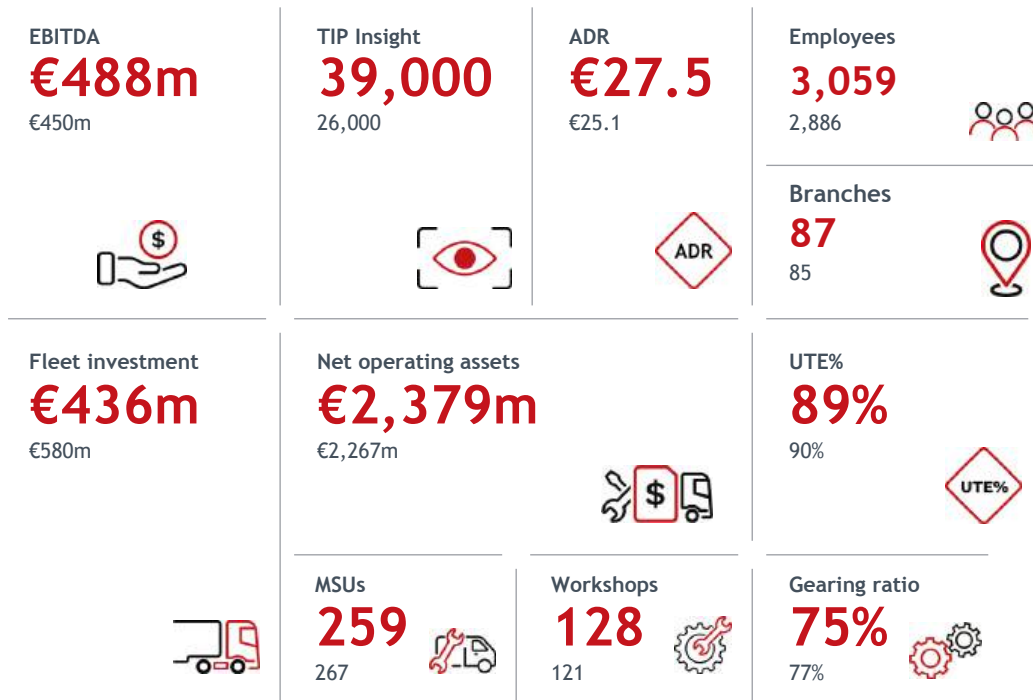
Our company	5	Review of the year	22
At a glance	5	CEO review	22
We are TIP Group	6	Financial review	26
Our services	7	Commercial and operational review	33
Where we operate	13	Leadership and governance	39
Our fleet	14	Board of Directors	39
Our history	15	Senior leadership	41
Our business model	16	Corporate governance structures	43
Our strategy, services and value chain	16		
Managing our risk	17		



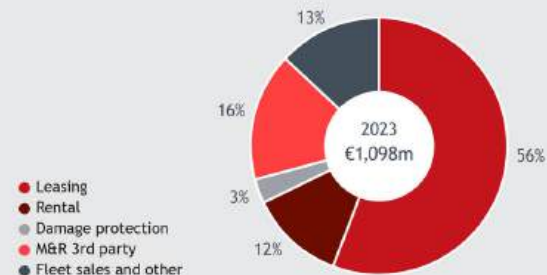
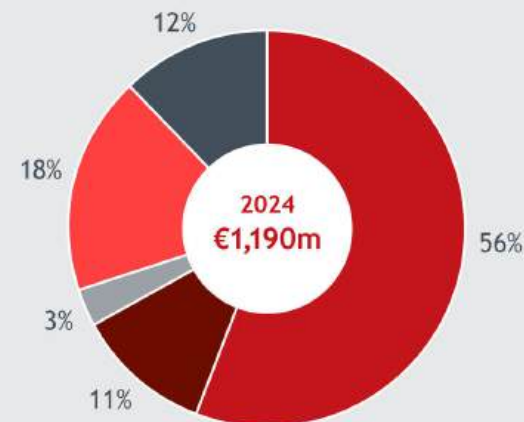
Our company

At a glance

Numbers versus 2023



2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.



- Leasing
- Rental
- Damage protection
- M&R 3rd party
- Fleet sales and other

We are TIP Group

TIP Group is the leading European provider of full-service lease and rental equipment solutions. Headquartered in Amsterdam, we have an extensive fleet of more than 88,000 units, including curtainsiders, trucks, reefers, vans, chassis, tankers and specialised equipment. Our network of 141 service locations spans 17 countries. For more than 55 years, TIP Group has specialised in delivering a highly customisable approach, offering flexible leasing and rental options, maintenance and repair, digital solutions, sustainable initiatives and used equipment sales. As part of our commitment to shaping a more environmentally conscious future, TIP Group works with partners to achieve our sustainability targets more quickly and on a larger scale.

Our European presence enables us to guarantee convenience and flexibility to our customers, delivering high-quality services wherever and whenever they need us.

With the scale of our international network, the breadth and depth of our offerings and our innovation focus and comprehensive industry expertise, TIP is able to provide a unique combination of end-to-end solutions. By offering customers all the services they need throughout the life cycle of their transportation equipment, we are the only service partner they need to run their operations efficiently.



Our services

Share of revenue

Leasing and rental

70%

Maintenance and repair

18%

Fleet sales, digital and
other value-added services

12%





Leasing and rental

Our fleet has more than 88,000 units available for leasing or rental.

Leasing: We lease a wide range of equipment with flexible financing options, including long-term lease solutions and innovative sale and leaseback structures that deliver real value to our customers.

Rental: We offer short-term rental solutions that provide total flexibility, enabling customers to maximise the utilisation of their fleet. Short-term rental solutions, which are sourced from our existing fleet, have an initial term of up to 12 months and always include maintenance services.

Damage protection: We offer a suite of tailored services to protect our customers' businesses against the costs of accidental damage, fire, theft or total loss of leased and rented equipment.



Maintenance and repair (M&R)

We have a proud history of maintaining equipment stretching back more than 55 years. This proven experience and our extensive expertise provide a solid base for our M&R services.

Our pan-European workshop and supplier network provides our customers with a comprehensive range of M&R services, reducing unplanned downtime while ensuring compliance with health and safety standards. Our breakdown recovery service for transportation equipment offers round-the-clock, multi-language support, 365 days per year.

All M&R services are offered on a contracted or non-contracted basis, allowing our customers to choose the solution that best suits their needs.



Fleet sales, digital and other value-added services

We offer a wide selection of high-quality second-hand trailers and trucks for sale from our own fleet, as well as from third-party fleets throughout Europe. A wide range of equipment and specifications are available. All used sales are handled by our dedicated TIP Used team.

With TIP Insight, we offer a range of telematics-based digital and connected services that take trailer telematics to the next level. This has enabled us to create a more transparent, more efficient and safer transportation ecosystem.



Find out more at
www.tip-used.com

A closer look at our Maintenance & Repair (M&R) services



We deliver comprehensive M&R services to our customers, ensuring the highest quality for their fleet, whether they use TIP's lease and rental fleet or a third-party fleet.

We help to improve our customers' fleet performance by minimising equipment downtime, which leads to more agile and profitable operations. Our comprehensive range of M&R services uniquely covers the entire equipment life cycle, from annual roadworthiness inspections and tyre servicing to complete refurbishment. These services are available on a contractual or non-contractual basis and can be tailored to meet our customers' unique needs.

Quality guaranteed

Building on more than 55 years of experience, we are experts in providing predictive, preventative and emergency over-the-road M&R services. These services are offered at TIP-owned workshops and through our extensive third-party network of more than 3,000 suppliers. Our fleet of mobile service units (MSUs) offers our customers preplanned maintenance clinics wherever required. Quality is guaranteed by the expertise of our qualified and certified mechanics, providing our customers with full peace of mind.

Maximum flexibility

Our M&R offering is designed to give our customers maximum flexibility. Our standard maintenance service provides an all-inclusive fixed rate for standard operations like regulatory inspections, equipment checks and regular body repair work. It also covers the servicing of brakes, axles, suspension, electrical components, reefer engines, tankers and tail-lifts. Maintenance rates can be contractually agreed upon, standardised across multiple locations and set on a volume/expenditure basis. These services are also available without a contract, with billing consolidated into single monthly invoices with fully itemised work records to streamline customers' administration. Our customers can access maintenance records through TIP's customer portal (FleetRadar™), including a single sign-on to our telematics platform.

Refurbishment

While M&R focuses on keeping trailers safe, operational and compliant with regulations, refurbishment takes this a step further, encompassing broader upgrades that extend trailer lifetimes, conserve resources and reduce emissions. Trailer refurbishment has become increasingly important due to the rising costs of new equipment and corporate ESG demands. TIP offers three levels of trailer refurbishment: optical, technical and full overhaul. From refreshing paintwork to replacing key components, our flexible refurbishment options extend the life of our customers' trailers. Our customers can benefit from our Refurb & Lease and Sale & Leaseback refurbishment offering.



“TIP Group's expertise in trailers and refurbishment solutions perfectly complements DSV's commitment to minimising our environmental impact. The delivery of extended asset lifetime through maintenance and refurbishment aligns well with our sustainability ambitions. We are excited about the environmental benefits and overall value TIP's partnership brings to DSV.”

Flemming Steiness, Managing Director, DSV Global Equipment Services

The advantages of our M&R services

- Cost transparency with an all-inclusive fixed rate
- More profitable operations by minimising equipment downtime
- Quality guaranteed by the expertise of our certified mechanics
- 100% compliant with all safety and regulatory standards
- All data and documentation accessible in one place
- CO₂ reductions using our refurbishment service
- CO₂ reduction calculation through an ESG assessment

SPECIALISED MAINTENANCE	Tyre services 	Cooler services 	Tail lift service 	Other ancillary services 	
PERFORMANCE SERVICES	24/7 roadside assistance 	On-site/mobile service 	Digital service 	Replacement vehicle 	Pick-up services 
ADD-ON SERVICES	Compliance service 	Other repairs 	Damage protection 	TIP parts 	Refurbishment 



“Our partnership with TIP has been invaluable in growing and maintaining our fleet. By working closely together, we’ve been able to explore innovative rental options and leverage innovative technology to reduce the downtime of our assets. With TIP’s extensive support across Europe, we can continue to deliver a seamless service to our customers. The team at TIP truly understands our needs and is there to help us with solutions to drive our fleet management forward. We’re confident in this partnership and look forward to continued success together.”

Caroline Milnes, Sr. Manager, Fleet Management & Programs - Amazon Transportation Services

Next-generation digital services



We offer next-generation digital services to our customers through our TIP Insight portfolio. At the core of our digital offering is our telematics service, which equips trucks, vans and trailers with modems and additional sensors that collect real-time data. This data is consolidated into a user-friendly digital platform, providing customers with easy access to driving and maintenance insights, thereby enabling efficient fleet management and enhanced operational performance.

As of 2024, more than 39,000 units are connected. Our goal is to connect all new units and eligible units within our existing fleet. This will enhance information-sharing with customers, deliver greater value to their operations, elevate the user experience and support a more environmentally sustainable network. We work closely with customers to tailor their digital service solutions to their unique needs.

Advanced digital solutions

Customers can choose from a variety of advanced digital services:

- **Real-time asset tracking:** offering visibility of movements through 'track and trace' functionality
- **Electronic brake-performance monitoring system (EBPMS):** enabling predictive maintenance
- **Tyre-pressure monitoring system (TPMS):** improving safety, efficiency and compliance (UN ECE R141 regulation)
- **Live monitoring:** providing visibility of refrigeration unit temperatures and door status (open/closed)
- **FleetInspected:** enabling customers to inspect and assess asset conditions or document damage, any time, anywhere, using an integrated inspection app
- **User-friendly portal:** providing alerts and customisable reporting tools
- **Self-service portal:** enabling services such as compliance and asset condition management
- **Integration compatibility:** enabling full fleet insights by integrating a range of external telematics and fleet management systems
- **Access to compliance and repair records:** offering seamless documentation management

Advantages for our customers

With TIP Insight's digital services, customers gain a smarter, safer and more efficient way to manage their fleets, backed by market-leading technology and world-class support.

- **100% fleet visibility:** installations throughout the customer's own fleet, including rental units
- **Seamless implementation:** hassle-free installation by certified technicians and same-day activation for leases and rentals
- **Actionable information:** real-time insights, with data updates every five minutes
- **Informed decision-making:** advanced analytics and customisable reporting
- **Enhanced safety standards:** zero-accident package, electronic brake system (EBS) and controller area network (CAN) data
- **Predictable costs:** all-inclusive pricing eliminates upfront hardware costs, installation charges and hidden fees, while a service-life warranty covers both parts and labour throughout the contract duration
- **Personalised support:** dedicated customer support with multilingual assistance in 17 European countries and integrated online support ticketing system
- **Streamlined operations:** unified service portal provides consolidated telematics data and full fleet insights as compatible with external telematics and fleet systems
- **Sustainability & compliance:** predictive maintenance and real-time monitoring, with TIP refurbishment service also including modems that capture second- or third-life unit data

TIP digital products and services overview

- Fleet management platforms
 - **FleetRadar™**: our online customer portal offers a complete overview of the fleet for more streamlined operations
 - **FleetConnected**: our web-based platform provides real-time trailer data for full fleet oversight and control
- Telematics devices
 - Robust, trailer-mounted devices deliver real-time information, from basic location tracking to detailed Electronic Braking System (EBS) insights and remote temperature-controlled features
- Monitoring systems
 - **TyrePlus**: TPMS to enhance safety and reduce tyre wear
 - **BrakePlus**: EBPMS to monitor brake performance and ensure optimal uptime and safety for customers
 - **DoorPlus**: our sensor and locking system enables door status monitoring and security
- Integration and connectivity
 - **DataBridge**: a standardised and secure application programming interface (API) that enables seamless integration of TIP Insight services with other applications for unified fleet data
- Mobile applications
 - **FleetInspected**: an inspection app for asset condition and damage management, fully integrated with FleetRadar™ for smooth connectivity



Where we operate



Headquartered in Amsterdam, we have more than 141 workshops, branches and other locations throughout Europe. Our business is divided into five regions operating under the trademark name TIP Group: UK & Ireland, Benelux, Mediterranean, Central Europe and Nordics.

● UK & IRELAND

Branches	Workshops
17	28
16	26
Combined EAuM	Headcount
44k	760
41k	653

● BENELUX

The Netherlands and Belgium

Branches	Workshops
5	17
5	16
Combined EAuM	Headcount
17k	391
16k	379

● MEDITERRANEAN

France, Italy and Spain

Branches	Workshops
21	25
20	24
Combined EAuM	Headcount
23k	485
24k	472

● CENTRAL EUROPE

Germany, Austria, Switzerland, Poland, Czech Republic and Romania

Branches	Workshops
29	32
29	30
Combined EAuM	Headcount
32k	953
34k	940

● NORDICS

Denmark, Norway, Sweden and Finland

Branches	Workshops
15	26
15	25
Combined EAuM	Headcount
25k	470
25k	442

Headcount figures include both male and female employees as at end-December 2024. Interns and apprentices are not included. Numbers versus 2023.

Our fleet

Our fleet consists of more than 88,000 units available to our customers.

We expanded our M&R operations during the year, resulting in M&R revenue growth of 18% in 2024. The uncertain economic conditions led to lower investment of €436m (2023: €580m) in new trailers and trucks, maintaining our European fleet age at an average of 5.3 years old. We also made important acquisitions, including one fleet and four workshops.



CHASSIS

8,241

9,049



CURTAINSIDER

34,126

35,049



REEFER

14,103

14,333



SWAP BODY

5,835

6,731



TANKER

3,878

3,779



TRUCK

7,722

7,583



VAN

13,984

13,998



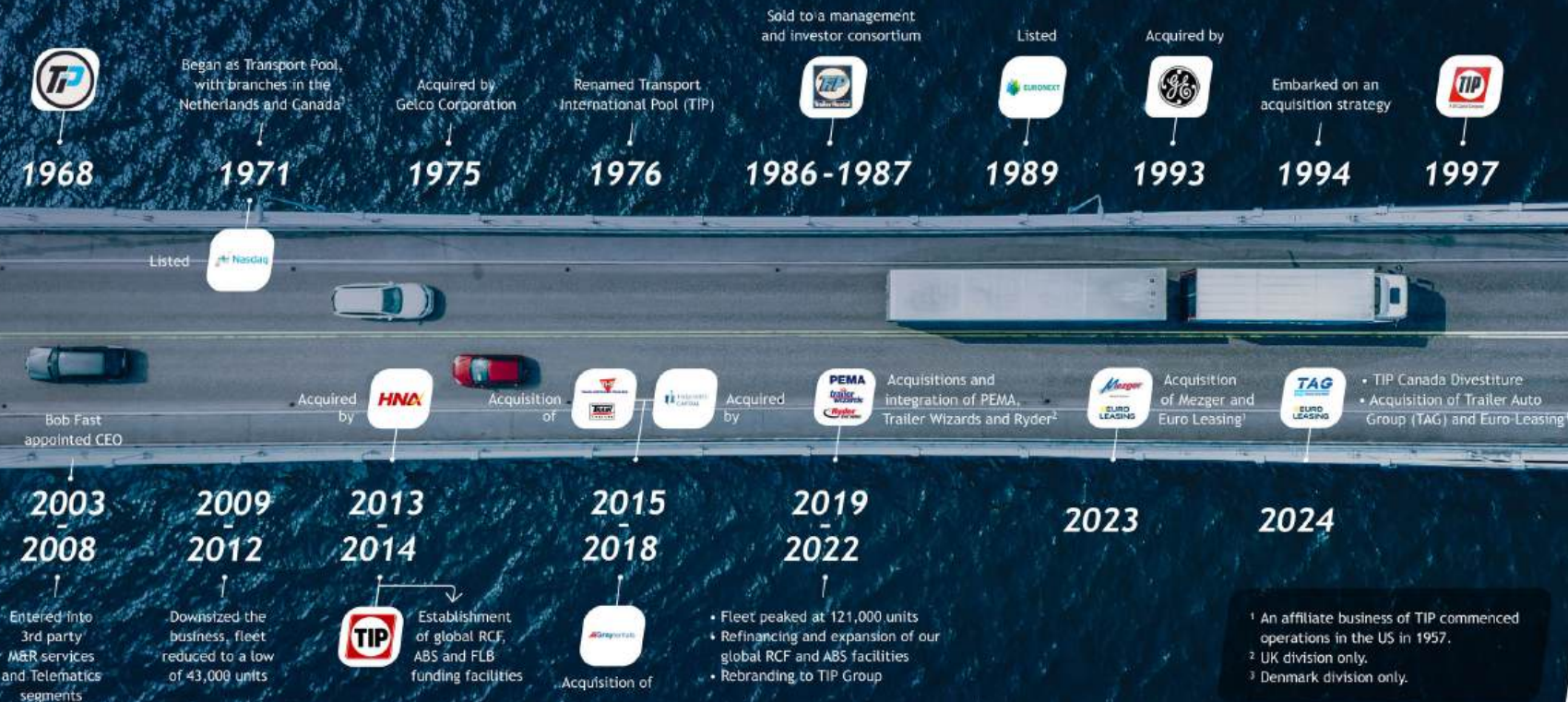
eLCV

190

161

Our history

TIP's story dates back to 1957, when an affiliate business commenced operations in the US.



¹ An affiliate business of TIP commenced operations in the US in 1957.

² UK division only.

³ Denmark division only.

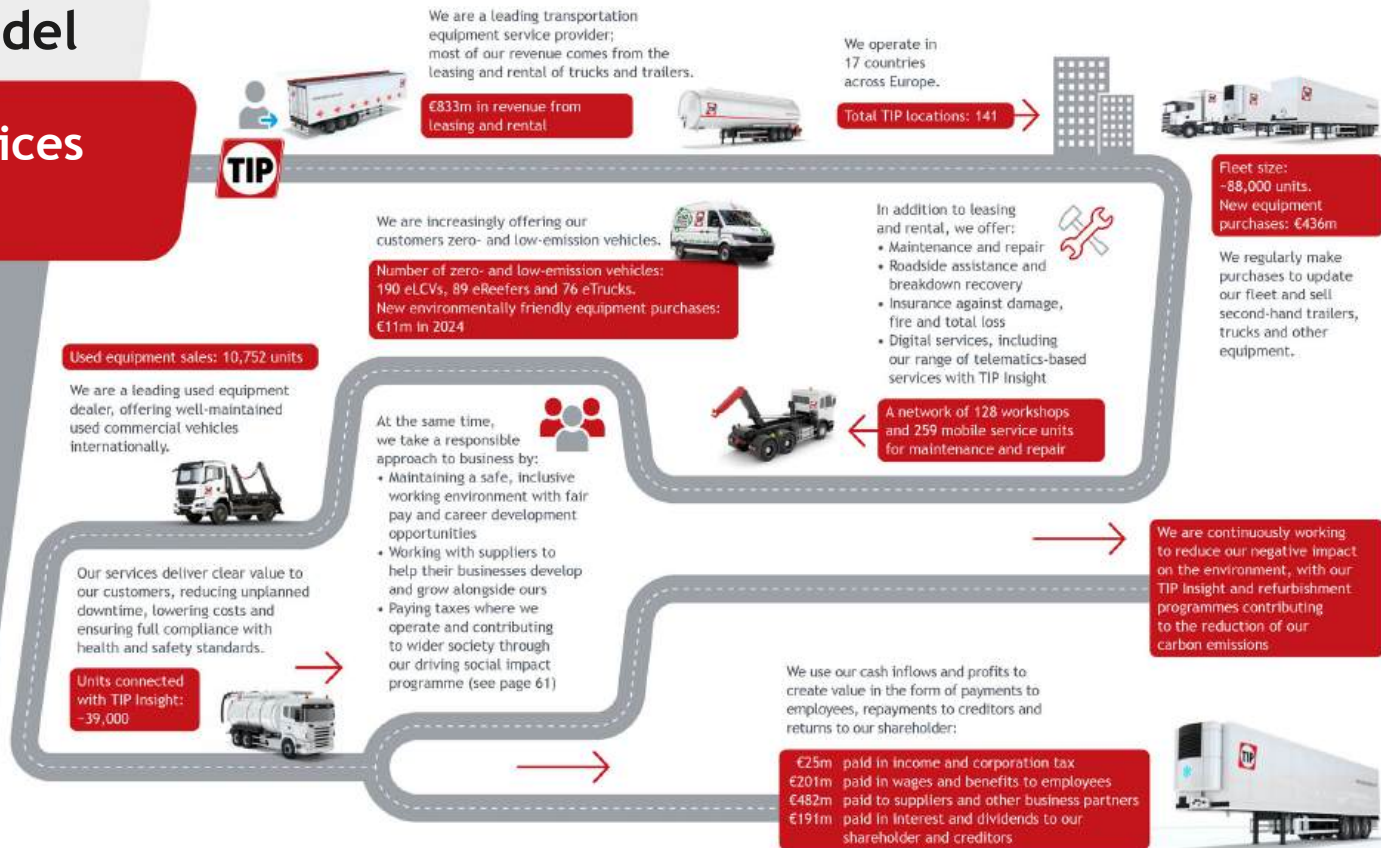
Our business model

Our strategy, services and value chain

Through our business, we aim to create value both for our stakeholders and for society. We will achieve this by providing a world-class service to our customers and becoming both the full-service equipment provider of choice and the most trusted advisor in the transportation and logistics industry. The wide range of services that we offer covers the entire equipment life cycle.

These include a full range of leasing and rental services; high-quality parts and maintenance services in our workshops; and fully outsourced fleet management solutions. Through our services, we help customers reduce downtime and costs.

At the same time, we are working to reduce the environmental impact of our operations by tackling our carbon footprint and improving waste management. In addition, our sustainable equipment solutions help customers make the transition to low- or zero-carbon business models.



* 2022 and 2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.

Managing our risk

Risk is an inherent part of our business, but our comprehensive and structured risk management process allows us to approach various risks in a controlled manner. Over more than 55 years, we have built our operations and strengthened our business model through a rigorous approach to people, processes, systems and risk management.

We have concluded that risks arising from conflict areas such as Ukraine and the Middle East do not have a material impact on our business, as we have no operational presence in Ukraine, Russia or the Middle East.

Following the US Presidential elections in November 2024, we are carefully analysing the impact of changing US policies on global trade, including tariffs, which might increase certain risks. TIP's Executive Management Team (EMT) is ready to take appropriate measures to mitigate those risks.

We have grouped the key risk areas that our company faces into four main risk pillars: strategic, financial, operational and compliance. The list of risk areas below is not exhaustive; nor does the order of the risks presented reflect their importance, vulnerability or materiality.



Our approach to risk management

- The Board of Directors is responsible for TIP's overall risk management strategy, as well as having oversight of the internal risk management and control systems. To further enhance effectiveness and efficiency, the Cube Transportation Board has established an Audit Committee with a specific mandate to review our financial reporting, relationship with TIP's external auditor, internal controls, environment, health and safety (EHS) compliance, other regulatory compliance and risk management.
- The EMT oversees risk management processes in addition to the internal control framework and its effectiveness.

- The Risk Assurance team provides independent assurance on governance, risk management and internal control processes. The internal audit function is partially outsourced to an independent international audit firm.
- Strong internal controls are embedded in processes at the operational level to ensure effective risk assessment, identification and mitigation.
- Risk awareness and compliance are embedded in our company culture through regular training.

Our risks at a glance

LIKELIHOOD TO OCCUR	HIGH		B	
	MEDIUM	M	C E G H J	A I
	LOW		D K L	F
		LOW	MEDIUM	HIGH
VULNERABILITY TO RISK				

MAIN RISK PILLARS				
Strategic	Financial	Operational	Compliance	
Economic conditions A	Strategic financing F	Company digitalisation H	Laws and corporate governance L	
Market developments B	Credit G	Cybersecurity I	Safety M	
Competition C		People J		
Integration D		Residual value K		
ESG E				

Risk type	Risk description	Risks	Appetite / Impact / Likelihood	Mitigations and action plans	Impact after mitigation
 Economic conditions	Demand for our products and services is highly dependent on general economic conditions in Europe	- Adverse changes in economic conditions impacting customer/supplier operations, with negative results for TIP operations - High inflation - Geopolitical instability and its impact on supply chains - Borrowing costs affecting customers' decisions to lease or buy - International trade tariffs/restrictions	M/H/M Trend 	- Continuous monitoring of market trends - Decentralisation of customer base - Diversification of products and services - Geographical coverage - Flexible debt facilities	H
 Market developments	We may fail to respond adequately or in a timely manner to innovative technological changes in our industry	- New market entrants or emerging disruptive services or technologies - New customer needs, such as telematics, integrated solutions or digitalisation - Slow adoption of new technologies - Inability to meet (existing and new) customer needs - Inappropriate strategies - Poor investment decisions - Inability to implement new solutions	M/M/H Trend 	- Continuous innovation efforts - Digital partnerships - Integrated solutions (TIP Insight) - Gradual fleet modernisation - Regular strategic reviews - Digital strategy and Innovation committee in place - Pre- and post- investment assessments - A structured refurbishment offer	M
 Competition	The markets in which we operate are fragmented and competitive	- Loss of market share - Aggressive competitor strategies - Leasing competition from funders, banks and manufacturers	M/M/M Trend 	- Continuous monitoring of market share and competitor performance - Competitive advantage through comprehensive service offering - Proactive efforts to maintain strong relationships with customers and suppliers - Flexible lease terms and customised leasing packages - Expansion into new geographies, including workshops - Wide range of equipment - Diversified financing in place	M
 Integration	Acquisitions may expose us to unforeseen integration obstacles or costs	- Integration risks in areas such as commercial, customer service, regulatory compliance, information technology, finance and culture - Lack of expected synergies/benefits - Inadequate integration planning and execution - Loss of key employees/customers from acquired companies	L/M/L Trend 	- Comprehensive cost/benefit analysis and due diligence of all acquisitions - Business Development Committee and Investment Committee - Dedicated Integration team and comprehensive integration plans - Regular investment and integration assessments - Robust governance in place to manage acquisitions and integration - Engage in proactive, transparent communication with customers and suppliers of the acquired company	M

Risk type	Risk description	Risks	Appetite / Impact / Likelihood	Mitigations and action plans	Impact after mitigation
E ESG	We have a responsibility to our stakeholders to address ESG risks that may affect the quality of our services now and in the future	- Failure to meet regulatory requirements (CSRD, EU Taxonomy, ESRS) - Damage to reputation and business due to absence and poorly documented ESG reporting and ESG framework - Failure to meet ESG targets and key performance indicators (KPIs) - Lack of adequate understanding of ESG-related risk	M/M/M Trend →	- Rigorous monitoring of ESG targets and KPIs and continuous monitoring of new regulations - Development of a comprehensive ESG strategy, mission and framework - Dedicated ESG department - Green financing facility established - Various ongoing internal ESG initiatives across TIP Group	M
F Strategic financing	We require capital for growth, fleet renewal, acquisitions, new branches/workshops and other strategic investments	- Failure to maintain or extend access to financing facilities - Lack of funding to grow profitably - Excessive cost of finance - Poor use of available funding sources (revolving credit facility (RCF), asset-backed securitisation (ABS), funding lease book (FLB), term loan (TL), green RCF (GRCF)) - Poor management of investor relations management	L/H/L Trend ↓	- Monitoring stand-alone TIP Group investment grade rating by reputed rating agency - Maintaining an appropriate gearing ratio of 75% - Diversified and flexible debt facilities (RCF, ABS, FLB, TL, GRCF) - Regular liquidity forecasts - External Financing Committee (EFC) to review funding relationships, options, strategy and compliance	L
G Credit	The risk that a customer will be unable to pay debts owed under a contract or for the delivery of a service	- Inadequate customer screening or rating - Customer default or insolvency - Customer fraud or money-laundering	M/M/M Trend →	- Strong Credit Management team and processes in place - Multiple resources to evaluate customers - Decentralised customer base - Low historical credit losses - A significant proportion of customers make payments by direct debit - Know your customer (KYC) and anti-money laundering anti-terrorism (AMLAT) processes	L
H Company digitalisation	The risk that existing processes and systems are not fit for purpose and cannot be scaled for future growth	- Insufficient transformation progress towards new fit-for-purpose technological tools - Cost overruns - New/non-integrated systems and applications due to acquisitions - Extensive manual effort - Poor data quality	L/M/M Trend →	- Strategic initiatives on service digitalisation and process automation - Finance digitalisation and transformation projects in place with dedicated teams and resources - Ongoing and continuous modernisation and consolidation of systems, including modifications to and/or replacement of legacy systems	M
I Cybersecurity	Threats to the confidentiality, integrity or availability of our networks, systems or (customer and non-customer) data caused by cyber attacks or other breaches of our systems	- Cyber attacks - Major data security incidents - Technical information technology (IT) system failure - Digitalisation of the company - Digitalisation of customer solutions - IT integrations	L/H/M Trend →	- IT business continuity and disaster recovery plans - Information security governance - Continuous improvement of security programmes - Employee awareness training	M

Risk type	Risk description	Risks	Appetite / Impact / Likelihood	Mitigations and action plans	Impact after mitigation
 People	Attracting and retaining good people is essential to delivering excellent performance and customer service	- Staff attrition above acceptable levels - Shortage of skilled labour in the market - Operating expenses for workforce too high	L/M/M Trend 	- Team spirit at the heart of our business - Well-structured and competitive benefit and reward packages - Market benchmarking of benefits - Constructive training and career development opportunities - Monitoring of employee satisfaction - Succession plans - In-house mechanic technical academy - Great Place to Work certification	M
 Residual value	We bear the residual risk on the value of our vehicles	- Fluctuations in residual values in the used equipment market - Electrification of trucks/reefers - International trade tariffs/restrictions - Political risk in key export markets for fleet sales such as Eastern Europe, North Africa and the Middle East	L/M/L Trend 	- Continuous monitoring and review of our remarketing prices - Flexibility in fleet holding period assessment - Residual Value Committee	L
 Laws and corporate governance	We are subject to numerous international and local regulations. Our governance may be ineffective due to the increasing size and complexity of the business	- Failure to comply with applicable laws and regulations resulting in reputational damage, claims and litigation, sanctions or penalties (e.g., environmental, health and safety (EHS), General Data Protection Regulation (GDPR), regulatory, statutory, tax, antitrust) - Unlawful employee actions - Inappropriate levels of authority - Unclear roles and responsibilities	L/M/L Trend 	- Dedicated legal experts - Robust compliance framework - Regular staff training and communication on compliance, GDPR, ethics and data privacy - Remuneration, Investment and Audit Committees that support the Boards in effectively managing targeted risk and performance areas	L
 Safety	Our business involves the maintenance, repair and operation of heavy transportation equipment	- Lack of adequate (personal) safety measures for employees and visitors - Employee and customer accidents that could result in injuries, claims against TIP and damage to TIP's reputation	L/L/M Trend 	- Appropriate and rigorous health and safety policies and procedures - Safety equipment and clothing - Health and safety training and awareness initiatives - Health and safety KPIs regularly reviewed by the EMT, Board of Directors and Audit Committee	L

Management assessment of whether the risk has (since last year):



Review of the year

CEO review



In 2024, we de-risked our business model and delivered enhanced growth in our key markets, while navigating a complex and challenging environment. In doing so, we built a strong foundation for the years ahead.

Against the backdrop of sluggish economic growth, we continued to execute our strategy and recorded another year of strong execution, growing our revenue by 8% to €1,190m in Europe. By de-risking our business model and creating greater synergy across the full scale of our organisation, we also improved our EBITDA by 8% compared to the previous year.

A general slowdown in consumer spending and industrial production in 2024 resulted in lower freight volumes, with the reduced demand for trucks and trailers partially limiting our performance. However, our customers continued to turn to TIP for the transportation solutions they need, demonstrating the resilience of our robust business model, the value our services create for our customers and the strength of our long-term relationships with them.

We also successfully amended our revolving credit facility (RCF) in 2024, extending its maturity until December 2027 and ensuring that our business has sufficient liquidity to support our long-term vision for the coming years. Meanwhile, we continued to combine our vision for growth and development with our focus on sustainability, green innovations and social and governance strategy.

Bob Fast
President and CEO, TIP Group



Dear stakeholders,

I am pleased to present our Annual Report 2024, in which we look back on another year of change for TIP Group. Despite the sale of the Canadian business, modest growth in the European and world economy and ongoing geopolitical tensions, we continued to grow, boosting our presence in the European market. Moreover, we further enhanced our M&R and TIP Insight offerings and maintained our focus on our sustainability ambitions.

It is a source of great pride that, even as we navigate the continuing challenges of our economic environment, we have the most stable leadership team in the market. As well as driving the growth and development of our business, our leaders share their valuable experience with colleagues, ensuring that the next generation is equipped with the knowledge and skills to take our business forward. In the meantime, however, I would like to share some key developments from the past year with you.

Divestiture of TIP Canada

In June 2024, we sold our Canadian operation to Star Leasing Company LLC in the USA. The sale of TIP Canada allows the Canadian business to develop in the broader North American market and enables management to further improve its presence and offering.



Bob adds “This transaction enables us to focus on our core and home market in Europe, aligning with our vision of being a leading equipment service provider. Now, with a renewed focus on Europe, TIP anticipates significant opportunities to diversify and electrify our fleet and expand our maintenance network, so we can continue to improve our offering to our valued customers. Our ambition remains to lead the trailer leasing and maintenance industry sustainably, fostering enduring partnerships with our customers and stakeholders.”

TIP Canada has been a valuable part of TIP Group since 2016, and we are grateful for the significant contribution of our Canadian team in further growing the business since the acquisition. The rights to use the TIP brand name in North America will remain with TIP Group.

The divestiture of TIP Canada resulted in an accounting gain from discontinued operations of €95m, which was declared as distribution to our shareholder. This distribution underlines our strong liquidity position and strong business performance despite the challenges posed by the world around us.

Performance¹

Even against the headwinds of an uncertain economic environment, geopolitical instability and high interest rates, our business performed well in 2024, with revenue up by 8% to €1,190m (2023: €1,098m). We reached an EBITDA of €488m (2023: €450m), demonstrating the power of our strategy of combining leasing and rental with the delivery of maintenance services. We continued to maintain a strong overall performance with contribution and operating profits at €609m (2023: €572m) and €131m (2023: €134m) respectively. With the continued investment in our fleet, we substantially grew our leasing backlog by 6% to €1,586m (2023: €1,498m).

The interest rate pricing environment for leasing equipment remained challenging in 2024, despite central banks reducing interest rates in many of our markets in the second half of the year. Nevertheless, we maintained a strong leasing and rental contribution margin of 64% (2023: 63%), and our utilisation (UTE) also remained strong at 89% (2023: 90%). Customers continued to favour full-service maintenance leases in the search for efficiencies and outsourcing solutions for both their equipment and their M&R needs. We maintained an overall contribution margin of 51% (2023: 52%) thanks to the improved performance of our leasing and rental product, while also keeping operating expenses low, at 10% (2023: 11%) of revenue.

We continued to develop our third-party M&R product offering in 2024, both organically and through bolt-on acquisitions. M&R revenue has grown at a compounded annual growth rate of 13% over the last five years. In 2024, it grew by 18% (2023: 26%), demonstrating our market leadership in the fragmented M&R market. We will continue to invest in acquisitions, new workshops, additional bays, the modernisation and ‘greening’ of our workshops and the addition of new mobile service units to support future growth.

¹ 2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.

Investments

During 2024, we invested €436m (2023: €580m) in new fleet. By continuing to focus on deals and customers, we were able to maintain margins and provide additional services. In line with the general decline in newly registered trucks and trailers in the European market, we reduced our overall investments in new equipment to ~6,500 units (2023: ~9,400 units), while still growing the quantity of specialised equipment within our rental and leasing fleet.

We also increased our efforts on remarketing, focusing particularly on retail sales to protect margins. Our diversified resale model enabled us to compensate for fluctuations in a number of national and export markets. With a relatively strong UTE of 89% (2023: 90%) given market conditions, we sold approximately 10,800 units (2023: ~8,800) for €118m (2023: €108m) while maintaining healthy positive margins, demonstrating the strength of our remarketing network and our team's in-depth industry knowledge.

We continued to expand our geographical footprint during the year through 4 workshop-related acquisitions and 1 fleet-related acquisition, representing a total investment of €47m.

Financing

In 2024, we successfully amended and extended our RCF, ensuring that our business has sufficient liquidity to support both capital expenditure (capex) and acquisitions for the coming years. We extended the RCF's maturity by two years to December 2027 and decreased the committed facilities by €425m to €1,374m, reflecting our lower funding needs in the short term and saving commitment fees on unused facilities. The ability to amend and extend our financing programmes underscores our banking partners' confidence in our business model, which is underpinned by our continuous performance and growth strategy and provides us with a strong platform for future progress.

Corporate responsibility

Health and safety has always been a primary focus at TIP and a priority in all our business activities. As part of our Ambition Zero strategy, we aim to achieve zero accidents in our organisation, I am delighted to inform that during 2024, the number of workshop-related accidents and injuries decreased compared to previous years, reflecting improved safety and working conditions for our employees.

In 2025, we published our annual Corporate Sustainability Report for 2024. This report outlines our framework for sustainability-related initiatives, governance and investments. These investments, as well as our progress, demonstrate our long-term commitment to sustainable growth amid the dynamic environmental and social transition currently taking place. We expect our initiatives will continue to generate value for our company and our stakeholders while strengthening our position as a trusted advisor and long-term partner in our industry.

TIP is fully committed to having a direct positive impact on the communities around us, especially those where our employees work and live (see 'Driving social impact' on page 61). Within our company, one of our most important distinctions in 2024 was achieving Great Place to Work certification in eight of the 17 countries we operate in. This accomplishment means TIP is an employer of choice in many of our geographies and represents an important milestone on our road to becoming the employer of choice in our industry. Being named a Great Place to Work not only shows that our colleagues enjoy working at TIP and helps to bring our culture and values to life, but also supports our efforts to recruit the people we need. Over the next few years, we aim to expand the certification to more countries and continue to foster a positive and inclusive work environment for all our employees.

Meanwhile, having launched our inaugural Mechanic Academy programme in 2023, we celebrated the first graduates in the UK, France, Germany, the Netherlands and Denmark in 2024. This initiative, which also earned praise in the UK's Transport News magazine during the year, is unique in the industry. By investing in our mechanic and technician workforce, it helps address the shortage of skilled mechanics in our industry while also contributing to TIP's operational efficiency.

Full details of our new and updated sustainability strategy and actions are shared in this report.

Risk management

In 2024, we maintained robust risk management processes related to credit, asset, treasury, tax and operational risks. Our credit losses remained low at 0.2% (2023: 0.2%) of revenue: a significant achievement given the difficult economic environment.

Furthermore, inflation might have moderated, but the economic environment still remains challenging and our financial performance demonstrated the effectiveness of our risk approach over the course of 2024, an approach that is characterised by agility and adaptability in relation to both our customers and our suppliers and that showcases the strength of our underlying business model.

Looking ahead

As we enter 2025, the macroeconomic outlook still remains uncertain. We are closely monitoring the economic environment, including slow market recovery, declining interest rates and the potential impact of these factors on our business performance. Robust financial modelling allows us to maintain visibility on the short- and long-term impacts and to take the necessary actions to continue navigating these situations. We are taking initiatives to further improve our cost efficiency and maximise our UTE. We also continue to take advantage of the increasing demand for M&R services through the strong and growing geographical footprint of our workshop network. This is complemented by our pan-European roadside assistance platform and extensive supplier network.

The hard work we have put in during prior years enables us to meet our key objectives for the years ahead. We expect to further increase our volume of new leases during 2025, and we will continue to operate prudently, with the flexibility to adjust both our capex and acquisition investments in line with market developments. Our focus is on meeting the needs of our customers in these uncertain times. We are confident about the future of our industry, because of its structural growth drivers, and about the strength of our position in the industry, thanks to our robust business model. It is exciting to see our company is growing, while also becoming more sustainable and innovative than ever before.

In the wake of the outcome of the US presidential elections in November 2024, we are monitoring the short- and long-term impact of new US policies on global trade, including tariffs, which might create uncertainty and/or lead to reactive counter measures. As well as assessing potential impacts on TIP Group during 2025, we will, if necessary, leverage our robust business model to adjust our capex, operations and used asset management accordingly.

A word of thanks

I am immensely proud of our dedicated employees, who deliver outstanding customer service every day in all parts of our business. On behalf of the Senior Leadership Team (SLT) of TIP, I would like to express our heartfelt gratitude to all our colleagues for their hard work, commitment and willingness to embrace change. You make TIP a very special place to work. In particular, I would like to thank all the colleagues who support our customers in our workshops, branches and headquarters.

Furthermore, I would like to welcome the newest members of the TIP family: our colleagues from the recently acquired businesses of Mobility Service Elst in the Netherlands, Carrosserie de la Sarthe in France, Gisinger Fahrzeugbau GmbH & Co KG in Austria and Trailer Auto Group (TAG) in the UK. We look forward to working with you and learning from you as we grow our business together.

I would also like to take this opportunity to thank I Squared Capital, our shareholder, and our Board of Directors, for their continued support and commitment in 2024. Creating long-term value for our shareholder is a priority for TIP. Maintaining our growth momentum, supported by attractive returns on our investments, is critical to achieving this. Our effective planning, clear strategy and robust but flexible business model ensure that we are well placed to sustain our success and build an even stronger business for the future. Today, together, we are bigger and stronger than ever before.

There is, of course, much more to come. I expect to see an increased focus on sustainability, innovation and artificial intelligence in the years ahead. I am very encouraged by the work we have done so far. TIP Group is moving in the right direction, towards a greener, more resilient and more sustainable future, driven by our knowledge and enthusiasm.

I want to conclude by thanking our loyal customers, key suppliers and business partners, all of whom will continue to be at the heart of every decision we make. In all we do, we aim to stay true to TIP's values, team spirit and strong brand, fully focused on ensuring safe and healthy work environments for our teams, sustainable growth for our business and people-centric solutions for our stakeholders.

Bob Fast

President and Chief Executive Officer (CEO), TIP Group

2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.

Financial review

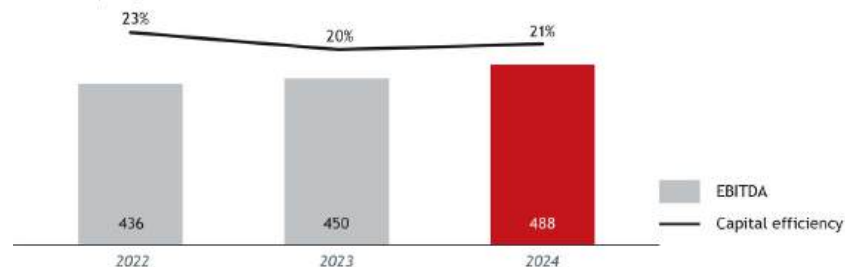
Financial information and alternative performance measures

The financial information in this section and throughout this annual report is derived from the consolidated financial statements, including comparative data for the previous two years, as published in our 2023 and 2022 annual reports.

We have adopted a number of alternative performance measures (APMs) to provide additional useful information about the underlying trends, performance and position of the Group. The APMs are not defined by the International Financial Reporting Standards (IFRS); as such, they may not be directly comparable to APMs used by other companies. The APMs are defined in this annual report and summarised in the Glossary.

2022 and 2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.

EBITDA (€m)



Financial highlights and key components of performance

€m	2022	2023	2024	% change
Leasing	550	613	670	9 %
Rental	156	131	124	(5)%
Damage protection	38	38	39	3 %
Leasing and rental	744	782	833	7 %
M&R 3rd party	141	177	209	18 %
Fleet sales	73	108	118	9 %
Other	19	31	30	(3)%
Total revenue	977	1,098	1,190	8 %
Contribution (excluding: credit losses)	546	574	611	6 %
Credit losses	(3)	(2)	(2)	— %
Contribution	543	572	609	6 %
Contribution %	56 %	52 %	51 %	(1)%
Operating expenses	(107)	(122)	(121)	(1)%
EBITDA	436	450	488	8 %
EBITDA %	45 %	41 %	41 %	— %
Operating profit	135	134	131	(2)%
Operating profit %	14 %	12 %	11 %	(1)%
Net operating assets	1,884	2,267	2,379	5 %
Capital efficiency	23 %	20 %	21 %	1 %

The table below outlines the impact of exchange movements, acquisitions and organic growth on our key performance components.

Key components of performance €m	Revenue	Contribution	Operating expenses	EBITDA	Operating profit
2023	1,098	572	(122)	450	134
Exchange effects	10	5	(1)	5	2
2023 at 2024 rates	1,108	577	(123)	455	136
Incremental impact in 2024 of:					
2023/2024 acquisitions	27	10	(1)	9	—
Organic growth	55	22	3	24	(5)
2024	1,190	609	(121)	488	131
% Total reported change	8 %	7 %	(1)%	8 %	(2)%
% Total 2023 at 2024 rates	7 %	6 %	(1)%	7 %	(3)%
% Organic change	5 %	4 %	(2)%	5 %	(4)%

Group revenue for the year increased by 8% to €1,190m (2023: €1,098m), with growth of 7% in our leasing and rental business and 18% in M&R third party.

Leasing and rental revenue increased by 7%, predominantly driven by long-term leasing revenue, while M&R (M&R 3rd party) revenue increased by 18% to €209m (2023: €177m). Meanwhile, we continued to complement organic growth with bolt-on acquisitions of both leasing portfolios and workshops in 2023 and 2024. We invested €436m (2023: €580m) in our fleet in 2024, of which €11m was spent on zero- and low-emission units. A further €28m (2023: 29m) was largely invested in workshops and digitalisation, to modernise our platform and support future growth. Our TIP Insight product grew steadily as we continued to develop our offering to more than 39,000 connected units (2023: 26,000).

We sold ~10,800 used trailers and trucks in 2024 (2023: ~8,800), a slightly higher volume than the previous year, despite weaknesses in key export markets. After a record fleet sales margin in 2023 of 29%, margins decreased in 2024 to a still-healthy 15% on a higher volume, reflecting the levelling out of demand in the second-hand market. Combined with the lower inflationary environment, this led to lower prices for second-hand equipment compared to the prior year.

Contribution increased by 6% to €609m (2023: €572m), in line with the revenue growth percentage. This was driven by improved leasing and rental margins, reflecting our strong and continued emphasis on cost control.

Fleet UTE declined slightly to 89% in 2024 (2023: 90%), with strong contribution margins for leasing and rental at 64% (2023: 63%). Our M&R contribution margin increased by 1% to 24% (2023: 23%). This reflects the further efficiency improvements made after successfully integrating workshop acquisitions that closed during 2023 and 2024, with the most recent workshop investments not yet reaching normal operating capacity.

Operating expenses decreased by 1% to €121m (2023: €122m). By focusing on leveraging our existing cost base and capacity, we decreased operating expenses to 10% of revenue in 2024 (2023: 11%).

Our high-quality customer portfolio is the result of our robust Know Your Customer (KYC) standards, due diligence, vetting processes and strong collection discipline. In the context of modest economic growth in Europe in 2024, we managed to keep credit losses stable at €2m (2023: €2m), representing 0.2% (2023: 0.2%) of total revenue.

Despite an uncertain and challenging economic environment, our EBITDA increased by 8% to €488m (2023: €450m), driven by new fleet investments, a moderate contract renewal rate and bolt-on acquisitions, as well as our success in leveraging our operating expenses efficiently. Net operating assets increased by 5% to €2,379m (2023: €2,267m), driven by fleet purchases, workshop investments, digitalisation investments and bolt-on acquisitions. These bolt-on acquisitions, combined with new investments in our fleet, workshops and digitalisation, will have an additional positive impact in 2025.

Operating profit decreased slightly by 2% to €131m (2023: €134m), due to higher fleet depreciation as a result of increased fleet capex over the last two years.

Robust long-term cash flow model and performance

We generally purchase new fleet assets as we sign new lease agreements with customers. During difficult economic and market circumstances, we have demonstrated the flexibility of our business model by decreasing and deferring fleet purchases in line with market demand.

€m	2022	2023	2024
EBITDA (excluding the gain on fleet sales)	414	419	470
Fleet purchases	(490)	(580)	(436)
Acquisitions	(115)	(101)	(47)
Fleet sales	73	108	118
Other net capex	(15)	(29)	(28)
Net capex	(547)	(602)	(393)
EBITDA - net capex	(133)	(183)	77

As a result of the growth in our net operating assets, our capital efficiency increased to 21% in 2024 (2023: 20%). This remains substantially higher than before the global financial crisis (2007 and 2008: 16% and 18% respectively), due to our more balanced business portfolio mix (leasing and rental; M&R 3rd party). Our capital efficiency also benefits from the continued rigorous leverage of our cost base and the effective deployment of our assets.

We have maintained a very disciplined and robust model for administrative and other operating expenses ('overheads'), which is divided into two key segments:

- Regional operating expenses support the acquisition of new customer business and the delivery of services. They consist primarily of compensation and benefits as well as third-party services related to local General Management, Commercial, Operations, Remarketing, Risk and Collections functions.
- Centralised costs comprise costs related to the SLT and the costs of support functions, which are mainly managed centrally through centres of excellence for information technology (IT), Human Resources (HR), Asset Management, Legal, Finance (covering treasury, accounting, tax/VAT, credit underwriting, accounts payable and billing), Operations (covering indirect sourcing, ESG and business intelligence) and Commercial (covering fleet sourcing, insurance, mergers and acquisitions (M&A), international accounts, marketing and branding).

By leveraging our pan-European IT platform, we can avoid duplicating the cost of support functions. In addition, this cost management model allows us to perform support functions in low-cost countries (LCCs), particularly for IT and finance. Using our platforms in Poland and partners in India provides additional flexibility for our overhead cost base. In addition, centralised management of our third-party suppliers allows us to consolidate our purchasing power to obtain the best prices.

Liquidity and financing

Borrowings

During 2024, we continued to make substantial progress on our borrowings-related programmes. Our objectives were to:

- Diversify our funding sources
- Optimise the size of our facilities to seize business opportunities and support our capex and acquisition programme
- Secure competitive funding rates in a declining European interest rate environment.

We ended 2024 with total committed facilities, primarily for our fleet, of €2,333m (2023: €2,794m), at an average margin of 2.0% (2023: 2.2%), and five diversified funding sources:

Revolving credit facility	(RCF)
Asset-backed securitisation	(ABS)
Funding lease book	(FLB)
Term loans	(TL)
Green revolving credit facility	(GRCF)

1. RCF

Our RCF is a club deal with a consortium of banks, maturing in December 2027.

On 20 December 2023, TIP Group increased the facility, using the accordion feature, with existing and new banks in the consortium, bringing the total credit to €1,799m. We have a further accordion of €500m, which will allow us to increase the RCF, our private placement TL facilities or our green RCF in the future. In addition, we can raise up to 22.5% of net operating assets (2024: €535m) via bonds to diversify our borrowings portfolio when the market conditions are more favourable.

We sold TIP Canada in June 2024 and repaid approximately €340m as part of the sale consideration. A decrease in our expected short-term funding needs for investments (due to the uncertainty in the economic environment) in 2024, combined with the proceeds of the sale of TIP Canada, enabled TIP on 3 December 2024 to reduce the facility by €425m, bringing the total facility to €1,374m. At the same time, we extended the maturity of the facility by two years to December 2027.

This multi-currency facility allows us to borrow in the major currencies in which we operate. Minimum interest rate hedging requirements apply.

At the end of 2024, €1,069m (2023: €1,381m) of the RCF facility was drawn.

The facility is subject to three financial covenants, with which we complied fully in 2024 and in prior years:

Covenants	2022	2023	2024
Interest cover	3.2x	2.1x	1.3x
Solvency	20 %	17 %	19 %
Loan to value	87 %	91 %	87 %

Our interest cover ratio declined by 0.8x compared to 2023. This was driven by modest economic growth in 2024, impacted by an uncertain and challenging economic environment, geopolitical instability and higher interest costs. The last of these factors was mainly due to early 2024's rolling of bullet interest rate hedges that were locked in 2018 when EURIBOR was negative.

Our solvency ratio was 2% higher in 2024 than the previous year, principally due to the sale of TIP Canada and partially offset by investments relating to both organic and inorganic growth (net capex: €393m) that did not yet reach full maturity in 2024. We expect a positive contribution to the solvency ratio in the coming years as these investments reach optimal profitability.

II. ABS

Our original ABS facility was concluded on 10 September 2014. This private financing transaction used a Dutch law securitisation structure for operating leases, establishing a cross-border revolving securitisation facility.

On 10 December 2021, we entered into a new ABS facility under an Irish law securitisation structure for operating leases, establishing a cross-border revolving securitisation facility.

The Dutch law securitisation structure terminated on 31 December 2021. We were able to grandfather operating leases from the Dutch law securitisation to the Irish law securitisation. The new Irish structure has achieved simple, transparent and standardised (STS) classification under the EU regulation framework for securitisation.

In December 2023, we increased the facility by €65m and extended its maturity by a further two years. At the end of 2024, we had a committed senior loan facility of €265m, provided by two leading European banks, with a margin of 1.20% until December 2025. The senior facility is a multi-currency facility allowing us to borrow in the major currencies in which we operate. It requires interest rate hedges to be taken out to match the operating lease cash flow.

At the end of 2024, €219m (2023: €159m) of the Irish ABS facility had been drawn. There are two financial covenants, interest cover and solvency, that apply to the ABS facility as they do to the RCF, GRCF and TL facilities. We complied with both covenants during 2024.

III. FLB

At the end of 2024, as part of our FLB, we had lease facilities for fleet totalling €73m (2023: €117m), of which €73m (2023: €68m) had been drawn. The interest rates on these leases are at ~3.5% (2023: ~3.2%). These facilities are with various funders, manufacturers and lease providers in the UK, Belgium, the Netherlands, Germany, Denmark, Spain, Ireland, France, Poland and Austria.

We also use leases for property, plant and equipment (PP&E) assets, such as land, buildings and motor vehicles, as part of our FLB. We ended 2024 with €120m (2023: €96m) of leases committed and drawn for PP&E.

IV. TL

TLs are with private placement institutions. TLs were successfully increased by €150m on 3 August 2021, with our existing private placement TL institutions. At the end of 2024, we had seven (2023: seven) TLs totalling €425m (2023: €425m). The average interest rate on these TLs is -2.4% (2023: -2.4%), and interest is paid quarterly. The TLs will mature in November 2026.

V. GRCF

At the end of 2022, we successfully raised a GRCF of €75m. This multi-currency facility is dedicated to the financing of zero- and low-emission equipment and is in line with the EU Taxonomy/green loan principles. The interest rate for this facility is 1.75%.

At the end of 2024, €20m (2023: €14m) of the GRCF facility had been drawn.

The institutional TLs and the GRCF are equal to the RCF in terms of security, and the three financial covenants applicable to the RCF also apply to the TLs and GRCF (loan to value for GRCF being an exception). Loan to value for GRCF was fully complied with in 2024.

Covenants	2022	2023	2024
Loan to value (GRCF)	— %	83 %	86 %

Green financing facilitates TIP's transition to a more sustainable organisation by providing competitive funding options. We have converted our RCF into a sustainability-linked loan, linking TIP Group's RCF to three ESG key performance indicators (KPIs), with which we fully complied in 2024 and 2023.

1. Gender pay gap (part of our Corporate Social Responsibility programme)
2. Number of trailers refurbished (part of our Circular Economy programme)
3. Number of units connected to TIP Insight (part of our Sustainable Products programme)

KPI	Actual 2023	Actual 2024
Gender pay gap	6 %	5 %
Number of units refurbished (total)	3,590	5,760
Units connected with TIP Insight	26,062	39,461

Liquidity overview

We ended 2024 with a strong liquidity position, as shown below:

€m	2022	2023	2024	% change
Cash	10	18	8	(56)%
Committed unused facilities:				
RCF	313	418	305	(27)%
GRCF	75	61	55	(10)%
ABS	112	106	46	(57)%
FLB	47	49	—	(100)%
TL	—	—	—	—
Total	557	652	414	(37)%
% change		17 %	(37)%	

During the year, we voluntarily cancelled €425m of our RCF facility, following the sale of TIP Canada in June 2024 and given a reduction in our expected short-term funding needs for investments due to the uncertainty in the economic environment. The €500m accordion under the RCF can also be used to raise additional TLs or GRCF, giving us the flexibility to access further liquidity in the market and continue to diversify our funding sources. In addition, we can raise up to 22.5% of net operating assets (2024: €535m) via bonds to diversify our borrowings.

We believe that reinvesting our EBITDA and fleet sales proceeds and further optimising the sizing of our financing programmes means we are in a favourable position to build and modernise our fleet base and workshop network. It also positions us to pursue advantageous acquisitions of both fleet portfolios and workshops whenever the economic cycle presents opportunities.

Liquidity governance

Our liquidity position can fluctuate significantly due to the timing of capex, working capital variations and the seasonal nature of our rental business. Short-term liquidity is reviewed on a weekly basis by the Treasury and Investor Relations (TIR) team using our weekly cash forecasts, which cover a three-month rolling period. In addition, the TIR team uses our monthly cash forecasts, which cover a 15-month rolling period, to manage longer-term liquidity and to

address any additional funding needs of the business at an early stage. This monitoring includes a review of compliance with the covenants, which is required to be reported monthly and quarterly under our RCF, TL, GRCF and ABS facilities to ensure that we maintain sufficient headroom. Summary reports are provided to the EMT and the Board on a monthly basis.

In addition, our External Financing Committee (EFC) is required to review and approve all additional borrowing facilities, subject to Board approval where appropriate. The EFC also monitors ongoing compliance with all bank covenants, the operation of the funding facilities and strategies for maintaining good relations and open communication with funders.

Minimum contracted borrowings repayment commitments

The table below summarises the maturities of our borrowing facilities as at 31 December 2024 by year of expiry:

Minimum contracted borrowings commitments						
€m	2025	2026	2027	2028	2029+	Total
RCF	—	—	1,374	—	—	1,374
GRCF	—	—	75	—	—	75
ABS	265	—	—	—	—	265
FLB	42	33	25	18	75	193
TL	—	425	—	—	—	425
Total	307	458	1,474	18	75	2,332
% of total	13 %	20 %	63 %	1 %	3 %	100 %

Interest rate risk management

Our RCF (including GRCF) and ABS facilities are at floating rates and, where appropriate and in accordance with the requirements of the lenders, may be subject to interest rate hedging. We continue to take a more conservative position than required under these facilities and ended the year with the following profile of floating rate borrowings swapped to fixed on our main facilities:

	2022		2023		2024	
	% hedged	Duration (years)	% hedged	Duration (years)	% hedged	Duration (years)
RCF inc. GRCF	89 %	1.7	86 %	1.4	89 %	2.2
ABS	85 %	3.0	100 %	1.7	100 %	1.7
FLB	100 %	3.6	100 %	3.2	100 %	4.0
TL	100 %	4.0	100 %	3.0	100 %	2.0
Weighted average	93 %	2.6	91 %	1.9	94 %	2.3

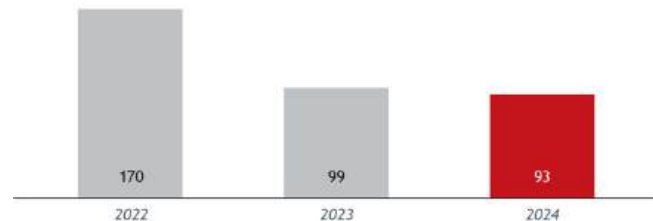
Foreign exchange risk management

Our main foreign exchange (FX) risk is in GBP, NOK and SEK, as we have both assets and cash flows in these currencies. We substantially hedge this risk by borrowing in GBP, NOK and SEK to fund our operations in the UK, Norway and Sweden respectively. We do not have any foreign currency risk in CAD following the sale of TIP Canada in June 2024. Our RCF and GRCF allow us to draw down in EUR, GBP, NOK, SEK, DKK, PLN, CHF and USD, while our ABS facility allows us to draw down in EUR, GBP, SEK and DKK. The FLB programmes are managed on a regional basis and are therefore denominated in the local currency.

Our presentation currency is the euro (€). Exposure to other currencies arises in the normal course of business. A proportion of our profits and net assets is denominated in non-euro currencies, principally the currencies mentioned above.

The table below summarises our non-euro net assets and the percentage of net assets denominated in non-euro currencies.

Non-€ net assets¹ (€m)



% of net assets

42%	26%	18%
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¹ DKK is excluded from non-euro net assets as it is formally tied to the euro.

Events after the reporting period and other significant items

No significant events occurred after the reporting period.



Commercial and operational review

2022 and 2023 figures restated compared to prior year. Figures reflect continuing operations as a result of the reclassification of the Canadian business to discontinued operations in December 2023.

Focus on leasing and rental performance

We have a proven track record of maintaining average daily rates (ADRs) and UTE through our flexible and scalable operational business model. We use our pan-European scale to maintain UTE by transferring equipment between countries and regions to take advantage of demand and pricing conditions.

The change in ADRs over the last three years is outlined below.

€	2022	2023	2024
Prior year	22.7	24.1	25.1
FX impact	0.1	(0.3)	0.2
M&A impact	0.4	0.1	0.1
Other/mix impact	0.9	1.2	2.1
Current year	24.1	25.1	27.5
UTE%	94 %	90 %	89 %

In 2024, we increased our leasing revenue by 9% (2023: 11%), driven by our investment in new fleet and the full-year impact of acquisitions closed in the prior year. Re-lease rates on expiring leases increased to 43% (2023: 40%).

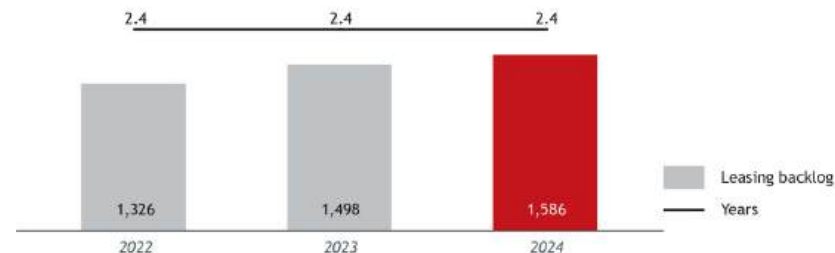
In recent years, an increasing number of our customers have chosen to maintain their fleets with us. This is reflected in the increased proportion of leases with a service maintenance option (rising from 66% in 2007 to 86% in 2024).

UTE declined by 1% compared to 2023, as a result of the uncertain economic environment and geopolitical instability. These factors made customers more reluctant to commit to leasing and rental services. After a sluggish 2023, European road transport volumes made a slight recovery in 2024. By optimising our fleet, we were able to limit the impact on our UTE during the year.

Despite the uncertain economic conditions, we invested €436m (2023: €580m) in new trailers and trucks in 2024. The average age of our European fleet increased slightly year on year from 5.0 to 5.3 years old, with slow economic growth in Europe leading us to adjust capex investments to optimise the fleet size.

As a result of both lease renewals and new capex leases, we increased our leasing revenue backlog to €1,586m.

Committed leasing revenue backlog (€m)



Our ability to reinvest operating cash flows, combined with our unused credit facilities, will enable us to continue to invest in our fleet in 2025 to meet customer demand for new equipment leases.

During the year, our UTE was negatively impacted by customers' caution about their cost base and lower spending in an uncertain and relatively high-interest economic environment. This resulted in a 5% decline in our rental business to €124m (2023: €131m). We continue to support our customers' need for flexibility with a well-maintained rental fleet, which allows customers to manage peaks in demand effectively in uncertain times.

We offer our damage waiver programme, known as damage protection, on our own equipment, and the revenue it generates is linked to the UTE of our fleet. We monitor its financial performance based on long-term margin reviews. A healthy balance between revenue and costs, at both an aggregate and individual customer level, is ensured through regular analysis of claims and customer loss ratio statistics; strict compliance with damage handling procedures and policies; and reviews of damage protection pricing when necessary. In 2024, damage protection revenue increased to €39m (2023: €38m).

Leasing and rental

€m	2022	2023	2024
Leasing	550	613	670
Rental	156	131	124
Damage protection	38	38	39
Revenue	744	782	833
M&R own fleet costs	(243)	(272)	(280)
Damage protection costs	(18)	(20)	(20)
Contribution	483	490	533
Contribution %	65 %	63 %	64 %

Despite a 1% decline in our UTE during the year, the leasing and rental contribution increased to 64% (2023: 63%), due to four principal drivers:

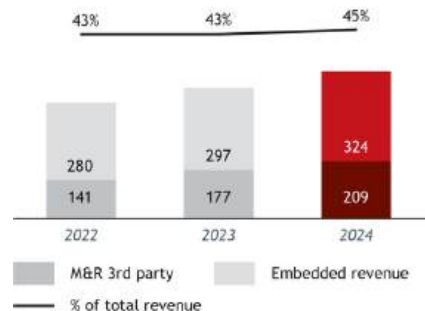
- With increased fleet investment in the last few years, we were able to increase the leasing and rental margins.
- 2023 acquisitions and synergy gains in 2024 were accretive to the overall contribution margin.
- Improved productivity and cost control from insourcing amounted to a saving of €10.6m (2023: €22.6m). Additional maintenance work was moved in house, while many sourcing initiatives, the process engineering of our operating application and stronger approval processes all supported the improvement in contribution.
- Damage protection margins improved again during the year, with customers appreciating the security this offering provides.



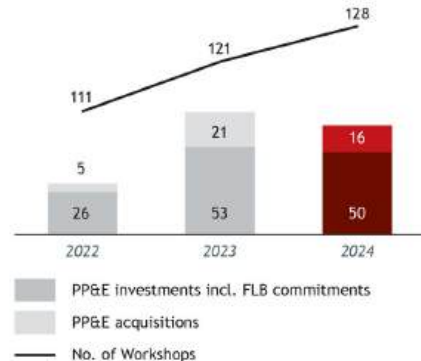
Focus on maintenance and repair performance

Our fleet M&R offering ensures compliance with regulatory standards and provides predictability of maintenance costs, enabling our customers to focus on their core business. Our M&R revenue has quadrupled since 2014, with a significant volume generated through the maintenance embedded within our leasing and rental portfolio. Total M&R (including embedded) revenue increased to 45% of total revenue in 2024 (2023: 43%). The increase in M&R (including embedded) revenue by -€59m was primarily driven by solid market demand for regular maintenance of assets and further growth of our workshop network, both organically and inorganically.

Maintenance and repair revenue (€m)



PP&E investments and acquisitions (€m)



3rd party maintenance and repair

€m	2022	2023	2024
M&R 3rd party revenue	141	177	209
Contribution	35	40	49
Contribution %	25 %	23 %	24 %

The growth in M&R revenue in 2024 resulted in an increase in margin by 1% to 24%. The principal drivers were:

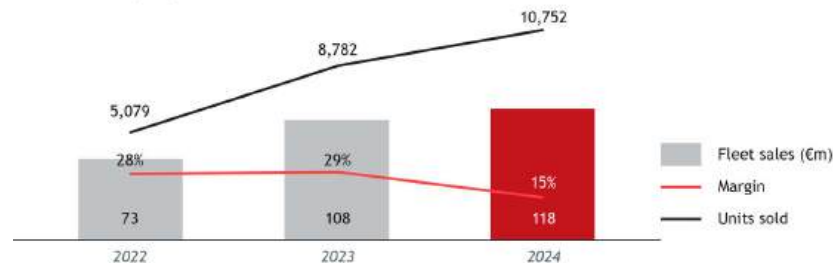
- Investments in new workshops built and acquired in 2023 and 2024
- Continued investment in and modernisation of our workshops, which has helped to maintain stable margins
- Efficiency gains from workshops built and acquired in previous years, which are now operating at optimal capacity levels
- Continued roll-out of our TIP Mechanic Academy, which addresses challenges in recruiting technicians and mechanics in the countries where we operate

We added 9 (2023: 15) new workshops in 2024. During the year we also closed 2 workshops, to optimise the geographic spread of our network.

Focus on used assets

With strong demand for used assets continuing, we sold around 10,800 units in 2024, a 23% increase compared to 2023. This growth in volume was achieved despite a drop in margin, primarily driven by the normalisation of market pricing. These results demonstrate our ability to adapt to changing market conditions while delivering a strong sales performance.

Fleet sales (€m)

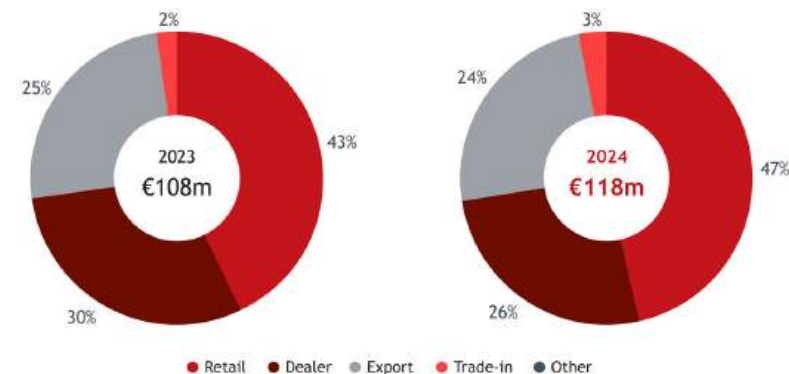


In 2024, we experienced a decrease in the fleet sales margin from 29% in 2023 to 15%.

This decline was primarily driven by several key factors:

- **Market stabilisation:** After exceptional demand for used assets in 2022 and 2023, caused a shortage of new units, the second-hand market stabilised in 2024.
- **Price sensitivity:** Sales prices for used trailers dropped as the supply of second-hand units increased, making buyers more price sensitive and pushing resale prices, and consequently margins, downward.
- **Export sales:** With reduced demand for used equipment in Europe, we sold more units to export customers. These export customers typically pay less due to added transport costs and import fees, further impacting margins.

In total, we sold to approximately 1,500 customers across 50 markets. While our primary focus remains on retail customers in major European markets, we are actively expanding our network in export markets to manage used fleet effectively.



Focus on acquisitions and integrations

During 2024, we maintained our strategic focus on acquiring accretive businesses to support growth, leverage our scale and expand our geographical presence. We completed 5 (2023: 10) acquisitions during the year, comprising of 1 leasing and rental portfolio and 4 maintenance and repair businesses, for a combined total enterprise value of €47m (2023: €101m). These acquisitions were spread across four countries (2023: seven countries).

Having successfully completed the acquisition of the EURO-Leasing truck and trailer business in Denmark in 2023, we closed an additional deal with EURO-Leasing in Germany in 2024, adding an extra ~400 fleet units.

We also acquired 4 maintenance and repair businesses during the year:

- i. Mobility Service Elst in the Netherlands
- ii. Carrosserie de la Sarthe in France
- iii. Gisinger Fahrzeugbau GmbH & Co KG in Austria
- iv. Trailer Auto Group (TAG) in the UK

We aim to integrate areas such as Finance, HR, Commercial, Operations and most IT platforms within a relatively short period of time after the completion of an acquisition. During this integration process, we strive to:

- Retain knowledge and skills while driving operational efficiencies and taking advantage of economies of scale
- Retain and reward employees while providing a positive working environment
- Retain existing processes and systems where they add value and enhance our business

Of the 64 acquisitions completed since the beginning of 2014, three (2023: 5) remain on separate operating systems, primarily because these businesses operate parts inventory systems that are not part of our standard business operational and financial systems in every country. In the coming year, we will focus on bringing the remaining acquisitions onto our standard processes and systems. This will further enhance productivity, simplify our reporting processes and improve the quality and consistency of the customer experience across our network.

Focus on information technology

IT performs a strategic role in the growth, productivity and resilience of our business, and our aim is to provide superior experiences for our customers, suppliers and colleagues. As a result, TIP continued to invest in its system landscape in 2024, including:

- A cloud-only application strategy that enables operational scalability and flexibility in line with business demand
- Market-leading off-the-shelf applications used in conjunction with bespoke applications that differentiate TIP from its competitors
- Continuation of our journey in 2024 to implement the Microsoft Dynamics 365 ERP solution, migrating additional Accounts Receivable (AR) processes and completing the implementation of our Parts & Inventory Management System (PIMS) in all relevant locations
- Continued development of tools for our external stakeholders, including: the FleetRadar™ customer portal for fleet observability and the WorkRadar supplier platform for electronic work order management
- Focus on ensuring business continuity through a continuous improvement methodology aligned to the NIST Cyber Security Framework¹
- Cross-functional collaboration in embedding technical innovations, through a holistic ‘people, process, technology’ approach

Our aim is to deliver high-quality, easy to use IT solutions that enable our business to:

- Improve the speed and quality of customer service
- Drive productivity and efficiency for our employees
- Leverage business intelligence (Microsoft Power BI) internally and within our customer platform
- Efficiently and effectively integrate acquisitions to our ONE TIP standard processes and systems
- Drive new product implementations and continuous developments of our applications
- Take advantage of rapidly evolving technologies such as artificial intelligence and the Internet of Things
- Maintain business resilience and security in the face of cyber threats

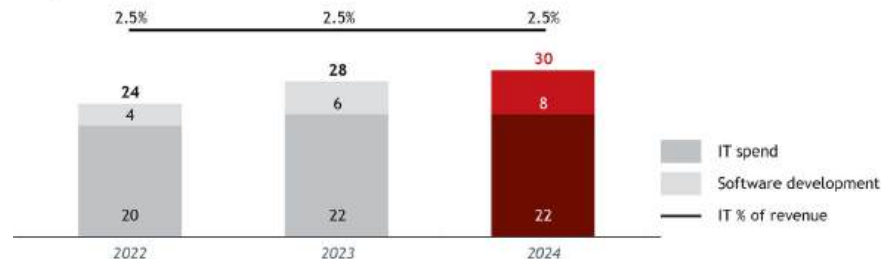
¹ NIST Cyber Security Framework is a set of cybersecurity best practices and recommendations from the National Institute of Standards and Technology (NIST)

IT investments

As our business has grown since 2014, we have reduced our operating expenses as a percentage of revenue from 19% to 10%. During this period, our revenue almost quadrupled, with our M&R revenue quadrupling, the number of workshops rising from 41 to 128 and the number of branches increasing from 53 to 87.

To support this growth and drive productivity, we continue to invest in IT and software development, demonstrated by 2.5% IT spend and investments in software development as a percentage of revenue.

IT spend (€m)



IT governance

Our governance infrastructure is robust, with a Technology Investment Committee in place for IT-related projects, including project plans approved by the EMT and, where material, by the Investment Committee and the Board. A member of the EMT leads these projects, with regular progress reviews undertaken. We aim to minimise business disruption, cost and time.

Focus on insurance

We have a low appetite for insurable risks. However, we selectively accept certain insurable risks which can be insured against that we consider to be highly unlikely and/or where the cost-benefit analysis does not justify the premiums required for low-probability risks. Our aim is to identify and develop an insurance risk profile that will enable these risks to be monitored and managed on an ongoing basis. Insurance may be arranged either centrally or locally to minimise costs and ensure that all entities are protected against the most significant risks. Leading insurance companies underwrite our insurance policies.

We take out mandatory insurance for our fleet where it is required by law and for employee company cars. In addition, we take out a number of optional insurance policies to mitigate risks, including but not limited to general and product liability, property damage and business interruption.



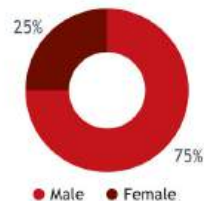
Leadership and governance

Board of Directors

The Board of Directors of Global TIP Holdings Two B.V. is responsible for developing our strategy and setting corporate values, together with senior leadership, to create long-term value for our shareholder.

The Board decides what risks TIP is prepared to take in pursuit of its strategic objectives. The Board's responsibilities include constructively challenging senior leadership on operational aspects of the business, including approving budgets and reviewing the adequacy of risk management and internal controls. The Board is also responsible for providing accurate, timely and understandable information about the Group to our shareholder, lenders and other stakeholders.

Gender diversity of members



Years of experience at TIP



Please refer to 'Gender diversity' in our sustainability statement (page 60)



Bob Fast - American
President and Chief Executive Officer

Bob was appointed CEO of TIP in 2003. In 2009, he took on the additional position of President and CEO of GE Equipment Services. Bob led the carve-out and sale of TIP from GE in 2013 and the sale to I Squared Capital in 2018, as well as the integration into the I Squared Capital structures and processes.

Bob joined GE in 1982 and has held leadership positions in a variety of GE divisions, including Finance, Sales, Business Development, Marketing, Leasing and General Management. Bob was reappointed President and CEO of TIP in 2013 and appointed to the Board in 2014. He is based in the Netherlands.

Main responsibilities: Strategy and business execution



Arjen Kraaij - Dutch
Deputy Chief Executive Officer

Arjen was appointed Deputy CEO of TIP in January 2021. He joined TIP in 1997 and has since held a number of leadership roles for the company, ranging from general management to commercial. In recent years, Arjen has led the successful acquisition strategy as well as the sourcing and asset management functions globally. He was appointed to the Board in 2018 and is based in the Netherlands.

Main responsibilities: Daily business execution, commercial, sourcing, asset management, used equipment sales and M&A



Hans van Lierop - Dutch
Chief Financial Officer

Hans was appointed CFO of TIP in May 2020. Prior to this, he held financial leadership roles at Diageo, Airtel and Massmart Walmart. In these roles, he was heavily involved in Supply Chain Management and large capex programmes, fuelling business growth and transformation. Hans brings broad international expertise from different industries, with over 25 years' experience in finance, including 14 years as a CFO. Hans was appointed to the Board in 2020 and is based in the Netherlands.

Main responsibilities: Financing, treasury, investor relations, credit risk, planning, financial reporting, accounting and tax



Hiske Damhuis - Dutch
Chief Human Resources Officer

Hiske was appointed HR Director of TIP in 2006 and HR Director of GE Equipment Services in 2009. In addition to this role, she was a member of the Board of the GE Pension fund in the Netherlands and HR Council leader for GE's businesses in the Benelux from 2010 until 2013. Hiske was instrumental in leading all HR aspects of the TIP carve-out from GE, including employee communications, payroll and benefits and the HR information system. Before joining TIP, Hiske worked for more than 10 years in various HR roles in international business. She was appointed to the Board in 2018 and is based in the Netherlands.

Main responsibilities: People and employee communication

Senior leadership

Extensive industry and international experience

The Executive Management Team (EMT) is responsible for the day-to-day management of our business, the implementation of our strategy and policies and the achievement of our objectives and results. Together with the Boards, the EMT determines the company's values and ensures compliance with all applicable regulations. The EMT and the Boards are responsible for the integrity of our financial reporting and control environment.

The Senior Leadership Team (SLT) consists of the Board of Directors, EMT and our regional and product vice presidents. The SLT provides strategic advice and input on commercial and operational matters, business processes, controls and overall strategy.

Forming together with the Board of Directors, the EMT:



Paul Beadle - British

Chief Operating Officer

Main responsibilities: Operations, IT, business intelligence, EHS, ESG, integration of TIP-acquired businesses and non-fleet sourcing



Gerard Berghuis - Dutch

Chief Legal Officer and Company Secretary

Main responsibilities: Legal affairs, compliance and insurance

Forming together with the EMT, the SLT:



Oliver Bange - German
Vice President Central Europe Region



Mark Crossland - British
Vice President Tankers UK



Maximilian Gellert - German
Chief Digital Officer



Michael Furnival - British
Vice President UK & Ireland Region



Rogier Laan - Dutch
Vice President Sales & Marketing



Frederic Notte - French
Vice President Mediterranean Region



Christian Petersen - Danish
Vice President Nordic Region



Peter Jan Troost - Dutch
Vice President Benelux Region



Andy Wyatt - British
Chief Information Officer



Corporate governance structures

Our approach to corporate governance provides our stakeholders with a secure and agile corporate structure, designed to deliver shareholder returns and ensure effective controls are in place to protect our stakeholders.

Our shareholder, our Supervisory Board, Board of Directors and our EMT have approved our corporate governance principles. These principles guide our practices and policies in the countries where TIP operates and ensure that we remain responsive to our shareholder and other stakeholders and communities.

Our shareholder

Cube Transportation

Cube Transportation was established in 2018 for the purpose of acquiring TIP and its related subsidiaries.

In addition to providing Board and management support to TIP through the Board committees, Cube Transportation supports TIP's operating entities including Marketing, Procurement, Financing, Treasury, Investor Relations, Finance, HR and Asset Management.

Our ultimate beneficial shareholder is ISQ Holdings, LLC, a limited liability company. Our senior leaders regularly participate in its portfolio conferences and best-practice-sharing events.

Shareholder boards

The Supervisory Board

The Supervisory Board oversees the shareholder's Board of Directors and the general management of the company. It advises the Board of Directors and coordinates strategic matters between ISQ Holdings, LLC and TIP. The Supervisory Directors are guided by the interests of the company in the performance of their duties. Members of the Supervisory Board are appointed for an indefinite period.

The **members** of the Supervisory Board are:

Mohamed Adel El-Gazzar	appointed 2018
Enrico Del Prete	appointed 2018
Maxime Jacqz	appointed 2018
Thomas (Tom) J. Donohue, Jr.	appointed 2018
David Binks	appointed 2019
Steven Webber	appointed 2019
Detlef Borghardt	appointed 2019
Simon Glass	appointed 2020

The main **responsibilities** of the Supervisory Board are:

- Coordinating between ISQ Holdings, LLC and TIP
- Supervising the Boards of Directors
- Advising the Boards of Directors
- Overseeing strategic matters

The Supervisory Board members interact regularly with the Board of Directors, EMT and SLT on an individual and group basis. They also meet and participate in conference calls with broad groups of employees, on an individual and group basis.

The Board of Directors

Our Board of Directors has ultimate responsibility and accountability for the management of the business. Members of the Board of Directors are appointed for an indefinite period.

The *members* of the Board of Directors are:

- Bob Fast
- Arjen Kraaij
- Hans van Lierop
- Hiske Damhuis

The main *responsibilities* of the Board of Directors are:

- Achieving the business objectives
- Executing TIP's corporate strategy
- Assessing business growth opportunities and risks
- Managing the structure and operation of internal risk management and control systems
- Overseeing the financial reporting process
- Ensuring compliance with legislation and regulations
- Promoting corporate social responsibility
- Supervising operations and the EMT

Individual members of the Board of Directors regularly interact with the EMT and SLT on an individual and group basis. They also meet and participate in conference calls with broad groups of employees, on an individual and group basis.

The Supervisory Board and the Board of Directors met three times in 2024.

Cube Transportation Board Committees

To improve effectiveness and efficiency, three joint Supervisory and the Board of Directors committees were established in early 2019. The appointment of these committees and the charters governing their roles and responsibilities were approved by the members (shareholders) at the time of their establishment. These committees cover investment, remuneration, audit and compliance. They review and advise the Boards in their assigned areas of responsibility

and approve matters as required by their charters. The Boards retain full responsibility for the decisions taken. Board members are entitled to attend committee meetings and receive minutes of all meetings and supporting documentation on request. The Company Secretary acts as secretary to all Board committees.



Board committee

Remuneration Committee

The *members* of the Remuneration Committee are:

Enrico Del Prete	appointed 7 February 2019
Maxime Jacqz	appointed 7 February 2019
Bob Fast	appointed 7 February 2019
Hiske Damhuis	appointed 7 February 2019

Investment Committee

The *members* of the Investment Committee are:

Enrico Del Prete	appointed 7 February 2019
Maxime Jacqz	appointed 7 February 2019
Bob Fast	appointed 7 February 2019
Arjen Kraaij	appointed 7 February 2019
Steven Webber	appointed 7 February 2019

Audit Committee

The *members* of the Audit Committee are:

Enrico Del Prete	appointed 7 February 2019
Maxime Jacqz	appointed 7 February 2019
Bob Fast	appointed 7 February 2019
Hans van Lierop	appointed 22 July 2020

The individual directors of the Group regularly interact with the SLT on an individual and group basis. They also meet and participate in conference calls with broad groups of employees, on an individual and group basis.

Where appropriate, binding corporate resolutions are implemented to harmonise the policies of our subsidiaries and maximise efficiency.

Conflicts of interest

Decisions to enter into transactions that could give rise to a conflict of interest for members of the Board of Directors or the Supervisory Board of Cube Transportation, which are of material significance to the company and/or the relevant members of the Boards, require the approval of the Supervisory Board. The Supervisory Board is responsible for deciding how to resolve conflicts of interest between members of the Board of Directors, the SLT, our shareholder and the external auditor.

No conflicts of interest were identified during 2024.

Directors' responsibility statement

The Board of Directors is responsible for maintaining proper accounting records, safeguarding assets and preventing and detecting fraud and other irregularities. The Board of Directors is also responsible for the quality and completeness of publicly disclosed financial reports.

The Directors believe that they have complied with these requirements by providing adequate resources to maintain proper books and accounting records throughout the Group, including the appointment of personnel with appropriate qualifications, experience and expertise.

The most important elements of our control systems to ensure reliable consolidated financial statements are:

- A consistent, standardised set of accounting and reporting principles applied throughout the Group, based on our application of International Financial Reporting Standards (IFRS)
- Monthly reporting and financial results that analyse and explain developments and link them to our risk information
- Compliance with accounting and reporting standards as monitored by our Financial Controllershship, Tax and Treasury and Investor Relations teams, in addition to being reviewed by our external auditors.

On 12 March 2025, members of the Audit Committee conducted a meeting with EY Accountants BV (EY), the independent external auditors, and discussed the consolidated financial statements for 2024 and the independent auditor's assurance report that EY had issued on those financial statements. Following this discussion, the Board of Directors authorised the consolidated financial statements for the year 2024 for issuance.

Each member of the Board of Directors hereby confirms that to the best of their knowledge:

- Our financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of TIP Group
- Additional disclosures have been provided where compliance with the specific requirements of IFRS is not sufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and performance
- Our annual report, taken as a whole, gives a fair, balanced and understandable view of the position at the balance sheet date; the development and performance of our business during the financial year, together with a description of the principal risks and uncertainties that TIP Group faces; and provides appropriate information for stakeholders to assess the Group's performance, business model and strategy.

Amsterdam, 12 March 2025

Robert Alain Fast
Gerard Arjen Reinder Kraaij
Johannes Jacobus Maria van Lierop
Hiske Damhuis

Viability statement

The Board of Directors has made an assessment of our prospects and ability to meet our liabilities as they fall due over the medium term. This assessment has taken into account our current position and the principal risks we face, which are set out in the 'Managing our risk' section. This longer-term assessment process supports the statements on both viability, as set out below, and going concern, which is included in the 'Financial statements' section of this report.

While the Board of Directors has no reason to believe that we will not be viable in the longer term, the period over which it believes it is possible to form a reasonable expectation of our longer-term viability is the five-year period to December 2029. This is consistent with the duration of the business plan, which is prepared annually and reviewed by the Board, and the long-term contractual and commercial nature of the business. In addition, we have committed and diversified (in terms of type, duration and jurisdiction) borrowing facilities that are long term in nature and provide flexible financing for our business needs. We believe this provides a reasonable level of confidence in our longer-term outlook.

We prepare an annual budget alongside our five-year business plan. This plan takes into account both our cash flow and covenant projections. It is used to review funding arrangements and available liquidity based on expected market conditions, capex plans, used fleet sales and other factors that may affect liquidity. It also takes into account our ability to raise finance and deploy capital.

The nature of our business is such that our cash flow is counter-cyclical. In periods of improving and stable markets, we invest in our leasing and rental fleet, both to replace existing fleet and to increase the overall size of the leasing and rental portfolio. This results in improved margins and profits, but also in negative cash flow from operations during periods of rapid growth. In weak or declining markets, however, we invest less in our leasing and rental fleet and, as a result, generate significant cash flow from operations. Demand for our maintenance and repair services also tends to be counter-cyclical as equipment ages across the market, helping to generate revenue and cash in a downturn. Recognising the overall cyclicity of the business, we undertake scenario planning based on the timing, severity and duration of a downturn and subsequent recovery. These scenario plans consider the impact of economic and market cycles on revenue, margins, cash flow and overall borrowing levels.

Based on these analyses and considerations, and the Board of Director's regular monitoring and review of the risk management and internal control systems, we do not believe that there are any reasonably foreseeable events that would result in our inability to meet our liabilities as they fall due that could not be mitigated through our ability to adjust our business plans.

For the reasons set out above, the Board of Directors has a reasonable expectation that we will be able to continue in operation and meet our liabilities as they fall due over the period to December 2029.

SUSTAINABILITY STATEMENT

General	50	Social	59
Basis for preparation	50	Own workforce (S1)	59
Sustainability governance	51	Driving social impact	61
Sustainability strategy	52	Governance	63
Double materiality assessment	54	Business conduct (G1)	63
Environment	55		
Climate change (E1)	55		
Circular economy (E5)	58		
EU Taxonomy	58		



General



Basis for preparation

Frameworks and data selection

This sustainability overview is based on the EU's Corporate Sustainability Reporting Directive (CSRD), as well as the accompanying European Sustainability Reporting Standards (ESRS) and EU Taxonomy for Sustainable Activities. TIP Group will comply with CSRD/ESRS when they become officially applicable.

In preparing this overview, we also took into account other frameworks and requirements, including our reporting commitments under the UN Global Compact.

Consolidation

Unless otherwise stated, this sustainability overview has been prepared on a consolidated basis. The scope of consolidation is the same as for the financial statements. For a full account of entities included in TIP Group's consolidated financial statements, please refer to page 120.

Key accounting estimates and judgements

The contents of this report are based on internal reporting, data collected from business partners and the outcomes of TIP's Group initial double materiality assessment (DMA). Please refer to page 54 for details of our DMA.

All environmental, social and governance (ESG) performance data was prepared by individual business teams within TIP Group and collated by the company's ESG/environment, health and safety (EHS) department.

Where third-party sources are used, this is mentioned in the text.



Sustainability governance

Sustainability governance and decision-making

GOV-1 Sustainability governance

ESG is built into TIP Group's overall corporate governance framework. This ensures that the company meets regulatory requirements and considers social and environmental factors when making business decisions.

Over the past three years, we have established a dedicated ESG function within TIP Group to execute our ESG strategy. This strategy is based on a comprehensive materiality assessment carried out together with stakeholders from across the organisation as well as relevant external stakeholders. An ESG Committee has also been established to support and oversee the implementation of the strategy. The ESG Committee includes members of the TIP Executive Management Team (EMT) and is chaired by our Chief Executive Officer (CEO).

The ESG Committee's responsibilities include:

- Monitoring TIP Group's ESG strategy development
- Examining ESG impacts on stakeholders and society
- Management and oversight of ESG-related risks (including climate risk)
- Compliance with ESG-related laws and regulations

All Committee recommendations must be approved by TIP Group's Board of Directors.

As well as being a founding and leading member of the European Transport Board (ETB), we support the UN Sustainable Development Goals (SDGs) and have been a signatory to the UN Global Compact since November 2017.

GOV-5 Internal ESG policies and controls

In addition to our ESG Committee, we have a series of group policies, commitments and controls in place to maintain ethical standards, protect stakeholders and manage material ESG risks and opportunities. These include, for example, our Respectful Workplace Conduct Policy, Environmental Policy, Health & Safety Policy and Supplier Code of Conduct.

Over the past two years, we have been updating our ESG policies and controls to ensure compliance with new regulations, as well as to further strengthen our ESG management and reporting.

ESG risk management

Our ESG Committee is responsible for ensuring ESG risks are identified, assessed and managed. As this committee includes members of our EMT, this approach effectively embeds ESG risk management into TIP Group's formal governance structures. Our approach covers all relevant ESG risks. Please refer to page 17 for information on ESG-related risk and its mitigation at TIP Group.

Sustainability strategy

Our sustainability strategy: For Generations to Come

SBM-1 For Generations to Come

We launched our current sustainability strategy in 2021 under the name *For Generations to Come - Paving the Road to Sustainability*. Rooted in our company values, this strategy is based on our conviction that there is an unwritten contract between the different generations, and that we have a responsibility to take care of the world's resources for the sake of future generations.

As part of our strategy, we have set out two longer-term ambitions for 2050 to help us address key risks, opportunities and challenges confronting our industry:

- To become carbon neutral
- To ensure continued compliance with all applicable ESG regulations and reporting requirements

SBM-1 Our flagship programmes

Our strategy is built on seven flagship programmes. While these require upfront investment, we believe they will bring longer-term advantages for our business, including more efficient resource management, lower costs, additional revenue from new products and services and access to more competitive sources of funding. At the same time, these flagship programmes will support our customers by helping them reduce emissions, increase fuel efficiency and meet their own sustainability and climate goals.

Flagship programmes: For Generations to Come

1	Management	Establish an effective ESG function within TIP Group, strengthening internal governance of ESG risks
2	Sustainable Products	Provide customers with more sustainable products, moving to smart, connected, electric and other low-emission vehicles
3	Carbon Footprint	Modernise workshops, branches and offices to become more energy efficient, emitting less carbon and using more renewable sources of energy
4	Circular Economy	Reuse and refurbish equipment, introducing more efficient waste management and reducing waste going to landfill or incineration
5	Corporate Social Responsibility	Improve gender equality, give back to local communities and promote continuous learning within our workforce
6	Reporting	Expand sustainability reporting to meet new regulations and demands from creditors, investors, customers and suppliers
7	Green Financing	Secure competitive funding, grants and subsidies to finance TIP Group's sustainable transition

SBM-1 Targets, progress and outlook

To support our strategy, we have put in place five For Generations to Come targets:

Target	2023 results	2024 results
To become carbon neutral across our own operations by 2030	We completed our first carbon footprint calculation in 2023, covering Scope 1, 2 and 3 emissions. We will now focus on reducing these emissions as much as possible.	We have significantly expanded our on-site renewable energy capacities to 800 GWh, generated by 17 photovoltaic systems. Additionally, we are refreshing our electricity supply contracts, preferably with energy from renewable sources.
To reduce the company's gender pay gap	As a result of the actions we have already taken, TIP's gender pay gap narrowed to 6% in 2023 (compared to 8% at the end of 2022).	Dedicated reviews of our employee compensation enabled us to further decrease our gender pay gap to 4.9% in 2024.
To refurbish 5,300 units by 2025	By the end of 2023, 3,590 units had been refurbished, putting us on track to meet our 2025 target.	By the end of 2024, we had refurbished a total of 5,760 units, achieving our 2025 target one year ahead of schedule.
To equip at least 35,000 trailers with TIP Insight telematics by the end of 2025	By the end of 2023, 26,000 units had been connected with TIP Insight. This means we were closer towards meeting our 2025 target.	A total of more than 39,000 units had been connected with TIP Insight by the end of 2024, surpassing our 2025 target one year in advance.
To install LED lighting at 99% of our workshops	During 2023, we continued to install LED lighting in our facilities, reaching 95% coverage by the end of the year.	Even with the further expansion of our European location network, we maintained LED lighting coverage of 95%.

Double materiality assessment

A double materiality sustainability risk assessment helps us to evaluate change in the environment from two angles. On the one hand, we have to understand how risks such as climate change have an impact on what we do. On the other hand, we need to be aware of how we are contributing to those respective risks through our own operations.

Our first DMA, completed in 2022, provided valuable early insights that we will enhance by conducting a new DMA in the course of 2025. We are aligning this process with the ESRS, reflecting our ongoing commitment to responsible reporting.

Please refer to our [Sustainability Report 2022](#) (available on our website) for our initial DMA outcome.



Environment

TIP Group recognises the urgent need to address climate change. We are committed to reducing carbon emissions across our value chain and aligning our business with the Paris Agreement. Over recent years, we have introduced measures to improve energy efficiency at our sites, reduce emissions and expand our fleet of zero- or low-emission trucks and trailers. We are currently developing a detailed Climate Transition Plan to achieve carbon neutrality by 2050 across the value chain.

Climate change (E1)

Sustainable Products

The Sustainable Products programme aims to facilitate sustainable product offerings and low-carbon alternatives for our customers.

Many of our customers are looking to reduce their carbon footprint. To support them, we are expanding our fleet of low- and zero-emission vehicles and rolling out TIP Insight - our telematics system that helps customers reduce fuel consumption and operate more efficiently. We believe this will generate additional revenue and contribute to the wider goal of decarbonising road transport. As well as reducing carbon emissions, these low- and zero-emission vehicles also help to improve air quality, prevent pollution-related illnesses and deaths and ensure that TIP Group complies with local low-emission zone (LEZ) regulations. By implementing these measures, we aim to become the sustainability partner of choice for our customers and suppliers.

TIP's more sustainable product offerings include:

Sustainable products	Description
eTrucks	We started offering eTrucks in 2022, and this has since become an important part of our sustainability strategy. All our eTrucks are 100% electric. At the end of 2024, we had more than 25 eTrucks with our customers.
eReefers	Our eReefer fleet is key to our ESG strategy. We currently operate around 14,000 refrigerated trailers ('reefers'), which play a vital role in transporting perishable goods, such as fruit, vegetables, meat and other foodstuffs. Standard reefers use diesel engines, but replacing them with battery-powered electric motors reduces carbon emissions during operation by 58-100%. We estimate that this could lower carbon emissions from trailers by more than 67%. ¹ The technologies used to power the eReefers include solar energy, kinetic energy (axle power) and battery-only charging. Actual emission reductions will depend on the specific technology chosen by our customers. At the end of 2024, we had 89 eReefers with our customers.
eLCVs	In 2021, TIP began offering electric light commercial vehicles (eLCVs) to customers for last-mile delivery in urban environments. eLCVs are a new asset class for TIP, meaning that 100% of our LCV fleet is electric. At the end of 2024, TIP had 190 eLCV units.
TIP Insight	TIP's flagship digital offering increases fleet operational efficiency and improves sustainability through four tools: • FleetBeat: A robust trailer-mounted telematics hardware device that provides real-time location data, enabling route optimisation • BrakePlus: A brake monitoring system that reduces unplanned breakdowns • DoorPlus: A door sensor and locking system that helps maintain the temperature of reefers and promotes security • TyrePlus: A tyre-pressure monitoring system. TIP estimates that under-inflating tyres by 20% can increase fuel consumption by 3%.
Alternative fuel	In addition to battery electric vehicles, we are also investigating alternative fuels such as natural gas and hydrogen. At the end of 2024, we had 51 tractors which run on alternative fuel, reducing carbon emissions by around 95% compared to a conventional diesel engine.
e-maintenance	To support our work in the area of maintenance, we are investing in e-maintenance services in our workshops and plan to install more vehicle charging stations at our sites, as well as secure parking for drivers. Ultimately, we expect the logistics sector to scale up its use of electric and alternative fuel vehicles in the coming years, with demand for e-maintenance growing accordingly.

¹ This represents a reduction from an estimated 6.48 tonnes of CO₂e per engine per year to 2.11 tonnes. The calculation is based on the assumption of 800 hours of reefer engine operation per year. The assumed fuel consumption for diesel reefers is 3 litres per hour, while the assumed energy consumption for eReefers is 7.9 kWh per hour (applying the average carbon intensity of the European electricity grid, 0.334 g CO₂/kWh).

Carbon Footprint

The Carbon Footprint programme aims to make TIP a carbon-neutral organisation.

We are working to make our operations (offices, workshops and branches) carbon neutral and to align our business with the objectives of the Paris Agreement. We are doing this by modernising our facilities, making them more energy efficient and switching to renewable energy sources. We are also evaluating energy-efficiency measures that we can implement in a structured way while working with energy providers and consultants to achieve carbon neutrality. Our ambition is to be carbon neutral in our own operations by 2030 and achieve carbon neutrality across the value chain by 2050.

Recognising that approximately 98% of our total emissions occur within our broader value chain, we are focusing on reducing Scope 3 emissions from the most impactful categories:

- downstream leased assets (units our customers lease and rent from us)
- sold products (units sold as part of our fleet sales offering)
- capital goods (the purchase of fleet)
- purchased goods and services

By engaging closely with our suppliers, customers and other partners, we aim to reduce these value-chain emissions and drive significant progress towards our long-term climate goals. We already have a number of initiatives in place across TIP Group to reduce our emissions.

Reducing emissions in our operations (Scopes 1 and 2):

- Energy-efficiency improvements:
 - LED lighting: Now installed in 95% of our workshops, with the goal of achieving 99% by 2025
 - Photovoltaic (PV) systems: In operation at 17 sites and in construction or development at 10 sites
 - Screening all locations with significant energy consumption for feasibility of supply of district heat or installation of heat pump: Projects ongoing at eight sites.
 - Site-specific improvements: Insulation, building control etc

- Renewable and zero-emission equipment: Converting our company cars and site yard equipment (such as terminal trucks and forklifts) to electric alternatives, reducing both energy consumption and direct emissions. Charging points are being installed at locations, prioritised by demand and feasibility
- Renewable energy procurement: Reviewing electricity supply contracts and switching to renewable sources where possible.

Reducing emissions in our value chain (Scope 3):

- Longer asset lifespans: Refurbishing older assets to extend their service life, thereby minimising the need for new capital goods and reducing related emissions
- Low-/zero-emission leasing options: Introducing eReefers, eTrucks, and vehicles fitted with low-resistance tyres across our leased fleet, to help our customers lower their downstream emissions. In addition, these cleaner assets will generate fewer emissions once sold on, reducing 'use of sold products' emissions
- Telematics (TIP Insight): Helping customers monitor their fleet performance, reduce fuel consumption, minimise downtime and operate more efficiently
- Travel reduction: Limiting business travel to when it is absolutely necessary, helping to cut unnecessary travel-related emissions throughout our operations and supply chain
- Collaborative efforts with partners: Pilot programmes like the DLG eReefer solar (Sunswap) project in the Benelux region and the Distrifresh initiative aiming for 100% electric customer deliveries, aiming to further drive down emissions together with our customers and suppliers.

Details of our carbon footprint

As defined by the Greenhouse Gas Protocol (GHG Protocol), there are three types of carbon footprint emissions: Scope 1, Scope 2 and Scope 3. The GHG Protocol was jointly established by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) in 1998.

Definitions

- Scope 1 refers to direct emissions from sources owned or controlled by the company. This may include on-site energy consumption or emissions from fleet vehicles, company vehicles or other operations.
- Scope 2 includes indirect emissions from the generation of electricity, heating or cooling that is purchased and consumed by the company. Scope 2 emissions physically occur at the facility where the energy is generated.
- Scope 3 includes emissions from the wider value chain, i.e., emissions resulting from the reporting company's business with suppliers ('upstream') or customers and other partners ('downstream').

Only a relatively small percentage of total emissions across our value chain comes from our own operations (approximately 1.6%). The rest comes from upstream or downstream activities, essentially the manufacturing of trailers, trucks and other parts and components (upstream) and the use of these by customers as part of TIP Group rental/lease agreements (downstream).

TIP Group breakdown of emissions by scope (%):

In sum tCO ₂	Emission market based	%	Emission location based	%
Scope 1	12,039	1.2 %	12,039	1.2 %
Scope 2	4,676	0.5 %	5,991	0.6 %
Scope 3	1,023,396	98.3 %	1,006,586	98.2 %

Details of gross Scope 3 GHG emissions as follows:

GHG category	Emissions: market-based, sum, tCO ₂ e
3.1 purchased goods and services	82,121
3.11 use of sold products	375,360
3.12 end-of-life treatment of sold products	10,882
3.13 downstream leased assets	243,996
3.2 capital goods	275,151
3.3 fuel- and energy-related activities	4,345
3.4 upstream transportation and distribution	3,651
3.5 waste generated in operations	7,258
3.6 business travel	591
3.7 employee commuting	3,249

Calculated in partnership with



Circular economy (E5)

The Circular Economy programme aims to implement an effective and efficient waste management and refurbishment programme at TIP.

We are working to improve our waste management processes based on the principle of 'reduce, recycle and reuse'. As part of our ESG strategy, we have set targets to reduce the amount of waste we send to landfill or incineration and implemented new waste management practices across our business. Initially, we are focusing on our maintenance and repair (M&R) activities, which generate the most waste. We have also centralised most of our waste management activities, with the aim of offsetting some of our waste disposal costs through economies of scale, improving our data collection and reducing the risk of breaching environmental or pollution laws.

In 2024, we stepped up our refurbishment programme for trailers and equipment, which we estimate will enable us to extend the life of an average trailer by around four years. During the year, we refurbished 2,170 trailers, bringing the total over the past three years to 5,760. Where refurbishment is not possible, we try to sell used trailers or to reuse components such as tyres.

By the end of 2025, we aim to reduce residual waste (the amount of waste left over after recycling and reuse) by at least 20% compared to 2022. In 2024, we generated 115,683.7 tonnes of waste, of which 53.59% was recycled.

EU Taxonomy

Alignment with the EU taxonomy for sustainable activities (the EU Taxonomy).

We are currently aligning more of our business with the EU taxonomy for sustainable activities. During 2025, TIP Group will undertake a major project to assess the eligibility and alignment of our business activities with the EU Taxonomy. While the full assessment will be reported upon completion, we currently expect our greatest alignment to fall within the following categories:

- Freight transport services by road: Through our growing fleet of zero- and low-emission assets, we anticipate significant alignment in reducing GHG emissions and advancing sustainable freight operations.
- Sale of second-hand goods: In our business of selling used assets, we directly support circular economy principles by extending the useful life of trailers and other equipment.
- Repair, refurbishment and remanufacturing: Our asset refurbishment programme also promotes a more resource-efficient approach by prolonging equipment lifespans and reducing waste.

We remain committed to conducting our operations in a transparent, sustainable and responsible manner. Updates on our EU Taxonomy alignment progress and findings will be shared in future reports, as we continue to refine our practices and strengthen our position as a responsible industry leader.

TIP Group will track alignment with the EU Taxonomy through the following metrics:

- Percentage of total revenue from taxonomy-aligned activities
- Percentage of total capital expenditure (capex) allocated to taxonomy-aligned activities
- Percentage of operating expenditure related to taxonomy-aligned assets and activities
- Plans for future investment in taxonomy-aligned activities

Social

Own workforce (S1)

Corporate Social Responsibility (CSR)

The CSR programme aims to achieve gender balance at TIP and contribute to the internal and external communities in which we are embedded.

We want our business to contribute to society at large. This means ensuring a safe and inclusive working environment for employees and supporting the most vulnerable people in our communities.

Our environment, health and safety strategy: Ambition Zero

Health and safety is a top priority at TIP Group. We have a detailed EHS policy in place as well as regular inspections, audits and detailed accident investigation procedures. Safety is also embedded in our formal risk management process. All TIP Group employees are required to undergo EHS training. In our workshops, we stress the importance of regular maintenance to protect mechanics and ensure that our equipment is safe to use. This commitment extends beyond our own employees: our EHS policy also applies to our suppliers, customers and other business partners through our newly adopted Supplier Code of Conduct.

Initiatives designed to promote health and safety standards include our annual Global Health and Safety Week, designed to raise awareness of this vital issue. We also provide guidance on maintaining energy levels throughout the day, good posture to promote long-term physical health, work-life balance, conscious technology use and managing stress.

We have also expanded our secure parking facilities for truck drivers and are currently working to standardise our safety processes, documentation management and training to further improve our safety record.

Diversity, equity and inclusion (DEI)

TIP Group has established a comprehensive DEI commitment and framework that demonstrates our dedication to creating an inclusive workplace where all our employees can thrive. The framework encompasses wide-ranging initiatives including leadership commitment; zero-tolerance for discrimination; equal pay practices; equitable hiring and promotion processes; and accommodation of diverse religious practices. We actively support all DEI groups through training initiatives and policies. TIP Group recognises various DEI groups including:

- Race and ethnicity
- Gender and sex
- Sexual orientation
- Ability and disability
- Age
- Socio-economic status
- Other groups like immigrants/refugees
- Intersectionality

Our approach combines clear policies, measurable goals and continuous improvement through employee feedback to ensure that every individual feels valued, respected and empowered to contribute their unique perspectives and talents while being their authentic selves.

Gender diversity

TIP supports the transition to a more prosperous, sustainable and resilient transport sector. Our vision is to be our customers' trusted partner, delivering connected solutions and driving more sustainable supply chains. This means considering the ESG impacts of every decision we make.

As part of this responsibility, we are committed to developing a diverse leadership team. Our Board of Directors is currently 25% female and 75% male. While our target for 2025 remains unchanged at 25% female and 75% male, we aim on a best-effort basis to improve progress towards the target. We have an ongoing relationship with the Professional Women's Network of the Netherlands (PWNN), giving our employees access to PWNN's mentoring workshops and webinars. TIP Group is committed to equal opportunities for all, regardless of gender. When senior management positions become available, gender diversity is an important consideration. We encourage all hiring managers to have at least 50% females on the short-listed candidate list for all leadership positions. In all cases, we are committed to hiring the best person for the job without discrimination.

Workforce by gender (headcount, end-2024)

	Percentage of total
Male	83 %
Female	17 %
Other genders	—
Not reported	—

Gender pay gap

We are working to reduce our gender pay gap by encouraging greater gender diversity within our workforce and promoting more women to management positions. At the end of 2024, our gender pay gap stood at 4.9%, down from 6.8% the previous year and below our maximum target of 11%.²

² Gender pay gap is included as one of the three key performance indicators (KPIs) under TIP Group's sustainability-linked loan.



Driving social impact

1. TIP Mechanic Academy

Launched in 2023, the TIP Mechanic Academy (TMA) is the first of its kind in the transportation industry, with trainees becoming TIP-qualified trailer mechanics in nine months. Most mechanic training and education programmes are dedicated to car and truck maintenance, offering limited opportunities to learn trailer repair and maintenance. As most of TIP's mechanics are trailer mechanics, we decided to develop our own training programme in conjunction with a respected education partner. This major training and certification institute for the mobility sector also independently certifies our trainees and thereby guarantees the quality of our services.

The TMA is designed to provide a combination of instructor-led, online and hands-on training to enable trainees to develop the skills and knowledge required to excel as a trailer mechanic. We expanded the programme in 2024 with the development of more specialised training content. During the year, 32 trainees - in the UK, France, Germany, the Netherlands and Denmark - graduated, with 33 new mechanics embarking on the course. By January 2025, the number of trainees had increased to 51. On completing the course, TMA graduates receive a certificate and are eligible for a full-time position as a trailer mechanic.

Thanks to the TMA, we are strengthening our mechanics' capabilities and addressing the shortage of skilled mechanics in our industry. Academy graduates are ideally placed to contribute successfully to workshop efficiency and increase the quality of our services to our clients.

2. Mechanic Team Competition

As part of our company culture, we celebrate the talents and expertise of all our employees. Our mechanics are the heroes who use their exceptional skills to keep our customers' fleets running, and they have the chance to display these skills in our annual TIP Group Mechanic Team Competition. The third edition of this popular event took place in 2024, with 105 pairs of mechanics from five regions competing.

The initiative aims to highlight the talents of our mechanics around the world, encourage teamwork and recognise their hard work, which forms the backbone of our service organisation. Preliminary rounds are held at country and regional levels, with the Group-wide finals taking place in the Spanish city of Valencia. In 2024, the winning team, demonstrating the best primary and advanced skills, came from the Benelux region.

3. Cycling for Charity

TIP on Tour

In May 2024, TIP's first ever Benelux charity bike ride took place in Mallorca. For this edition, 35 participants representing nearly 20 different organisations - including TIP Benelux customers and suppliers - took to the road for three days of cycling to support the Friends of Sophia Foundation. The TIP on Tour participants and sponsors raised more than €50,000, with all funds donated to the Sophia Children's Hospital in Rotterdam, which cares for thousands of babies and children with heart defects.

Fat-Bottomed Boys & Girls

The tenth edition of TIP UK's 'Fat-Bottomed Boys & Girls' charity ride took place in the Swiss city of Zurich. The route exceeded 330 km, with participants including TIP employees, customers, enthusiastic partners from the UK and Irish transport industries and new riders from France and the Benelux. The riders, once again pedaling in support of the Dougie Mac and Donna Louise Children's Hospice in Staffordshire, raised more than £91,000 in 2024.

4. Food Drive

To support the communities in which we operate, we restored a beloved tradition in 2024: TIP's Food Drive. This Stronger Together initiative is a cornerstone of our commitment to supporting local communities.

The Food Drive is a chance for us to come together as a team and make a real difference, by combatting hunger in our local communities and helping individuals and families facing insecurity. We encouraged our employees, customers and suppliers to donate non-perishable food and other essentials, which we distributed to local food banks just before the Christmas holidays.

5. Pink October & Blue March

Our colleagues in Lyon, France organised a team event for their local community in Blue March, the month dedicated to colorectal cancer prevention and screening for men and women. Later in 2024, the Mediterranean region organised several events throughout Pink October to raise funds for breast cancer research. Around 150 TIP colleagues took part, sometimes accompanied by their spouses or children, with over €5,000 donated to various research associations. These shared moments brought together our mechanics, support functions and sales and management teams around a common cause.

6. Great Place to Work

In October 2023, TIP was certified as a Great Place to Work in Austria, France, Germany, Italy, the Netherlands, Poland, Spain and the United Kingdom, making TIP an employer of choice in many of our geographies.

Great Place to Work is the global authority on the workplace culture, employee experience, and leadership behaviours required for market-leading revenue, employee retention and innovation. The certification is based on results of the Trust Index™ survey administered by the Great Place to Work Institute, which assesses employee satisfaction in key areas.

This certification is part of our journey to being an employer of choice in the communities where we operate, supporting our recruitment efforts and confirming that our team spirit is at the heart of our business. We will carry out a new Great Place to Work survey in 2025.



Governance



Business conduct (G1)

Business ethics

Our approach to business ethics is aimed at ensuring compliance with all relevant laws and regulations, as well as upholding high ethical standards within our business operations. This approach is based on three pillars:

- Our Code of Conduct, which applies to all employees and contractors working on TIP Group sites
- Internal group policies, controls and frameworks, complementing the Code of Conduct. These set out minimum standards in areas such as contract management, sustainable procurement and EHS.
- An Ombuds system, which allows employees to report (suspected) violations of company policies or controls.

Corporate culture

We encourage a shared ethical culture across our businesses. Our Board of Directors and EMT promote this culture through:

- Support for the company's core values (integrity, reliability, team spirit and passion for our customers and people)
- Application of our corporate governance principles, operating alongside our Code of Conduct

Bribery and corruption risk

Given our markets, we do not consider our business to be at high risk of bribery or corruption. We have identified three business areas, however, where such risk may be present:

- Sales of used vehicles (because most transactions take place at sales locations in exchange for immediate payment)

- Purchasing of goods and services (because of the possibility of kick-backs and personal incentives)
- Finance (because of the opportunities for misappropriation and/or embezzlement)

Compliance framework

Our employee compliance framework is a system of policies, procedures and controls grounded in strong corporate governance principles and supported by an Ombuds system, various internal policies and our Code of Conduct, all designed to foster an ethical culture and ensure compliance with laws and internal standards. Reports of misconduct, concerns or inquiries (submitted anonymously if permitted) are centrally managed through EthicsPoint and reviewed by designated investigators. Depending on the nature of the report, they may be handled by Compliance, Human Resources (HR) or the Ombuds, with serious cases escalated to the CEO and Board of Directors. Investigations are conducted confidentially, with emphasis on fairness, impartiality and timeliness. Findings are documented, outcomes communicated and remediation implemented as necessary. Throughout the process, we maintain a strong commitment to non-retaliation and continuously work to identify root causes and systemic issues, integrating improvements into our day-to-day operations.

SBM-1 TIP Group's contribution to the UN Sustainable Development Goals (SDGs)

Through our For Generations to Come strategy, we contribute to the UN's SDGs for 2030.

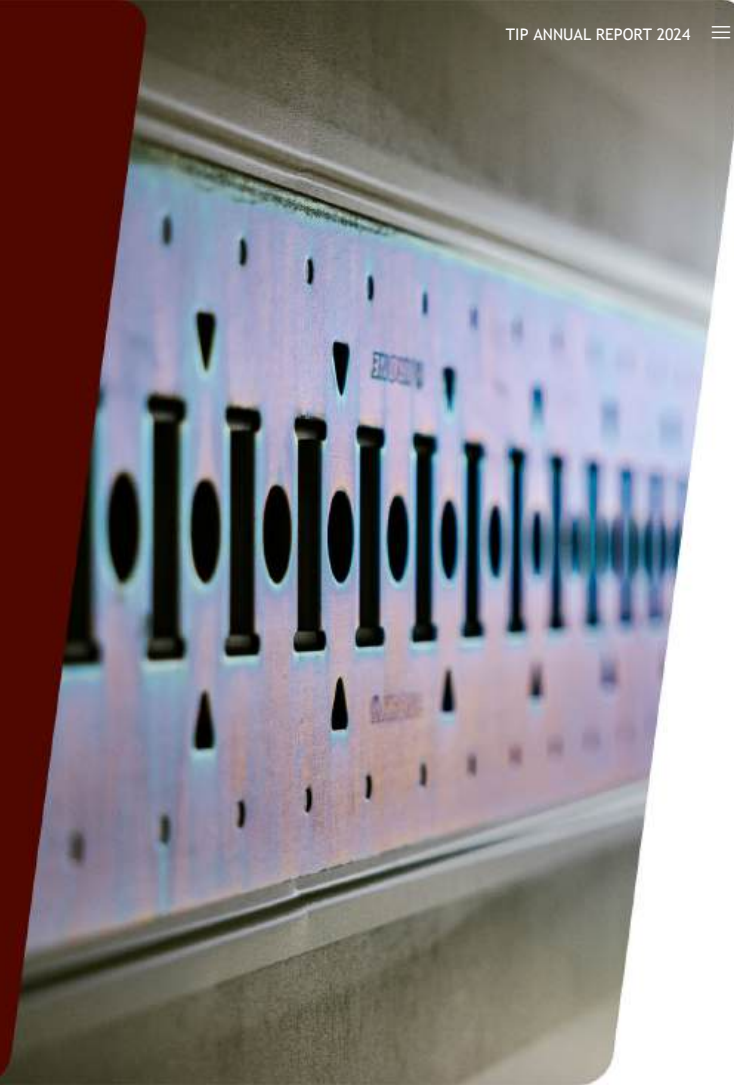
Goal		Underlying UN target	How we contribute	Impact
SDG 5: Gender equality		Target 5.5 - Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• Target to close gender pay gap • Signatory to UN Women's Empowerment Principles • Promoting greater gender diversity in workforce • Inclusion of anti-harassment and discrimination provisions in Respectful Workplace Conduct policy • Launched DEI initiative	
SDG 8: Decent work and economic growth		Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	• EHS policy, dedicated EHS function and staff training • Creation of safe, secure parking for truck drivers • Inclusion of basic labour rights and health and safety standards in supply chain management	
SDG 9: Industry, innovation and infrastructure		Target 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Expansion of low- and zero-emission fleet, including eTrucks and eReefers • Development of digital services via TIP Insight to support greater fuel efficiency	
SDG 12: Responsible consumption and production		Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• Programme to refurbish trailers to extend their commercial life • Target to reduce residual waste at TIP Group operations and encourage more circular approach to resource flows	
SDG 13: Climate action		Target 13.2 - Integrate climate change measures into national policies, strategies and planning	• Commitment to Paris Agreement climate objectives • Reduction in carbon emissions with a view to becoming carbon neutral • Installation of solar panels and LED lighting at workshops	

This table shows our five strategic SDGs, where TIP Group's impact is, potentially, the most material. For the remaining SDGs, we may have a positive impact through our business activities, but we do not believe this impact is material in terms of the SDGs or their underlying targets.

FINANCIAL STATEMENTS

Consolidated statement of profit or loss	66
Consolidated statement of comprehensive income	67
Consolidated statement of financial position	68
Consolidated statement of changes in equity	70
Consolidated statement of cash flows	71
Additional information on the consolidated statement of cash flows	72
General notes	73
Specific notes	93

Company financial statements	130
Statement of profit or loss	131
Statement of financial position	132
Statement of changes in equity	133
Notes to the company financial statements	134
Board of directors of Global TIP Holdings Two B.V.	139
Other information	140



Consolidated statement of profit or loss

for the period ended 31 December

€m	Note	2024	2023
Revenue	8	1,190.4	1,098.1
Cost of sales	9	(905.8)	(814.0)
Expected credit losses	9	(2.2)	(2.1)
Gross profit		282.4	282.0
Administrative and other operating expenses	10	(151.4)	(147.9)
Amortisation of intangible assets	10	(8.1)	(6.7)
Exceptional administrative items	17	(4.9)	(1.7)
Operating profit		118.0	125.7
Finance income	14	4.3	3.0
Finance cost	14	(113.3)	(88.6)
Profit before taxes from continuing operations		9.0	40.1
Taxation	16	(5.1)	(13.8)
Net profit from continuing operations		3.9	26.3
Profit after tax for the year from discontinued operations	15	95.3	25.1
Net profit		99.2	51.4
Underlying operating profit from continuing and discontinued operations¹		154.3	168.4

¹ Underlying operating profit excludes amortisation of intangible assets and exceptional items to provide a better indication of the Group's underlying business performance

Consolidated statement of comprehensive income

for the period ended 31 December

€m	Note	2024	2023
Net profit from continuing operations		3.9	26.3
Net profit from discontinued operations	15	95.3	25.1
Net profit		99.2	51.4
Foreign currency translation		5.6	0.8
Foreign currency translation reserve, net of tax		5.6	0.8
Cash flow hedge revaluation		(4.3)	(29.1)
Taxation	16.2	0.9	5.6
Cash flow hedge, net of tax		(3.4)	(23.5)
OCI to be reclassified to profit or loss in subsequent periods, net of tax		2.2	(22.7)
OCI for the period, net of tax		2.2	(22.7)
Comprehensive income for the period, net of tax		101.4	28.7

Consolidated statement of financial position

as at 31 December

€m	Note	2024	2023
Fleet	18	2,113.8	2,038.2
Property, plant and equipment	19	254.8	219.7
Intangible assets	20	95.7	80.4
Financial assets	21	91.0	54.6
Deferred tax assets	22	13.2	11.7
Non-current assets		2,568.5	2,404.6
Inventories	23	47.2	51.6
Trade and other receivables	24	204.7	207.8
Financial assets	21	0.7	0.6
Derivatives	27	3.0	9.7
Current tax assets		7.6	5.2
Cash and cash equivalents	25	8.1	17.7
Assets held for sale	15	—	435.7
Current assets		271.3	728.3
Total assets		2,839.8	3,132.9

€m	Note	2024	2023
Borrowings	26	101.8	73.3
Provisions	28	6.0	2.4
Trade and other payables	29	197.6	189.0
Current tax liabilities		5.0	17.8
Liabilities directly associated with the assets held for sale	15	—	89.9
Current liabilities		310.4	372.4
Borrowings	26	1,818.3	2,055.0
Derivatives	27	6.5	5.5
Trade and other payables	29	28.7	28.9
Deferred tax liabilities	22	28.0	29.0
Non-current liabilities		1,881.5	2,118.4
Total liabilities		2,191.9	2,490.8
Net assets		647.9	642.1
Share capital	31.1	—	—
Share premium		477.1	477.1
Retained earnings		179.4	175.8
Other reserves	31.3	(8.6)	(7.9)
Reserve of disposal group held for sale	31.4	—	(2.9)
Equity		647.9	642.1

Consolidated statement of changes in equity

for the period ended 31 December

€m	Note	Share capital	Share premium	Retained earnings	Other reserves	Reserve of disposal group held for sale	Equity
At 1 January 2023		—	477.1	148.7	11.9	—	637.7
Net profit		—	—	51.4	—	—	51.4
OCI for the period	31.3	—	—	—	(22.7)	—	(22.7)
Reserve of disposal group held for sale	15	—	—	—	2.9	(2.9)	—
Total comprehensive income		—	—	51.4	(19.8)	(2.9)	28.7
Dividends		—	—	(24.3)	—	—	(24.3)
At 31 December 2023		—	477.1	175.8	(7.9)	(2.9)	642.1
Net profit		—	—	99.2	—	—	99.2
OCI for the period	31.3	—	—	—	2.2	—	2.2
Reserve of disposal group held for sale	15	—	—	—	(2.9)	2.9	—
Total comprehensive income		—	—	99.2	(0.7)	2.9	101.4
Dividends	31.2	—	—	(95.6)	—	—	(95.6)
At 31 December 2024		—	477.1	179.4	(8.6)	—	647.9

Consolidated statement of cash flows

for the period ended 31 December

€m	Note	2024	2023
Operating activities			
Profit before tax from continuing operations		9.0	40.1
Profit before tax from discontinued operations		20.6	31.2
Adjustments to reconcile profit before tax to net cash flows	a	466.8	379.9
Working capital movements	b	(21.4)	(47.8)
Net fleet investments	c	(350.3)	(471.9)
Net interest and tax	d	(121.7)	(86.0)
Cash flow used in operating activities of discontinued operations		20.5	(35.7)
Net cash flows from/(used in) operating activities		23.5	(190.2)
Investing activities			
Business combinations (net of cash acquired)	7	(11.7)	(82.9)
Financial assets	21	(8.4)	(5.0)
Proceeds from PP&E disposal		0.4	0.1
PP&E purchases		(20.2)	(22.8)
Intangible assets purchases		(8.0)	(5.8)
Proceeds from disposal of discontinued operations	15	410.0	—
Cash flow from/(used in) investing activities of discontinued operations		—	(2.1)
Net cash flows from/(used in) investing activities		362.1	(118.5)
Net cash flows after investing activities		385.6	(308.7)
Financing activities			
Borrowing drawdowns		428.2	522.2
Payment of principal portion of lease liabilities		(37.2)	(37.8)
Borrowing repayments		(691.5)	(138.7)
Dividends paid	31.2	(95.6)	(24.3)
Cash flow from/(used in) financing activities of discontinued operations		—	(7.0)
Net cash flows from/(used in) financing activities		(396.1)	314.4
Net cash flows after investing and financing activities		(10.5)	5.7
Cash and cash equivalents at 1 January ¹		19.1	13.7
Net increase/(decrease) in cash and cash equivalents		(10.5)	5.7
Net foreign exchange difference		(0.5)	(0.3)
Cash and cash equivalents at 31 December	15 & 25	8.1	19.1

¹2024 opening balance includes the cash and cash equivalents from the discontinued operations (note 25)

Additional information on the consolidated statement of cash flows

for the period ended 31 December

a) Adjustments to reconcile profit before tax to net cash flows

a) Adjustments to reconcile profit before tax to net cash flows	Note	2024	2023
€m			
Gain on disposal of fleet		(18.3)	(31.3)
Gain on disposal of PP&E	10	(0.4)	(0.1)
(Gain)/loss on disposals		(18.7)	(31.4)
Depreciation of fleet	18	326.1	288.4
Depreciation of PP&E	19	30.8	26.4
Amortisation of intangible assets	20	8.1	6.7
Depreciation/amortisation		365.0	321.5
Finance income	14	(4.3)	(3.0)
Finance cost	14	113.3	88.6
Finance items		109.0	85.6
Other non-sale disposals related to fleet	18	6.2	4.0
Movement in provisions		3.6	0.7
Accrued income on derivatives		1.7	(0.5)
Other non-cash adjustments		11.5	4.2
Total		466.8	379.9

b) Working capital movement		2024	2023
€m			
(Increase)/decrease of inventories		(13.5)	0.8
(Increase)/decrease of trade receivables		(15.4)	(22.3)
Increase/(decrease) of trade payables		7.5	(26.3)
Total		(21.4)	(47.8)
c) Net fleet investments	Note	2024	2023
€m			
Proceeds from fleet sales		118.3	107.6
Fleet purchases		(451.4)	(567.0)
Fleet customisation expenditures paid	18	(17.2)	(12.5)
Net fleet investments		(350.3)	(471.9)
d) Net interest and tax	Note	2024	2023
€m			
Interest received	21	2.9	2.3
Interest paid		(108.1)	(94.1)
Interest rate swaps realised loss	14	14.1	20.7
Debt issuance fee		(5.6)	(7.0)
Income tax paid		(25.0)	(7.9)
Net interest and tax		(121.7)	(86.0)

General notes

1. Corporate information

The consolidated financial statements of Global TIP Holdings Two B.V. (hereafter referred to as “Company” or “Parent”) and its subsidiaries (hereafter collectively referred to as the “Group”) for the twelve months ended 31 December 2024, were authorised for issue in accordance with resolution of the Board of Directors of the Company dated 12 March 2025. Information on the Group shareholding structure is provided in note 32.

The Company is a “besloten vennootschap” (B.V.) incorporated in the Netherlands under Dutch law and domiciled in Amsterdam. Its registered office is located at “Alpha Tower”, De Entrée 33, 1101 BH, Amsterdam, the Netherlands.

The immediate parent of the Company at 31 December 2024 is Cube Transportation Europe Coöperatief U.A., a cooperative with excluded liability (coöperatie met uitgesloten aansprakelijkheid) under Dutch law. Its registered office is located at “Alpha Tower”, De Entrée 33, 1101 BH, Amsterdam, the Netherlands and its Dutch Trade Register number is 71576614. The ultimate parent of the Company is ISQ Holdings, LLC, which is a limited liability company incorporated in the Cayman Islands with registration number 2464 with its registered address at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. ISQ Holdings, LLC is the managing member of I Squared Capital, LLC, which on its turn is the general partner of ISQ Global Fund II GP, LLC. ISQ Global Fund II GP, LLC is the general partner who exercises the exclusive management and control decisions on behalf of ISQ Global Infrastructure Fund II L.P. ISQ Global Fund II GP, LLC is a limited liability company incorporated and registered in Delaware, USA (reg: 6370470). Its registered address is at Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, USA.

There is no natural person who ultimately is entitled to or controls (in each case whether directly or indirectly) more than a 25% share of the capital, profits, or voting rights of ISQ Global Fund II GP, LLC and the Company other than Mr. Sadek Wahba and Mr. Gautam Bhandari who indirectly control more than 25% of the Company via their indirect interest of more than 25% in ISQ Global Fund II GP, LLC. As of the date of this report, there are no investors holding

10% or more of the economic interests in the entire ISQ Global Infrastructure Funds II structure, of which ISQ Global Fund II GP is the general partner.

I Squared Capital Advisors (US) LLC (“ISQ”) is an independent global infrastructure investment manager who provides investment advice to Fund II, its investors, and portfolio companies.

The firm targets high-quality, resilient assets in the digital infrastructure, energy, utilities, transport, and social infrastructure sectors.

ISQ is an investment adviser registered with the U.S. Securities and Exchange Commission (with SEC# 801-78269) which is headquartered in Miami, employing over 215 professionals managing 40+ platform companies across 50+ countries from its local offices in London, Hong Kong, Singapore, New Delhi, Sydney, and Taipei. The firm has over \$36 billion of assets under management, including committed capital from some of the world’s largest pension funds, sovereign wealth funds, asset managers, banks, and insurance companies from North America, Europe, Middle East, Asia, and Australia.

The principal activity of the Group is to provide leasing/rental, maintenance and repair and other value added solutions to the transportation and logistics industry.

2. Basis of preparation

a) Going concern

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern in the foreseeable future.

b) Functional and presentation currency

Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which each company operates (the functional currency). The consolidated financial statements of the Group are presented in euros (€) which is the functional and presentation currency of the Parent.

All values in the financial statements are rounded to the nearest hundred thousand €, except where otherwise indicated.

c) Principal accounting convention

The consolidated financial statements have been prepared under the historic cost convention as modified by the measurement at fair value of assets and liabilities acquired through business combinations and derivatives.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 31 December 2024 and for the twelve-month period then ended.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Special purpose vehicle (SPV)

An SPV is a company created to accomplish a narrow and well-defined objective, such as the securitisation of leased assets. The financial statements of a special purpose company are included in the Group's consolidated financial statements where the substance of the relationship is that the Group continues to be exposed to risks and rewards from the securitised leased assets. The Group uses a legal entity, which was incorporated specifically for the Group's securitisation transactions and is effectively controlled by the Group. This company is therefore regarded as a subsidiary and included in the consolidated financial statements of the Group.

Specifically, the Group controls an SPV if, and only if, the Group has:

- Power over the SPV (i.e. existing rights that give it the current ability to direct the relevant activities of the SPV)
- Exposure, or rights, to variable returns from its involvement with the SPV
- The ability to use its power over the SPV to affect returns.

The Group refers to the borrowings in the SPV as asset backed securitisation debt (ABS).

e) Comparatives

The consolidated financial statements provide comparative information in respect of the previous period.

f) Statement of cash flows

The statement of cash flows has been drawn up in accordance with the indirect method, classifying cash flow as cash flows from operating, investing and financing activities. Changes in balance sheet items that have not resulted in cash flow have been eliminated for the purpose of preparing this statement.

g) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it fulfils one or more of the following conditions:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it fulfils one or more of the following conditions:

- Expected to be settled in a normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period even if the original term was for a period longer than twelve months
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

h) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS issued by the IASB and as adopted by European Union and Part 9 of Book II of the Netherlands Civil Code.

The financial data of the Company is included in these consolidated financial statements.

3. Material accounting policy information

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, except for those combinations under common control, which are accounted for by applying predecessor accounting ("pooling of interest").

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date including any contingent consideration payable or receivable. Acquisition-related costs are expensed as incurred and included in the expense category consistent with the nature of the expense.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any amendments to fair values within the twelve-month timeframe from the date of acquisition will be reflected in the next year's Annual Report as stipulated by IFRS 3.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition

date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Group has concluded that it is the principal in its revenue arrangements since it is the primary obligor in the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

In addition to the criteria above, the following revenue recognition criteria apply:

i) Leasing: consists of revenue from operating leases with a contractual duration of one year or more. Revenue from operating leases also includes an element related to maintenance and repair (M&R).

Operating lease revenue is accounted for on a straight-line basis over the lease term.

Leasing includes fees for cancellation of lease contracts and excess mileage. Cancellations of lease contracts are recognised at the point that the customers terminate the lease. Excess

mileage is recognised once the trailer mileage is ascertained which is typically during maintenance events or at the end of the lease.

The revenue from the M&R component of the leasing contracts is recognised by reference to the cost incurred compared to the expected cost over the lifetime of the contracts. The expected M&R cost is projected based on historical M&R data per asset type, age, country and contract type.

II) Rental: consists of revenue from operating leases with a contractual duration of less than one year. Revenue from rental includes an element related to maintenance and repair. Rental revenue is accounted for on a straight-line basis over the rental term.

Rental includes fees for cancellation of rental contracts and excess mileage. Cancellations of rental contracts are recognised at the point that the customer terminates the rental. Excess mileage is recognised once the trailer mileage is ascertained which is typically during maintenance events or at the end of the rental period.

III) Damage protection: it is standard business practice for the supplier to recharge to the customer any damage to assets which occurred while the assets were in the customer's care. However, in cases where the customer buys a damage protection waiver product on top of the lease or rental, the supplier waives such recharges. This revenue is recognised on a straight-line basis over the duration of the relevant lease or rental agreement.

IV) Maintenance and repair (M&R) 3rd party: consists of revenue generated from the performance of trailer M&R services for 3rd parties. Such services are typically performed over an indeterminate number of events within a specified period of time. M&R contracted 3rd party revenue is recognised by reference to the cost incurred compared to the expected cost over the lifetime of the contracts. The expected M&R cost is projected based on historical M&R data per asset type, age, country and contract type.

Revenue from non-contracted M&R services is recognised once the relevant service is completed.

V) Other: includes transaction fees which represent commission income earned from 3rd parties for sourcing equipment, equipment funding and related services. Transaction fees are recognised once the relevant transaction is completed. Other also includes buy to sell revenue

where the Group purchases assets to resell, advertising and management fees charged to affiliate companies.

Deferred revenue relates to amounts billed in advance.

VI) Lease determination: the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases.

c) Cost of sales

The following cost recognition criteria apply:

I) Maintenance and repair (M&R) own fleet: consists of costs incurred in maintaining and repairing the Group's own fleet. These costs are recognised as M&R work is performed. Accruals are recognised for costs which have been incurred but not invoiced. M&R rebills, directly charged to the customers, are included in leasing and rental revenue.

II) Damage protection: consists of repair and damage costs incurred for trailers which are subject to damage protection contracts. Costs incurred are recognised as repair work is performed. Accruals are recognised for costs which have been incurred but not invoiced.

III) Maintenance and repair (M&R) 3rd party: consists of costs incurred in providing M&R 3rd party services. Costs incurred are recognised as M&R work is performed. Accruals are recognised for costs which have been incurred but not invoiced.

IV) Other: principally consists of buy to sell costs where the Group purchases assets to resell.

V) Expected credit losses: consists of credit loss allowance related to trade receivables.

VI) Lease in: represent costs incurred from leases (less than 12 months).

VII) Fleet customisation: costs specific for the customer's needs. These costs are capitalised and depreciated over the lease term. If a contract is terminated early then the related costs are expensed to the statement of profit or loss.

VIII) Depreciation of fleet: the equipment is depreciated to holding periods and residual values determined by the Group's Asset Management team (AMT). For details see note 3i.

d) Administrative and other operating income and expenses

The following cost recognition criteria apply:

By their nature, operating expenses cannot be associated with the specific revenue items. Expenses are recognised immediately in the profit or loss when expenditure produces no future economic benefit or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset. Expenditure is recognised when the related goods or services have been received. Accruals are recognised for all such costs which have been incurred but not invoiced.

The Group operates a policy of charging employee benefit costs to cost of sales for workshop time spent on M&R own fleet and 3rd party equipment, customer service and checking trailers in and out. Employee benefit costs are recognised when the employee has rendered the service in exchange for those benefits.

The Group also charges employee benefit costs for time spent on internally developed software to software capitalised/work in progress. Refer to m) Intangible assets for further details.

The Group operates a policy of charging rental expense to cost of sales in relation to workshop rental expense (less than 12 months).

e) Foreign currency translation

Transactions and balances

The Group companies initially record transactions in foreign currencies in their respective transaction currency. They are then converted to the subsidiaries functional currency at the monthly exchange rate, determined as the spot rate at the beginning of the month.

Monetary assets and liabilities denominated in foreign currencies are retranslated at each month end to the functional currency at the exchange rate then prevailing. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Group companies

The assets and liabilities of foreign operations are translated into € at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. All exchange differences are recorded in a foreign currency translation reserve in the consolidated statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the monthly exchange rate applicable at the acquisition date.

f) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A part of the TIP Group, whose operations and cash flows can be clearly distinguished operationally and for financial reporting purposes from the other operating businesses, is classified as a discontinued operation if the component either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographic area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the net income/loss from continuing operations and are presented as a single amount as gain/loss from discontinued operations, net of tax in the consolidated statement of profit or loss. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and consolidated statement of cash flows are restated and presented as if the operation had been classified as such from the start of the comparative year. Additional disclosures are provided in Note 15. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

g) Taxation

Taxation for the period comprises current and deferred tax. Taxation is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The effective tax rate is subject to change as a consequence of incentive tax credits, business expenses which are not deductible for taxation, non-taxable income and irrecoverable withholding taxes which cannot be offset against other taxes due.

Current tax

Current tax is the expected taxation payable or receivable on the taxable profit for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable or receivable in respect of prior years. Current tax assets and

current tax liabilities are only offset if there is a legally enforceable right to offset the recognised amounts.

Deferred tax

Deferred tax is recognised using the liability method, providing for taxable temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for tax purposes and is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Future taxable profits are determined based on business plans. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when the deferred taxes relate to the same fiscal authority.

h) Exceptional items

Exceptional items are disclosed separately in the consolidated financial statements where it is necessary to provide a further understanding of the financial performance of the Group. They are items of revenue or expense which because of their size, nature or expected infrequency merit separate presentation in the consolidated statement of profit or loss. The following items are considered exceptional if and when they occur:

- Costs of significant restructuring
- External costs related to Business Transformation that cannot be capitalised
- External costs incurred associated with the acquisition and integration of newly acquired businesses
- Significant provisions for onerous contracts
- Significant one-off legal provisions and settlements
- Significant impairments of goodwill, property plant and equipment and fleet.

i) Fleet

Fleet acquired is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the expense of replacing components of the fleet if the relevant recognition criteria are met. When significant components of the fleet are required to be replaced, the Group capitalizes such parts on existing assets and depreciates them accordingly. All other M&R costs are recognised in the profit or loss as incurred.

The following depreciation policies apply: The equipment is depreciated to holding periods and residual values determined by the Group's AMT using internal and external data. Residual values and useful lives are reviewed periodically and adjusted prospectively, if necessary. When equipment reaches the end of the holding period, the Group will decide if the equipment should be placed on a new lease or rental term on a straight-line basis to a revised residual value. At the end of each extended holding period the Group will once again assess whether the equipment should be further leased out or sold.

The initial holding period for new equipment ranges from 4 to 9 years, depending on the equipment type. Estimated residual values for the initial holding period for trailers range from 31% to 51% of the cost, depending on the equipment type. For trucks the estimated residual values are between 8% and 53% of the cost.

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities which represent the payment to be made for the lease obligation and right-of-use assets representing the right to use the underlying assets.

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 elected to apply this policy to leases of Land and Buildings. For other asset classes,

the Group separates the leasing and non-leasing components based on stand-alone prices in the event that such prices specified in the contracts.

The Group elected not to apply IFRS 16 standard to the leases of software as a service.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

- Fleet 3 to 9 years
- Land and buildings 2 to 25 years
- Motor vehicles 2 to 5 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Reference is made to the accounting policy on Impairments.

Lease liabilities

Included in borrowings is the Group's funding lease book (FLB), measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date in the event that the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group elected to apply the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office and IT equipment that are considered to be low value (below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market

transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed financial plans, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These detailed plans generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year or another appropriate valuation technique is applied.

Impairment losses, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the nature of the impaired asset.

For assets excluding goodwill and brand name, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the profit or loss. The following assets have specific characteristics for impairment testing:

Fleet

The Group assesses annually whether there is an indication that an asset group may be impaired. The AMT determines asset groupings. If any indication exists, or when annual impairment testing for an asset group is required, the Group estimates the asset group's recoverable amount. An asset group's recoverable amount is the higher of an asset group's fair value less costs of disposal and its value in use and is determined for an asset group. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on projected fleet cash flows as follows:

- Direct cash flows (revenue and direct M&R cost) are determined based on the Group's most recent financial plans and applied over the remaining holding period of the asset group.
- Cash inflows arising from the disposal of the asset at the end of its holding period are based on estimated residual values.

Impairment losses are recognised in the profit or loss. In determining fair value less costs of disposal, recent market transactions are taken into account.

l) Property, plant and equipment (PP&E)

PP&E is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the PP&E and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of PP&E are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged through the profit or loss. PP&E is depreciated over its estimated useful life to an estimated residual value on a straight-line basis on the following parameters:

Categories	Useful life (years)
Land	Indefinite
Buildings and structures	Up to 50
Leasehold improvements	Over the expected lease term
Other fixed assets	3 to 5

Residual values and useful lives are reviewed periodically and adjusted prospectively if necessary.

The Group sells PP&E, which has either reached the end of its useful life or when the Group exits a location, to 3rd parties in the ordinary course of business. Revenue is recognised when the control of the asset has been transferred to the buyer, which usually coincides with the receipt of cash. Book value of the assets sold and any costs directly associated with the sale are

recorded at the same time. Sales invoices are typically issued to coincide with cash receipts. Therefore at the end of each accounting period, there are no trade receivables relating to PP&E sales on the balance sheet.

m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets are capitalised if they meet the recognition criteria of IAS 38.

The useful lives of intangible assets are assessed as either definite or indefinite.

Intangible assets with definite lives are amortised to a residual value of zero over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense of intangible assets with definite lives is recognised in the profit or loss in the expense category consistent with the nature of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU defined level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Capitalised software development costs

Capitalised software relates to purchased software from 3rd parties and internally developed software for use by the Group. Costs of research activities undertaken to gain new technical knowledge and understanding are recognised in the profit or loss as incurred. Costs to develop software are recognised as an asset when the Group can demonstrate its intention and ability to

complete the development and use of the software in a manner that will generate future economic benefits and can measure the costs to complete the development. The capitalised cost of internally developed software includes all costs directly attributable to developing software and are amortised over its useful life. Capitalised internally developed and externally purchased software are measured at cost less accumulated amortisation and accumulated impairment, if any.

Subsequent costs on software assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortised as follows:

Categories	Useful life (years)	Amortisation Method used	Internally Generated or acquired
Goodwill	Indefinite	Not applicable	Acquired
Brand name	Indefinite	Not applicable	Acquired
Customer lists	4-17	Straight line	Acquired
Software	3-7	Straight line	Acquired/Internal

n) Inventories

Fleet/Buy to sell

Fleet held with the intention to sell within one year are carried at the lower of cost or net realisable value. The cost of inventories if it is related to owned units is the current net book value of fleet transferred to inventories and is determined for each item individually while for units acquired with the intention to be sold, the cost of inventory is the purchase price. The net realisable value is periodically reassessed for all units that have been held for sale for six months or more and adjusted if necessary.

Sales of inventories are recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually upon payment. Book value of the units sold and any costs directly associated with the sale are recorded at the same time. The revenue and the related book value are recognised as revenue from the disposal of fleet and cost of disposed fleet respectively in the profit or loss. Sales invoices are typically issued to coincide with receipt of

payment. Therefore at the end of each accounting period, there are no trade receivables relating to fleet sales on the balance sheet.

Parts

Parts are stated at the lower of cost and net realisable value. The costs of individual parts are determined using weighted average costs. Costs of parts are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Parts are stated net of any provision for obsolete or slow moving items.

o) Cash and cash equivalents

Cash and short-term deposits on the balance sheet comprise of cash at banks, restricted cash at banks and on hand and short-term deposits with a maturity of three months or less. Cash is recognised and subsequently measured at amortised cost.

Cash restricted for specific purposes in escrow accounts, if material, is included in other financial assets on the balance sheet.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p) Financial instruments

l) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through the profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

This category generally applies to loans receivable, trade and other receivables and cash restricted in escrow accounts.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised i.e. removed from the Group's balance sheet, when either:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a 3rd party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments that are not measured at fair value through profit or loss. The ECLs represent the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (including future expected credit losses). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the expected credit loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

II) Borrowings and trade payables

Initial recognition and measurement

Borrowings and trade payables are recognised at fair value, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, the borrowings and trade payables are measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as a finance cost in the profit or loss.

Commitment fees paid for revolving credit facility are expensed to profit or loss over the facility period.

Derecognition

Borrowings and trade payables are derecognised when the obligation under the liability is discharged, cancelled, or expired. When an existing borrowing or trade payable is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

III) Derivatives

Initial recognition and subsequent measurement

The Group uses derivatives, principally interest rate swaps, to hedge its interest rate risks. Such derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as derivative assets when the fair value is positive and as derivative liabilities when the fair value is negative.

For the purpose of hedge accounting, interest rate swaps are classified as cash flow hedges, which hedge the exposure to variability in cash flows that is attributable to an interest rate risk associated with borrowings.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the profit or loss when the hedged item is no longer effective.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship (between the interest rate swaps and borrowings) to which the Group wishes

to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the cash flow hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as gain/(loss) from derivatives.

Interest payments in respect of the cash flow hedging instruments are recognised in the profit or loss as finance income or finance cost as appropriate.

Derecognition

Amounts recognised in OCI are transferred to the profit or loss when the hedged transaction is no longer effective, such as when the hedged financial income or financial expense is recognised.

If the hedging instrument expires, is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI is charged to the profit or loss over the remaining term of the instrument, if any.

q) Fair value measurement

The Group measures derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

r) Provisions

Provisions are recognised when:

- The Group has a present obligation (legal or constructive) as a result of a past event

- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation

In addition to the criteria above, the following policies apply:

Restructuring provision

Restructuring provisions are recognised when

- there is a detailed formal plan that identified the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and
- the employees affected have been notified of the plan's main features.

s) Pension obligations

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Group is operating defined contribution plans in: the United Kingdom, Ireland, Italy, Spain, Denmark, Finland, Norway, Sweden, Belgium and the Netherlands. The yearly contribution is usually a percentage of pay and may be further dependent on one or more factors such as age and years of service. The contribution paid by the Group is charged to the profit or loss.

In France, Germany, Switzerland, Austria, Poland, Czech Republic and Romania the Group contributes to pensions through the state social security system. These contributions paid by the Group are charged to the profit or loss.

The Group has no significant defined benefit plans or related obligations.

t) Cash dividend and non-cash distribution to equity holders of the Parent

The Company recognises a liability to make cash or non-cash distributions to the equity holder of the Parent when the distribution is no longer at the discretion of the Company. As per the

laws of the Netherlands, a distribution is duly authorised when the general meeting of shareholders of the Company approves it.

A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the profit or loss.

u) New standards, amendments and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The new standard had no impact on the Group's consolidated financial statements.

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants - Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period). Disclosure about covenants is now required to help to understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The new standard had no impact on the Group's consolidated financial statements.

Lease liability in sale and leaseback - Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16, clarifying how a seller-lessee should measure the lease liability arising in a sale-and-leaseback transaction. These amendments became effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

The amendment specifies that:

- A seller-lessee must initially measure the lease liability based on the expected lease payments over the lease term that relate to the right of use retained by the seller-lessee.
- Subsequent measurement of the lease liability must reflect any changes in the expected lease payments due to changes in variable lease payments.

The new standard had no impact on the Group's consolidated financial statements.

v) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of fleet. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, the

Group considered expectations for increased costs of emission and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.

- Fair value measurement. For fleet, the Group considers the effect of physical and transition risks and whether customers would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of fleet due to climate-related legislation and regulations as well as increasing demands for low-emission fleet.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Business combinations

The Executive Management Team applied the following key judgements in respect of the treatment of various acquisitions:

- Identification of a business combination: these acquisitions included assets under lease contracts and associated working capital (inputs), as well as the workforce and operations (processes) generating revenues (outputs) from these businesses; therefore these acquisitions of assets and operations are treated as business combinations rather than standalone asset purchases
- Identification of the acquirer: for each acquisition, an existing Group entity was identified as the acquirer, and it is treated as the acquirer which obtains control of the acquisition.

b) Lease classification

The lease classification is determined on a contract-by-contract basis, taking into consideration the substance of the transaction and the specific details of each lease contract. The key factor is whether or not substantially all of the risks and rewards incidental to ownership are transferred. Various criteria are used to determine the lease classification of which the most important are:

- Whether the lease transfers ownership of the equipment to the customer by the end of the lease term
- Whether the customer has the option to purchase the equipment at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such

that, at the inception of the lease, it is reasonably certain that the option will be exercised (frequently called a 'bargain purchase' option)

- Whether the lease term is for the major part of the equipment's economic life even if the title is not transferred
- Whether at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased equipment
- Whether the leased equipment is of a specialised nature such that only the customer can use them without major modifications being made

Based on the above criteria, the Group's lease contracts are accounted for as operating leases.

c) SPV for ABS funding

Determining whether the Group has control of an entity is generally straightforward based on ownership of the majority of the voting capital. However, in certain instances this determination will involve significant judgment, particularly in the case of structured entities where voting rights are often not the determining factor in decisions over the relevant activities. This judgment may involve assessing the purpose and design of the entity. It will also often be necessary to consider whether the Group or another involved party with power over the relevant activities, is acting as a principal in its own right or as an agent on behalf of others.

d) Taxation

The Group is subject to corporate tax in numerous jurisdictions. Estimates, when significant, are required in determining the Group provision for current and deferred tax positions. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact current and deferred tax provisions in the period in which such determination is made.

When the Group estimates the extent to which the deferred tax assets and liabilities should be recognised, the principal area of judgement is the business plan.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

e) Determining the lease term and the discounting rate

Judgements include considerations of inputs such as likelihood of extension or early termination options, included in the lease agreements, to be exercised. Changes in assumptions about these factors could affect the reported fair value of lease liabilities.

Identifying the appropriate rate to discount the lease payments may involve significant judgement.

Determining whether it is reasonably certain that an extension or termination option will be exercised for a lease contract may involve judgement.

Estimates and assumptions

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below:

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value in use. The fair value less costs of disposal calculation is based on available data from sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the detailed financial plan for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate or other valuation technique used for extrapolation purposes.

b) Fair value measurement of derivatives

When the fair values of derivatives recorded on the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including DCF models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value derivatives.

c) Fair valuation of acquired net assets

Business combinations are accounted for using the acquisition method of accounting. In the course of initial consolidation, the identifiable assets, liabilities, and contingent liabilities of the acquiree are recognised at fair value.

5. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group hasn't applied this voluntary standard.

6. Capital management

The Group's objective is to maintain a balance sheet structure that is efficient in terms of providing long-term returns to shareholders and safeguards the Group's balance sheet through economic cycles. For the purpose of capital management, capital includes issued capital, share premium and all other financial reserves.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to its borrowings. Should a potential breach of any of the financial covenants occur, the Group aims to proactively take all reasonable steps to prevent or remedy the situation, always in open and close communication with the Group's banking partners and investors. The table below shows the financial covenants related to the Group's principal borrowings under its revolving credit facility (RCF):

Covenants	RCF Limit	2024	2023
Interest cover	>1.1x	1.3x	2.1x
Solvency	>16%	18.7 %	17.4 %
Loan to value	<100%	86.7 %	91.0 %
Loan to value (GRCF)	<100%	86.1 %	83.0 %

The interest cover and solvency covenants also apply to the Group's ABS facilities. All covenants are tested quarterly. There have been no breaches in the financial covenants of any borrowings in the current and comparative periods or have no indication that it will have difficulty complying with these covenants. 2023 ratios are calculated including discontinued operations.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of its financial covenants. To maintain or adjust the capital structure, the Group may issue new shares and monitors capital using a gearing ratio, which is net borrowings divided by total equity plus net borrowings.

€m	Note	2024	2023
Gross borrowings after foreign exchange	26	1,926.3	2,143.3
Less: cash and cash equivalents	25	(8.1)	(17.7)
Net borrowings		1,918.2	2,125.6
Equity		647.9	642.1
Capital and net borrowings		2,566.1	2,767.7
Gearing ratio		75 %	77 %

7. Business combinations

On 30 October 2024, TIP Trailer Services UK Limited acquired Trailer Auto Group Limited (TAG) for a consideration of €11.3m via a share deal. TAG operates one large workshop, complete with 41 bays in Stoke on Trent, UK.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of as at the date of acquisition are:

€m	TAG
PP&E	2.2
Right of use assets	16.4
Intangible assets	8.1
Deferred tax assets	4.9
Inventories	1.0
Trade and other receivables	2.8
Cash and cash equivalents	1.5
Assets	36.9
Borrowings	16.4
Deferred tax liabilities	6.1
Deferred revenue	7.5
Liabilities	30.0
Total identifiable net assets acquired	6.9
Goodwill	4.4
Total consideration	11.3

Fleet

In line with the fair value requirements in IFRS 3 the fair value of the fleet has been determined using an income approach, converting the asset values and the future amounts derived from the associated lease contracts to a single present value. A team of internal experts determined that the fair value of fleet acquired was €0.4m.

Deferred tax

The deferred tax assets and liabilities mainly relate to the tax effect of accelerated depreciation for tax purposes of tangible and intangible assets as well as the Right of Use assets acquired and corresponding lease liabilities, which are not recognized for tax purposes.

Acquired lease-in assets

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

Goodwill

The principal factor contributing to the recognition of the goodwill on business combinations is the realisation of cost savings, other synergies and ability to redeploy assets within existing entities in the Group and which do not qualify for separate recognition as intangible assets. The goodwill is expected not to be deductible for tax purposes.

Other acquisitions

During 2024, the Group also acquired SARL Carrosserie de la Sarthe in France and a workshop business in Austria. Given the size of the deals, these business are not considered sufficiently material to warrant separate disclosure and are aggregated in the table below.

€m	2024	2023
Fleet	0.4	79.4
PP&E	0.2	5.4
Right of use assets	2.7	15.7
Intangible assets	1.9	9.0
Deferred tax assets	0.6	4.5
Inventories	0.5	3.1
Trade and other receivables	0.9	3.3
Cash and cash equivalents	0.3	2.6
Assets	7.5	123.0
Borrowings/Lease liabilities	2.7	18.6
Deferred tax liabilities	1.2	5.7
Trade and other payables	0.5	3.2
Provision	—	0.6
Liabilities	4.4	28.1
Total identifiable net assets acquired	3.1	94.9
Goodwill	—	0.4
Bargain purchase gain	—	(0.7)
Total consideration	3.1	94.6

2023 column contains all acquisitions made during the year.

Summary of all business combinations

	2024	2023
Net cash flow used in business combinations		
Cash consideration	14.4	94.4
Less: net cash acquired	(1.8)	(2.6)
Less: deferred consideration	(0.9)	(8.9)
Total	11.7	82.9

Revenue and operating profit or loss related to business combinations

The amount of revenue and operating profit of the acquirees, since the date of obtaining control, included in the Group's profit or loss were as follows:

€m	2024	2023
Revenue	21.3	33.2
Operating profit	1.4	3.4

Transaction costs of €0.3m were expensed and are included exceptional administrative items.

Specific notes

8. Revenue

€m	2024	2023
Leasing	669.6	613.2
Rental	124.3	131.2
Damage protection	38.7	37.5
Leasing and rental	832.6	781.9
M&R 3rd party	208.7	177.4
Fleet sales	118.3	107.6
Other	30.8	31.2
Total	1,190.4	1098.1

Included in leasing and rental is revenue attributable to maintaining the equipment as follows:

€m	2024	2023
Embedded maintenance revenue	324.2	297.3

9. Cost of sales

€m	Note	2024	2023
M&R own fleet		280.1	272.1
Damage protection		19.5	20.0
Leasing and rental variable costs		299.6	292.1
M&R 3rd party		159.4	137.3
Fleet sales		100.0	76.3
Other		19.8	18.3
Variable costs		578.8	524.0
Expected credit losses		2.2	2.1
Total variable costs		581.0	526.1
Depreciation of fleet	18	326.1	288.4
Lease in - low value assets		0.9	1.6
Total fixed costs		327.0	290.0
Total		908.0	816.1

10. Administrative, other operating income and expenses and amortisation of intangible assets

€m	Note	2024	2023
Employee benefits expense	11	73.3	68.0
Outside service fees	12	28.2	29.2
Travel and living		6.6	8.2
Other facilities		7.9	9.1
Office expenses		2.9	3.3
Sales promotion		1.8	2.5
Other expenses		0.3	1.3
Other operating expenses		47.7	53.6
Depreciation of PP&E	19	30.8	26.4
(Gain)/loss on disposal of PP&E		(0.4)	(0.1)
Total excluding exceptional		151.4	147.9
Exceptional items	17	4.9	1.7
Total		156.3	149.6
Amortisation of intangible assets	20	8.1	6.7

11. Employee benefits expense

€m	Note	2024	2023
Wages and salaries		160.7	140.0
Social security		26.1	23.3
Pension		9.3	8.7
Other		1.2	1.7
Compensation and benefits		197.3	173.7
Included in contribution/cost of sales		(121.4)	(105.7)
Included in software (capitalised/work in progress)		(2.6)	—
Employee benefits expense	10	73.3	68.0
Wages and salaries		58.9	53.6
Social security		10.0	9.3
Pension		4.0	4.2
Other		0.4	0.9
Total	10	73.3	68.0
Average headcount discontinued operations		—	478
Average headcount continued operations		2,933	2,759
Average headcount¹		2,933	3,237

The employee benefits expense of €121.4m (2023: €105.7m) included in cost of sales contain €99.2m (2023: €86.5m) of wages and salaries, €16.1m (2023: €14.0m) of social security, €5.3m (2023: €4.5m) of pension and €0.8m (2023: €0.7m) of other salary related expenses.

¹ The headcount is a monthly average throughout the period.

12. Outside service fees

€m	Note	2024	2023
IT services		17.7	15.9
Legal		1.2	1.6
Audit and accounting advisory fees	13	1.4	0.8
HR services		1.5	2.6
Temporary staff		0.5	0.5
Business process outsourcing		0.1	1.6
Consultancy		4.7	4.9
Banking services		0.7	0.6
Other		0.4	0.7
Total	10	28.2	29.2

13. Audit and accounting advisory fees

€m	Note	2024	2023
Fees to Group audit firm for audit of consolidated financial statements		1.0	0.3
Fees to audit firms for audit of subsidiaries pursuant to local legislation		0.3	0.7
Audit fees¹		1.3	1.0
Tax services		0.1	0.1
Non-audit fees Group auditor¹		0.1	0.1
Other services		—	(0.3)
Fees paid to other accounting/audit firms		—	(0.3)
Total	12	1.4	0.8

¹Audit and other services were mainly provided by EY Accountants B.V. Tax services were provided by other entities of the EY group. Non-audit services provided by the Group auditor are within the permitted services allowed under ViO independence guidance. Figures contain fees for both continuing and discontinued operations.

14. Finance result

€m	2024	2023
Interest income	3.8	2.7
Interest expense	(105.9)	(96.4)
Commitment fees	(3.9)	(1.9)
Amortisation of deferred fees	(12.8)	(10.4)
Funding related finance cost	(122.6)	(108.7)
Foreign exchange income/(loss)	(2.4)	(2.6)
Finance cost before derivatives	(125.0)	(111.3)
Interest rate swap realised income/(loss)	11.7	22.7
Interest rate swaps fair market value adjustment	0.5	(0.4)
Derivatives²	12.2	22.3
Exceptional items	—	0.7
Total	(109.0)	(85.6)

Funding related costs occur on borrowings as set out in [note 26](#). Interest expense includes €7.1m (2023: €7.0m) of interest expenses related to lease liabilities.

²The Group regularly enters into floating to fixed swaps to hedge interest rates on its RCF facility. The hedges qualify for hedge accounting, hence movements in fair market value have been reported in Derivatives (please refer to [note 27](#) for further details).

15. Discontinued operations

The management initiated a plan to divest the Canadian operations in December 2023. As a result, the Canadian business has been reported as discontinued operations and was classified as a disposal group held for sale as of 31 December 2023.

TIP Fleet Services Canada Ltd was sold to Canada Trailer Leasing Holdings Limited on 17 June 2024, allowing the Canadian business to develop in the broader North American market and will enable TIP Group management to further improve its presence and offering in the European market. The fair value of the consideration amounted to USD 476m (€437m) which includes deferred consideration of USD 28.8m (€26.5m). The assets and liabilities of TIP Fleet Services Canada Ltd. were derecognized from the consolidated statement of financial position as of 17 June 2024.

The result from discontinued operations, excluding intercompany transactions, is as follows:

€m	2024 ¹	2023
Revenue	60.9	152.0
Expenses	(40.3)	(120.8)
(Loss)/gain from operating activities before taxes	20.6	31.2
Income taxes	(3.8)	(6.1)
Gain from operating activities, net of tax	16.8	25.1
Gain from the sale of discontinued operations	83.1 ²	—
Loss on cash flow hedge	(3.1)	—
Other costs	(1.5)	—
Gain from discontinued operations	95.3	25.1

The gain on sale of Canadian business is as follows:

€m	17 June 2024
Fair value of the consideration	437.0
Carrying amount of net assets sold ³	(347.9)
Gain on sale before recycling of the foreign currency translation reserve and the transaction costs	89.1
Transaction costs	(1.7)
Recycling of the foreign currency translation reserve	(4.3)
Gain on sale	83.1

¹ The financial year 2024 includes the results of Canada up until 17 June 2024

² The gain on sale is exempt from taxation under applicable tax regulations

³ The amount excludes intercompany balances

The carrying amounts of assets and liabilities as at the date of sale were:

€m	17 June 2024
Fleet	306.2
Property, plant and equipment	19.3
Intangible assets	79.4
Non-current assets	404.9
Inventories	5.4
Trade and other receivables	16.5
Current tax assets	0.7
Cash and cash equivalents	14.3
Current assets	36.9
Total assets	441.8
Borrowings	12.7
Trade and other payables	13.0
Current liabilities	25.7
Deferred tax liabilities	68.2
Non-current liabilities	68.2
Total liabilities	93.9
Net assets directly associated with the disposal group	347.9

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2023:

€m	2023
Fleet	304.9
Property, plant and equipment	17.9
Intangible assets	80.3
Non-current assets	403.1
Inventories	6.0
Trade and other receivables	22.2
Current tax assets	3.0
Cash and cash equivalents	1.4
Current assets	32.6
Total assets	435.7
Trade and other payables	8.0
Current liabilities	8.0
Borrowings	16.8
Deferred tax liabilities	65.0
Non-current liabilities	81.8
Total liabilities	89.8
Net assets directly associated with the disposal group	345.9

Amounts included in accumulated OCI:

€m	2024	2023
Foreign currency translation	—	2.9
Reserve of disposal group classified as held for sale	—	2.9

16. Taxation

16.1 Taxation for the period¹

The major components are as follows:

€m	Note	2024	2023
Current taxation for the period		8.8	18.2
Adjustment to prior periods		0.3	(2.7)
Current tax		9.1	15.5
Changes in tax rates		—	(0.1)
Origination and reversal of temporary differences, tax losses and tax credits		(4.4)	3.9
De-recognition/(recognition) of deferred tax assets		2.1	—
Benefit from previously unrecognized temporary differences, tax losses and tax credits		(1.4)	(3.2)
Adjustment to prior periods		(0.3)	3.8
Deferred tax	22.1	(4.0)	4.4
Taxation		5.1	19.9
Income tax expense reported in the statement of profit or loss		5.1	13.8
Income tax attributable to discontinued operation		—	6.1
Total Tax		5.1	19.9

As of 31 December 2024, TIP group has unrecognized deferred tax assets for an amount of €23.1m (2023: €22.7m). The unrecognized deferred tax assets as of 31 December 2024 relate to Denmark, Finland, Norway, Spain, and Poland (2023: Denmark, Finland, Norway, Spain, France). Please refer to Note 22 for the details of unrecognized deferred tax assets.

Effective tax rate (ETR) reconciliation

The reconciliation between the statutory tax rate in the Netherlands and the ETR for the Group is as follows:

2024	Total	
	€m	%
Profit before tax from continuing operations	9.0	
Dutch statutory tax	(2.3)	25.8 %
Effect of tax rates in foreign jurisdictions	(0.7)	7.8 %
Average statutory tax rate	(3.0)	33.3 %
Non-deductible expenses	(1.4)	15.6 %
Effect of changes in tax rates	—	— %
De-recognition/(recognition) of deferred tax assets	(2.1)	23.3 %
Benefit from previously unrecognized temporary differences, tax losses and tax credits	1.4	(15.6)%
Taxation and ETR	(5.1)	56.7 %
Income tax expense reported in the statement of profit or loss	(5.1)	
Total Tax	(5.1)	

¹ The 2024 tax figures reflect only continuing operations.

2023	Total	
	€m	%
Profit before tax from continuing operations	40.1	
Profit/(loss) before tax from discontinued operations	31.2	
Profit before tax	71.3	
Dutch statutory tax	(18.4)	25.8 %
Effect of tax rates in foreign jurisdictions	(0.5)	0.7 %
Average statutory tax rate	(18.9)	26.5 %
Non-deductible expenses	(1.0)	1.4 %
Effect of changes in tax rates	0.1	(0.1)%
Benefit from previously unrecognized temporary differences, tax losses and tax credits	3.1	(4.3)%
Withholding taxes	(2.1)	2.9 %
Adjustment to prior periods	(1.1)	1.5 %
Taxation and ETR	(19.9)	27.9 %
Income tax expense reported in the statement of profit or loss	(13.8)	
Income tax attributable to a discontinued operation	(6.1)	
Total Tax	(19.9)	

The 2024 ETR increased by 28.8% to 56.7% (2023: 27.9%). This is mainly caused by the following events: the average statutory tax rate increased by 7.1% from 26.5% in 2023 to 33.6% in 2024, mainly due to the combination of profits being generated in jurisdictions with higher tax rates than the Dutch statutory rate and losses in countries with a lower tax rate than the Dutch Statutory tax rate. The 2024 relative impact of the non-deductible expenses increased by 14.2% mainly due to the impact of an decreased profit before tax. The 2024 relative impact from the benefit from previously unrecognized temporary differences has increased by 12.1%.

Uncertain tax positions

Tax positions are, inherently to operating internationally and across borders, in certain cases uncertain. The Group is exposed to tax risks which could result in double taxation, additional tax payments, penalties and interest payments. The source of these risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of services, tax risks related to business restructuring, interest and potential changes in tax law that could result in higher tax expenses and payments.

Pillar II

Pillar Two legislation has been enacted or substantively enacted in the jurisdictions the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of Pillar Two income taxes is based on the most recent financial statements for the constituent entities in the Group. Based on the assessment, in each jurisdiction where the Company operates, the Company meets at least one of the available Safe Harbour tests for 2024. Accordingly, the company has no Pillar Two current tax expense for 2024.

16.2 Deferred tax recognised in OCI during the period

€m	Note	2024	2023
Cash flow hedge	22.1	0.9	5.6
Deferred tax effect charge in OCI		0.9	5.6

Generally, no capital gains or income tax is applied to foreign subsidiaries or investments of the Dutch holding company. Hence no deferred tax is provided on the foreign currency translation reserve.

17. Exceptional items

The exceptional items are as follows:

€m	Note	2024	2023
Restructuring costs		(4.1)	(0.5)
Other operational items	a	(0.8)	(1.2)
Administrative items	10	(4.9)	(1.7)
Total		(4.9)	(1.7)

Exceptional items are income and expenses arising from events or transactions which belong to the ordinary activities, but on the basis of the nature, the size or the incidental character are disclosed separately for the purpose of providing a good insight into the result from and development in the ordinary activities of the Group.

a) Other operational items

€m	2024	2023
Acquisition and Integration costs	(0.4)	(1.1)
Sale of business	(0.4)	—
Business transformation	—	(0.1)
Total	(0.8)	(1.2)

The acquisition and integration costs relate to the acquisition and integration of several newly acquired businesses in 2024 and 2023. Sale of business costs relate to the disposal of the Canadian subsidiary (please refer to note 15 for more details). Business transformation expenses concern non-capitalisable costs related to the implementation of new ERP software.

18. Fleet

€m	Note	Cost	Depreciation	Total
At 1 January 2023		3,201.3	(1,162.2)	2,039.1
Additions		631.9	—	631.9
Fleet customisation		12.3	—	12.3
Business combinations	7	79.4	—	79.4
Depreciation	9	—	(288.4)	(288.4)
Depreciation related to assets held for sale		—	(30.1)	(30.1)
Disposals		(114.0)	78.2	(35.8)
Non-sale disposals		(9.0)	5.0	(4.0)
Transferred to inventories	23	(166.4)	100.6	(65.8)
Assets held for sale	15	(440.6)	135.7	(304.9)
Foreign exchange movements		8.0	(3.5)	4.5
At 31 December 2023		3,202.9	(1,164.7)	2,038.2
Additions		451.8	—	451.8
Fleet customisation		17.2	—	17.2
Business combinations	7	0.4	—	0.4
Depreciation	9	—	(326.1)	(326.1)
Disposals		(135.7)	90.5	(45.2)
Non-sale disposals		(14.1)	7.9	(6.2)
Transferred to inventories	23	(117.1)	79.4	(37.7)
Foreign exchange movements		34.4	(13.0)	21.4
At 31 December 2024		3,439.8	(1,326.0)	2,113.8

The majority of the Group's fleet is pledged as collateral with respect to borrowings. Please refer to commitments and contingencies disclosed in note 34.

18.1 Right of use fleet

Included in fleet are right of use assets:

€m	Cost	Depreciation	Total
At 1 January 2023	197.8	(98.3)	99.5
Additions	2.9	—	2.9
Depreciation	—	(18.5)	(18.5)
Transferred to fleet	(21.1)	14.9	(6.2)
Foreign exchange movements	2.0	(1.0)	1.0
At 31 December 2023	181.6	(102.9)	78.7
Additions	0.4	—	0.4
Depreciation	—	(16.6)	(16.6)
Non-sale disposals	(0.5)	0.3	(0.2)
Transferred to fleet	11.1	9.5	20.6
Foreign exchange movements	3.7	(2.2)	1.5
At 31 December 2024	196.3	(111.9)	84.4

Fleet risks

The Group manages fleet risks in three main categories:

- 1. Residual value risk:** is the risk of losses from a decline of the fair value of the equipment below its estimated residual value at the end of the lease contract. The residual value committee is the body responsible for minimising the risk of these losses and approves the annual residual value review. The annual residual value review committee tests residual value by asset type based on historical performance, the current state of portfolio and market data.
- 2. Impairment risk:** the Finance and Asset Management teams are responsible for the annual impairment test. The results of the test are reviewed by a management committee. The annual impairment test is performed in line with the policy described in the note 3k, and as a result, no impairment was required to be recognised for the period.
- 3. Operational and concentration risk:** the Group purchases trailer types across the full spectrum of offerings to maintain an optimal fleet mix, and rigorous reviews of non-standard asset types are undertaken to support resale alternatives at the end of the trailer life cycle. The Asset Management team ensures optimal utilisation of the fleet through centrally co-ordinating the potential redeployment of assets across separate geographies within the Group's operating platform. The available fleet is reviewed monthly, and the Deputy Chief Executive Officer and the Chief Remarketing Officer decide on redeployment or exit strategies. In addition, the Operations team performs weekly/monthly physical stock take and a full asset stocktake is performed bi-annually.

19. Property, plant and equipment (PP&E)

Cost €m	Note	Land	Buildings and structures	Leasehold improvements	Other ¹	Total
At 1 January 2023		48.7	271.1	8.1	34.1	362.0
Additions		—	44.0	1.0	7.7	52.7
Business combinations		—	21.1	—	—	21.1
Disposals		—	(2.7)	—	(0.8)	(3.5)
Non-sale disposals		—	(1.2)	—	—	(1.2)
Assets held for sale	15	—	(48.5)	(2.9)	(3.6)	(55.0)
Foreign exchange movements		0.1	0.2	—	0.1	0.4
At 31 December 2023		48.8	284.0	6.2	37.5	376.5
Additions		3.1	35.0	0.8	5.6	44.5
Business combinations		—	21.5	—	—	21.5
Disposals		—	(0.1)	(0.2)	(0.5)	(0.8)
Non-sale disposals		—	(3.2)	—	(0.2)	(3.4)
Foreign exchange movements		0.3	0.5	—	0.2	1.0
At 31 December 2024		52.2	337.7	6.8	42.6	439.3

¹ Other includes motor vehicles and IT equipment.

Depreciation €m	Note	Land	Buildings and structures	Leasehold improvements	Other ¹	Total
At 1 January 2023		—	(131.8)	(5.6)	(25.1)	(162.5)
Charge for the period	10	—	(21.5)	(0.3)	(4.6)	(26.4)
Charge for the period related to assets held for sale		—	(7.7)	(0.4)	(0.5)	(8.6)
Disposals		—	2.5	—	0.5	3.0
Non-sale disposals		—	0.6	—	—	0.6
Assets held for sale	15	—	33.1	2.0	2.1	37.2
Foreign exchange movements		—	(0.1)	—	—	(0.1)
At 31 December 2023		—	(124.9)	(4.3)	(27.6)	(156.8)
Charge for the period	10	—	(26.3)	(0.3)	(4.2)	(30.8)
Disposals		—	0.1	—	0.9	1.0
Non-sale disposals		—	2.3	—	0.1	2.4
Foreign exchange movements		—	(0.2)	—	(0.1)	(0.3)
At 31 December 2024		—	(149.0)	(4.6)	(30.9)	(184.5)

Net book value at 31 December €m	Land	Buildings and structures	Leasehold improvements	Other	Total
2023	48.8	159.1	1.9	9.9	219.7
2024	52.2	188.7	2.2	11.7	254.8

¹Other includes motor vehicles and IT equipment

19.1 Right of use PP&E

Included in PP&E are right of use assets:

Cost €m	Land	Buildings and structures	Leasehold improvements	Other ¹	Total
At 1 January 2023	—	174.3	—	15.3	189.6
Additions	—	32.1	—	1.8	33.9
Business combinations	—	15.7	—	—	15.7
Non-sale disposals	—	(1.0)	—	—	(1.0)
Assets held for sale	—	(47.6)	—	(0.6)	(48.2)
Foreign exchange movements	—	0.1	—	—	0.1
31 December 2023	—	173.6	—	16.5	190.1
Additions	—	21.6	—	2.7	24.3
Business combinations	—	19.1	—	—	19.1
Non-sale disposals	—	(3.9)	—	(0.1)	(4.0)
Foreign exchange movements	—	0.7	—	0.1	0.8
31 December 2024	—	211.1	—	19.2	230.3

¹ Other includes motor vehicles and IT equipment

Depreciation €m	Land	Buildings and structures	Leasehold improvements	Other ¹	Total
At 1 January 2023	—	(96.1)	—	(11.3)	(107.4)
Charge for the period	—	(22.7)	—	(2.1)	(24.8)
Non-sale disposals	—	0.6	—	—	0.6
Assets held for sale	—	32.6	—	0.4	33.0
Foreign exchange movements	—	0.1	—	—	0.1
At 31 December 2023	—	(85.5)	—	(13.0)	(98.5)
Charge for the period	—	(18.5)	—	(1.8)	(20.3)
Non-sale disposals	—	2.3	—	0.1	2.4
Foreign exchange movements	—	0.1	—	—	0.1
At 31 December 2024	—	(101.6)	—	(14.7)	(116.3)

Net book value at 31 December €m	Land	Buildings and structures	Leasehold improvements	Other	Total
2023	—	88.1	—	3.5	91.6
2024	—	109.5	—	4.5	114.0

The Group does not have sufficient data to allocate right of use assets between land and buildings and structures. Therefore, the whole amount has been included in buildings and structures.

¹ Other includes motor vehicles and IT equipment.

20. Intangible assets

Cost €m	Goodwill	Brand name	Customer lists	Software	Total
At 1 January 2023	72.6	29.5	73.1	34.5	209.7
Additions	—	—	—	5.8	5.8
Business combinations	0.4	—	9.0	—	9.4
Assets held for sale	(51.6)	—	(38.6)	—	(90.2)
Foreign exchange movements	(0.6)	—	(0.1)	—	(0.7)
At 31 December 2023	20.8	29.5	43.4	40.3	134.0
Additions	0.2	—	0.3	8.0	8.5
Business combinations	4.4	—	10.0	—	14.4
Foreign exchange movements	0.3	—	0.5	—	0.8
At 31 December 2024	25.7	29.5	54.2	48.3	157.7

Amortisation €m	Goodwill	Brand name	Customer lists	Software	Total
At 1 January 2023	—	—	(31.5)	(23.2)	(54.7)
Charge for the period	—	—	(3.2)	(3.5)	(6.7)
Charge for the period related to assets held for sale	—	—	(2.2)	—	(2.2)
Assets held for sale	—	—	10.0	—	10.0
Foreign exchange movements	—	—	—	—	—
At 31 December 2023	—	—	(26.9)	(26.7)	(53.6)
Charge for the period	—	—	(3.5)	(4.6)	(8.1)
Charge for the period related to assets held for sale	—	—	—	—	—
Foreign exchange movements	—	—	(0.3)	—	(0.3)
At 31 December 2024	—	—	(30.7)	(31.3)	(62.0)

Net book value at 31 December	Goodwill	Brand name	Customer lists	Software	Total
€m					
2023	20.8	29.5	16.5	13.6	80.4
2024	25.7	29.5	23.5	17.0	95.7

The TIP brand was acquired by the Company together with the acquisition of the Group from GE in 2013. The TIP brand has a long history and is well known in the market. The Group has no plans to change the current brand. Therefore, it is classified as an intangible asset with an indefinite useful life.

Impairment testing of goodwill

Methodology and results

Goodwill acquired through business combinations has been allocated to a goodwill CGU for the purpose of impairment testing. Impairment of goodwill occurs when the carrying value of a CGU is higher than the present value of the cash that it is expected to generate (i.e. the recoverable amount). The Group reviews the carrying value of the CGU at least annually or more frequently if there is an indication that the CGU may be impaired.

The recoverable amount is based on a fair value computation. The cash flow forecasts employed for this computation are extracted from a five-year financial plan that has been formally approved by the Management. These cash flows are projected forward for an additional five years to determine the basis for a normalised terminal value calculation. Projected cash flows beyond the initial evaluation period have been extrapolated using a growth rate of 2.2% (2023: 1.5%). Such growth rate does not exceed the long term average growth rates for the countries in which the CGU operates. Costs of disposal were considered to be immaterial.

The approach is similar to the Group's acquisition modelling methodology.

The fair value represents the present value of the future cash flows, including the terminal value, discounted at a post-tax rate appropriate to the CGU. The discount rates used are in line with the Group's estimated weighted average cost of capital, arrived at using the Capital Asset Pricing Model.

The 2024 annual goodwill impairment testing process resulted in no impairment (2023: nil).

The additional disclosures are as follows:

€m	2024	2023
Carrying amount	2,490.0	2,382.6
Discount rate applied to cash flow projections	5.2%	5.9%
Fair value	3,900.0	3,445.7
Headroom	1,410.0	1,063.1
Coverage	157%	145%

Key sources of estimation uncertainty

Key assumptions include management's estimates of future profitability, capital expenditure and working capital requirements. Cash flow forecasts and key assumptions are generally determined based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business. Expected future cash flows are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected EBITDA margins, net cash flow, discount rates used and long term growth rates. Significant underperformance may give rise to a material write-down of goodwill which could have a substantial impact on the Group's profit and equity. Given the excess headroom, however, the likelihood of this happening is considered low.

Sensitivity analysis

Sensitivity analysis was performed by increasing the discount rate by 1 pp (percent point) and reducing the long-term growth rate by 1 pp, which resulted in an excess in the recoverable amount over its carrying amount under each approach. Management believes that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount.

The table below identifies the break-even levels for key assumptions to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the CGU:

Assumption	Change by:	
EBITDA margin	Reduction	7.9 %
Net cash flow	Reduction	44.0 %
Discount rate	Increase	1.9 %
Long term growth rate	Reduction	2.2 %

Impairment testing of brand name

The Group estimated the fair value less costs to sell using a discounted cash flow model based the most recent budgets as approved by the EMT and the Board of Directors. These budgets generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

The assumptions used for the valuation of brand name are consistent with the assumptions used for the valuation of goodwill.

The calculated fair value amounts to €285.0m, which represents a coverage of 966% compared to the carrying amount of €29.5m.

21. Financial assets

€m	2024	2023
Loan receivables at amortised cost		
At 1 January	54.6	50.0
Additions	8.3	4.6
Repayment	—	—
31 December	62.9	54.6
Interest receivables		
At 1 January	0.6	0.2
Income	3.0	2.7
Received	(2.9)	(2.3)
At 31 December	0.7	0.6
Deferred consideration		
At 1 January	—	—
Additions	28.1	—
Repayment	—	—
At 31 December	28.1	—
Total	91.7	55.2
Current	0.7	0.6
Non-current	91.0	54.6

Financial assets relate to a loan granted to a related party ([note 33](#)). The deferred consideration relates to the sale of Canadian business ([note 15](#)).

22. Deferred tax

Deferred tax assets (DTA) and liabilities (DTL) at 31 December consist of:

	DTA	DTL	DTA	DTL
€m	2024	2024	2023	2023
Fleet	25.9	(26.7)	20.9	(76.1)
PP&E	0.8	(1.7)	—	(5.9)
Intangibles	0.7	(12.9)	0.7	(16.9)
Trade and other receivables and payables	7.9	(2.9)	7.4	(6.4)
Borrowings	(0.5)	—	0.3	—
RoU Fleet	—	(2.3)	—	(3.6)
RoU PP&E	—	(29.2)	—	(27.8)
RoU Finance lease liability	33.1	—	33.4	—
Assets held for sale	—	—	—	64.8
Net operating losses	16.8	—	14.6	—
Deferred tax before provisions	84.7	(75.7)	77.3	(71.9)
Provisions on net operating losses and tax credits	(3.3)	—	(3.9)	—
Provisions on other temporary differences	(20.5)	—	(18.8)	—
Provisions on deferred tax assets	(23.8)	—	(22.7)	—
Deferred tax after provisions	60.9	(75.7)	54.6	(71.9)
Allowable offset against deferred tax liabilities	(47.7)	47.7	(42.9)	42.9
Net deferred tax	13.2	(28.0)	11.7	(29.0)

TIP Group has tax losses carried forward of €71.9m as at 31 December 2024 (2023: €62.2m) of which the majority can be carried forward indefinitely. The Group recognises deferred tax assets for the tax value of losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has not recognised deferred tax assets in respect of tax losses of €3.3m (2023: €3.9m) as the Group considers it is not probable that future taxable profits will be available to offset these tax losses with current tax liabilities. Of the total amount of unrecognised losses, €3.3m do not have an expiry date.

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries, joint ventures and associates (2023: €36.2m). That is because TIP Group is able to control the timing of the reversal of these temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

22.1 Net deferred tax

Movements during the period are as follows:

€m	1 January 2024	Effects of movements in foreign exchange	Recognised in income	Recognised in OCI/equity	Assets held for sale	Transfers business combinations	31 December 2024
Fleet	(55.4)	—	0.9	—	53.8	—	(0.7)
PP&E	(16.2)	—	0.3	—	4.6	—	(11.3)
Intangibles	(5.9)	—	(0.2)	—	7.3	(3.1)	(1.9)
Trade and other receivables	1.0	—	4.5	—	(0.5)	—	5.0
Borrowings	0.4	—	(1.8)	0.9	—	—	(0.5)
RoU Fleet	(3.6)	(0.1)	1.4	—	—	—	(2.3)
RoU PP&E	(27.8)	(0.2)	(5.2)	—	4.0	—	(29.2)
RoU Finance lease liability	33.4	0.3	3.9	—	(4.4)	—	33.2
Held for sale	64.8	—	—	—	(64.8)	—	—
Net operating losses	14.6	(0.1)	1.4	—	—	0.8	16.7
Deferred tax before provisions	5.3	(0.1)	5.2	0.9	—	(2.3)	9.0
Provisions on net operating losses and tax credits	(3.9)	—	0.6	—	—	—	(3.3)
Provisions on other temporary differences	(18.7)	—	(1.8)	—	—	—	(20.5)
Provisions on deferred tax assets	(22.6)	—	(1.2)	—	—	—	(23.8)
Deferred tax after provisions	(17.3)	(0.1)	4.0	0.9	—	(2.3)	(14.8)

Tax management

The Group has deferred tax assets primarily resulting from net operating losses carried forward and temporary differences that may reduce taxable profit in future periods. The realisation of these deferred tax assets depends on the Group's ability to generate sufficient taxable profit within the carried forward periods provided for in the tax law of each applicable tax jurisdiction.

The following sources of taxable profit have been considered when assessing the realisation of the deferred tax assets:

- Forecasted future profit before tax and taxable profit
- Future reversal of temporary differences
- Scheduled reversal of deferred tax liabilities
- Tax planning strategies

The Management considers that it is likely that a portion of the deferred tax assets will not be realised due to the forecasted profit before tax in some countries.

23. Inventories

€m	Note	2024	2023
Fleet held for sale			
At 1 January		30.4	10.1
Additions	18	37.7	65.8
Disposals		(51.1)	(43.0)
Assets held for sale		—	(2.5)
At 31 December		17.0	30.4
Buy to sell			
At 1 January		5.2	6.3
Additions		12.6	23.1
Disposals		(8.0)	(24.2)
At 31 December		9.8	5.2
Parts			
At 1 January		16.0	16.4
Additions		34.4	18.1
Business combinations		0.5	2.5
Used		(30.5)	(17.6)
Assets held for sale		—	(3.4)
At 31 December		20.4	16.0
Total		47.2	51.6

Inventories include fleet which is classified as held for sale once Management decides to dispose of the equipment. Buy to sell are trailers, tankers and trucks purchased to resell.

24. Trade and other receivables

€m	Note	2024	2023
Trade receivables		167.7	143.8
Allowance for expected credit losses	24.1	(9.4)	(10.1)
Non-impaired trade receivables		158.3	133.7
VAT receivables		7.5	33.0
Prepayments		24.3	19.8
Unbilled revenue		8.8	9.8
Other		5.8	11.5
Total		204.7	207.8

Trade receivables and unbilled revenue are non-interest bearing and are generally on 30-day payment terms. Trade receivables include receivables arising from contracts with customers and other receivables. It is not possible for the Group to separate trade receivables from the contracts with customers from other receivables. VAT receivables are fully recoverable. Prepayments (mainly operating expenses) are attributable to subsequent periods and mature within one year.

Trade receivables and credit risk policies

Refer to [note 36.4](#) on credit risk for trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

24.1 Allowance for expected credit losses on trade receivables

€m	Individually impaired	Collectively impaired	Total
At 1 January 2023	10.3	1.9	12.2
Charge for the period	(1.6)	—	(1.6)
Trade receivables written off	(2.6)	—	(2.6)
Assets held for sale	2.1	—	2.1
At 31 December 2023	8.2	1.9	10.1
Charge for the period	2.3	(0.6)	1.7
Trade receivables written off	(2.4)	—	(2.4)
Assets held for sale	—	—	—
At 31 December 2024	8.1	1.3	9.4

These expenses arise due to the recognition of ECL charges of trade receivables with fixed or determinable payment.

Ageing analysis

At the end of the reporting period, the ageing analysis of non-impaired trade receivables is as follows:

Trade receivables at 31 December €m	Total	Neither past due or impaired	Past due but not impaired				
			1-30 days	31-60 days	61-90 days	91-120 days	>120 days
2024	158.3	124.0	23.9	6.0	1.7	0.7	2.0
2023	133.7	100.0	25.6	4.0	2.2	0.8	1.1

25. Cash and cash equivalents

€m	2024	2023
Cash at banks and on hand	8.1	17.7
Total	8.1	17.7

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

€m	2024	2023
Cash at banks and on hand	8.1	17.7
Cash at banks and on hand attributable to discontinued operations	—	1.4
Total	8.1	19.1

26. Borrowings

2024						
€m	RCF	ABS	FLB	TL	GRCF	Total
At 1 January	1,381.1	159.0	164.2	425.0	14.0	2,143.3
Drawdowns	298.8	123.1	52.2	—	6.3	480.4
Business combinations	—	—	19.1	—	—	19.1
Repayments	(625.8)	(65.4)	(44.3)	(0.3)	—	(735.8)
Gross face value at 31 December	1,054.1	216.7	191.2	424.7	20.3	1,907.0
Foreign exchange movements	15.0	2.2	2.1	—	—	19.3
Gross value after foreign exchange	1,069.1	218.9	193.3	424.7	20.3	1,926.3
Accrued interest/commitment fees	5.8	—	—	—	—	5.8
Deferred fees	(11.2)	(0.5)	—	—	(0.3)	(12.0)
Total at 31 December	1,063.7	218.4	193.3	424.7	20.0	1,920.1
Current	5.8	54.8	41.2	—	—	101.8
Non-current	1,057.9	163.6	152.1	424.7	20.0	1,818.3

2023						
€m	RCF	ABS	FLB	TL	GRCF	Total
At January	1,078.2	87.7	179.2	425.0	—	1,770.1
Drawdowns	432.0	74.4	33.8	1.8	14.0	556.0
Business combinations	—	—	18.6	—	—	18.6
Reclassification to liabilities associated with assets held for sale	—	—	(16.8)	—	—	(16.8)
Repayments	(133.2)	(3.7)	(51.8)	(1.8)	—	(190.5)
Gross face value at 31 December	1,377.0	158.4	163.0	425.0	14.0	2,137.4
Foreign exchange movements	4.1	0.6	1.2	—	—	5.9
Gross value after foreign exchange	1,381.1	159.0	164.2	425.0	14.0	2,143.3
Accrued interest/commitment fees	2.3	—	—	1.6	—	3.9
Deferred fees	(17.7)	(1.2)	—	—	—	(18.9)
Total at 31 December	1,365.7	157.8	164.2	426.6	14.0	2,128.3
Liabilities associated to assets held for sale	—	—	16.8	—	—	16.8
Current	2.3	40.8	28.6	1.6	—	73.3
Non-current	1,363.4	117.0	135.6	425.0	14.0	2,055.0

26.1 Overview of principal borrowing facilities

Revolving credit facility (RCF) and Green revolving credit facility (GRCF)

On 20 December 2018, the Group refinanced and signed a new financing facility with a consortium of banks providing a €967.0m multi-currency revolving credit facility. This facility matures on 31 December 2023 and can be extended up to an additional two years post 31 December 2023. On 22 November 2019, the RCF facility was increased by €183.5m via the accordion clause in the agreement, with a combination of existing and new banks. On 29 July 2021, the Group signed an agreement to refinance the existing loan facility whereby extending the maturity till December 2025 and increasing the facility by €46.0m with the existing banks in the consortium, using the accordion feature, totalling to €1,196.5m. On 12 December 2022, we signed an agreement to refinance our existing loan facility increasing the facility by €193.8m with our existing and new banks in the consortium, using the accordion feature, totalling to €1,390.3m. On 20 December 2023, the Group increased the facility using the accordion feature, totalling to €1,798.8m. On 03 December 2024, the Group extended the maturity of the existing loan facility to 08 Dec 2027 and voluntarily reduced the facility by €425m, totalling to €1,373.8m, reflecting short term lower funding needs post the sale of TIP Canada in June 2024, which will result in savings on commitment fees for unutilised facilities.

The Group may draw funds under the facility in €, £, US\$, CA\$, SEK, NOK, PLN, CHF and DKK. The Group may elect to pay interest on a 1, 3 or 6-month basis. The Group's policy usually is to pay on a three-month basis.

The interest rate spread varies quarterly based on the ratio of loan outstanding compared with certain loan collateral ("loan to value") between 1.5% and 2.1%. There is a 0% RFR floor applicable to the facility. During 2024, the Group paid an average spread of 1.69% (2023: 1.79%). The Group has linked the interest rate spread to the sustainability KPI's.

The Group is required to comply with the following financial covenants:

- Solvency (equity-intangibles-deferred taxes)/(total assets-intangibles-deferred taxes)
- Interest cover (the ratio of operating profit excluding exceptional items to cash finance charges)
- Loan to value (the ratio of aggregate borrowings outstanding to borrowing base)

The Group is required to hedge the related interest payments using floating to fixed interest rate swaps. A minimum of 33.3% of the drawdown loan is required to be hedged till maturity of RCF.

The Group fully complied with these covenants in all periods.

The majority of the assets of the Group are pledged as collateral with respect to these borrowings. Please refer to commitments and contingencies in note 34.

On 22 November 2019 TIP entered the institutional private placement term loan market for the first time via the accordion clause in the agreement, raising €274.5m in term loans from five funders, as part of the acquisition of PEMA. The Group successfully increased the term loan by €150.0m on 3 August 2021, as part of the refinancing strategy, with the existing private placement term loan institutions. On 12 December 2022, group established a new accordion of €500.0m and can be used to raise fund via the RCF, GRCF and Term loan institutions. The interest rate of this term loan is 2.4% and facility matures in November 2026.

On 12 December 2022, the Group successfully raised a green revolving credit facility (GRCF) of €75.0m. This facility is dedicated to fund zero and low emission equipment and is aligned with EU taxonomy/green loan principles. The interest rate spread varies quarterly based on the ratio of loan outstanding compared with certain loan collateral ("loan to value") between 1.45% and 2.05%. There is a 0% RFR floor applicable to the facility.

The institutional term loans and green revolving credit facility rank pari passu with the RCF facility in relation to security. The three financial covenants that apply to the RCF also apply to the TL and the GRCF.

Asset-backed securitisation facility (ABS)

In December 2021, the Group set up a new ABS facility under Irish law with two leading banks and closed down its previous ABS facility, which operated under Dutch law. The countries where the Group can use this facility are the Netherlands, Belgium, France, Germany, the United Kingdom, Ireland, Denmark, Sweden and Finland. For the ABS program, a two-step future flow securitization structure was set up. A bankruptcy remote Irish special purpose entity, TIP Collections Designated Activity Company (TCD), wholly owned by TIP, is the legal owner of the vehicles and leases these assets to various TIP operating companies, which in turn sublease the assets to our customers. TCD sells the discounted future cash flows associated with the lease agreements and the residual value of the assets to TIP Lease Funding Designated Activity Company (TLF) in return for funding against favourable terms. Although the shares of TLF are not owned by the Group, TLF is included into the consolidated financial statements, since it meets the IFRS 10 consolidation criteria. Vehicles which are not ABS funded remain legally owned by the respective TIP operating companies.

In December 2023, the Group extended the facility by 2 years, till December 2025 and increased the committed senior facility from €200.0m to €265.0m. The Group intends to extend the facility beyond 2025.

This facility has no interest rate floor, and expansion to €300.0m is permitted under the RCF facilities agreement. This senior facility is a multi-currency facility which allows the Group to borrow in the major currencies in which it operates and requires interest rate hedges to be taken out to match the lease cash flows. Interest is payable on a monthly basis.

Funding lease book (FLB)

The Group has entered into, or acquired via business combinations, a number of lease contracts as customer (lessee).

The average interest rate on these leases is 4.0% (2023: 4.4%).

The Group's obligations, including discontinued operations, under leases are secured by the supplier's (lessor) legal title to the leased assets. Future minimum payments, together with the present value of the net minimum lease payments, are as follows:

2024 €m	Total future minimum lease payments	Outstanding interest	Present value of minimal payments (principal amount)
Less than 1 year	48.3	7.1	41.2
Between 1 and 5 years	126.4	19.3	107.1
More than 5 years	52.6	7.6	45.0
Total	227.3	34.0	193.3

2023 €m	Total future minimum lease payments	Outstanding interest	Present value of minimal payments (principal amount)
Less than 1 year	51.3	6.0	45.4
Between 1 and 5 years	116.2	13.2	103.0
More than 5 years	37.9	5.3	32.6
Total	205.4	24.5	181.0

27. Derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

In accordance with the Group's risk management strategy, the Group use financial instruments, such as interest rate swaps and caps to hedge against the risk of rising interest rates on its floating rate borrowings, namely its revolving credit facility (RCF) and asset based securitization (ABS) program. The Group's risk management strategy and how it is applied to manage risk is explained in note 36.3. Such derivative contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in fair value are recognised directly in the profit or loss for all derivative instruments, except where the Group has elected to apply hedge accounting.

The Group has elected to apply hedge accounting to its derivatives under the RCF. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Where hedge accounting is applied, the effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is

adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group has relationships only with financial institutions with high credit ratings in respect of derivatives to minimize credit risk exposure.

Below is an analysis of the derivatives fair value recognised in profit or loss, or OCI:

€m	Note	2024	2023
Recognised in profit or loss	27.1	(0.5)	2.7
Recognised in the OCI	27.2	(3.0)	1.5
Total		(3.5)	4.2
Current		3.0	9.7
Non-current		(6.5)	(5.5)

Revolving credit facility (RCF)

The Group enters into interest rate swaps in order to hedge against the risk of rising interest rates on its floating rate revolving credit facility. These contracts, which are entered into on a rolling basis, are expected to reduce the volatility in interest payments attributable to interest rate fluctuations in various benchmark rates. The Group has elected to apply hedge accounting to these derivatives. These derivatives are designated as cash flow hedges. There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the terms of the highly probably borrowings. To test hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Asset-backed securitisation (ABS)

The Group is also required to enter into swaps in relation to its ABS facility. These swaps are not designated as hedge relationships, and hence, movements in fair value are recognised in the profit or loss.

Derivatives not designated as hedging instruments

The Group uses foreign currency-denominated borrowings in ABS structure, and foreign exchange forward contracts to manage some of its ABS Balance sheet exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

27.1 Derivatives with changes in fair value recognised in the profit or loss

€m	2024	2023
Interest rate swap	(0.5)	2.7
Total	(0.5)	2.7
Current	0.7	3.6
Non-current	(1.2)	(0.9)

The movement of the interest rate swaps was as follows:

€m	2024	2023
At 1 January	2.7	3.1
Reclass to derivatives at fair value through the profit or loss from OCI	—	—
Movement in fair value through profit or loss	(3.2)	(0.4)
At 31 December	(0.5)	2.7

Below is an analysis of the expected future cash flows for derivatives where hedge accounting is not applied as at the year ended:

2024				
€m	Less than 3 months	3 to 12 months	1 to 5 years	Total
Inflows	6.8	0.9	2.3	10.0
Outflows	(5.8)	(1.2)	(3.5)	(10.5)
Net	1.0	(0.3)	(1.2)	(0.5)

2023				
€m	Less than 3 months	3 to 12 months	1 to 5 years	Total
Inflows	5.5	(0.3)	(0.7)	4.5
Outflows	(1.7)	0.1	(0.2)	(1.8)
Net	3.8	(0.2)	(0.9)	2.7

27.2 Derivatives with changes in fair value recognised in OCI

€m	2024	2023
At 1 January	1.5	30.6
Fair value during period	(4.5)	(29.1)
At 31 December	(3.0)	1.5
Current	2.3	6.1
Non-current	(5.3)	(4.6)

Below is an analysis of the expected discounted future cash flows for derivatives where hedge accounting had been applied as at the year ended:

2024	Less than 3 months	3 to 12 months	1 to 5 years	Total
€m				
Inflows	7.8	20.7	25.0	53.5
Outflows	(7.1)	(19.1)	(30.3)	(56.5)
Total	0.7	1.6	(5.3)	(3.0)

2023	Less than 3 months	3 to 12 months	1 to 5 years	Total
€m				
Inflows	7.4	15.2	18.6	41.2
Outflows	(5.0)	(11.5)	(23.2)	(39.7)
Total	2.4	3.7	(4.6)	1.5

28. Provisions

€m	Restructuring	Other	Total
At 1 January 2023	1.7	–	1.7
Charge for the period	0.8	–	0.8
Utilised	–	(0.1)	(0.1)
At 31 December 2023	2.5	(0.1)	2.4
Charge for the period	3.8	–	3.8
Utilised	(0.2)	–	(0.2)
At 31 December 2024	6.1	(0.1)	6.0
Current	6.1	(0.1)	6.0
Non-current	–	–	–

29. Trade and other payables

€m	Note	2024	2023
Accruals	29.1	74.8	97.3
Other creditors	29.2	25.7	23.8
Deferred revenue	29.3	41.1	38.4
Trade payables		64.1	42.4
Security deposits		17.6	16.0
Fleet payables		3.0	(0.4)
Cube Transportation Europe Coöperatief	33	—	0.4
Total		226.3	217.9
Current		197.6	189.0
Non-current		28.7	28.9

Trade and fleet payables are non-interest bearing and are settled within agreed terms.

The Group requires security deposits to cover credit risk of customers with lower ratings or when exposure is high versus customer equity and cash flow coverage. They are returned if not used when all contracts related are paid in full by the customer. The Group may transfer the security deposit from one contract to the following contract with supporting documentation signed by the Group and the customer. Security deposits are requested at the beginning of a lease or rental from some customers according to the Group's risk management policies. They are held for various lengths of time.

29.1 Accruals

Accruals are comprised as follows:

€m	2024	2023
Compensation and benefits	20.4	21.4
Administrative and other operating expenses	19.7	23.8
M&R own fleet	20.1	34.6
Insurance	1.7	3.0
Property dilapidations	2.1	2.0
Deferred fleet sales proceeds	0.7	0.5
Other	10.1	12.0
Total	74.8	97.3

M&R own fleet relates to services provided by third parties who have not yet invoiced services provided for maintaining the Group's trailers.

Compensation and benefits include bonus and holiday pay provisions.

29.2 Other creditors

€m	2024	2023
VAT payable	10.2	6.0
Net payroll liability	4.7	4.8
Wages tax and social security	3.1	3.2
Prepaid fleet sales	2.4	8.5
Other payables	5.3	1.3
Total	25.7	23.8

29.3 Deferred revenue

Deferred revenue is comprised as follows:

€m	2024	2023
Maintenance contracts	30.9	31.0
Leasing and rental	10.1	7.3
M&R 3rd party	0.1	0.1
Total	41.1	38.4
Current	12.4	9.5
Non-current	28.7	28.9

Deferred maintenance revenue represents instances where the remaining performance obligation is expected to be completed in the next periods.

30. Pension obligations

The Group primarily operates defined contribution plans either through an insurance company or via state social security plans. Defined benefit plans are insignificant.

31. Equity

31.1 Share capital

€m	2024	2023
Authorised shares		
Ordinary shares 1,000 of €0.01 each		
Ordinary shares issued and fully paid	10.0	10.0
Total	10.0	10.0

31.2 Dividends

During 2024, Global TIP Holdings Two B.V. distributed to its shareholder (Cube Transportation Europe Coöperatief U.A.) a dividend of € 95.6m as an appropriation of profit from its retained earnings.

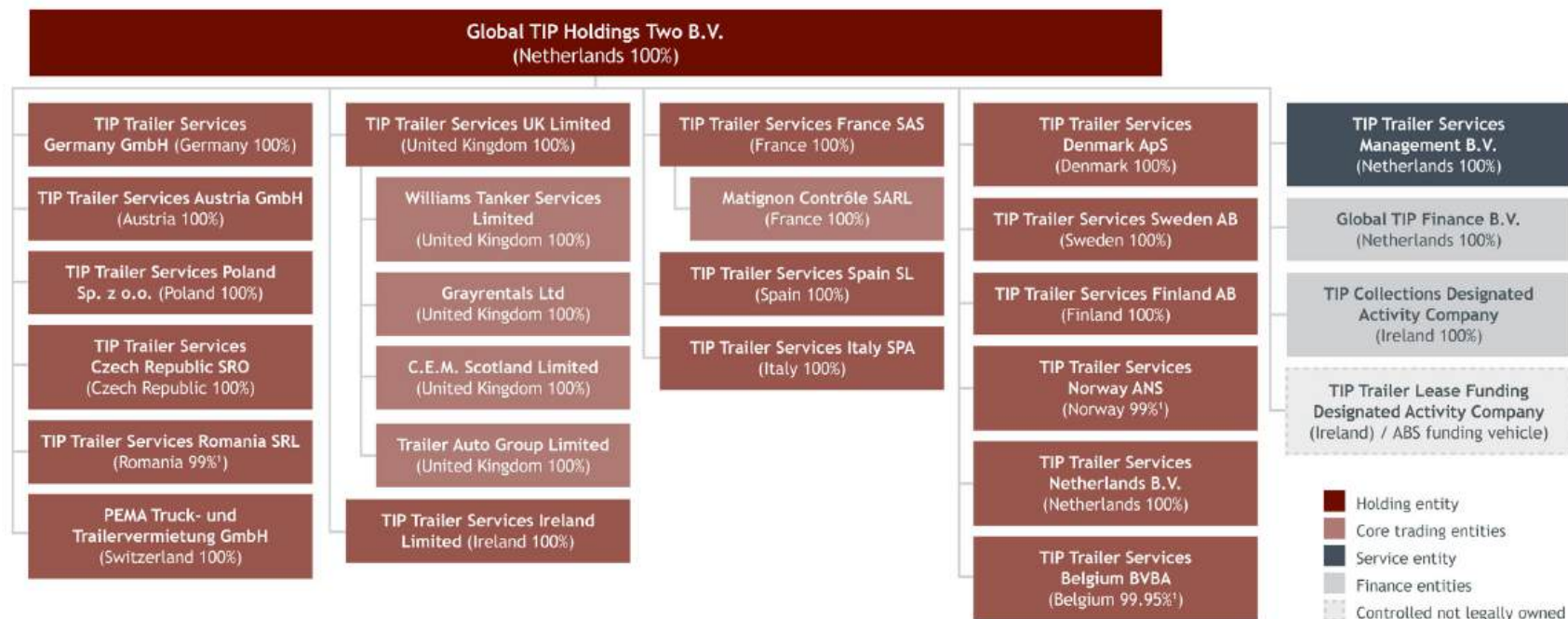
31.3 Other reserves

€m	Note	Foreign currency translation	Cash flow hedge	Total
At 1 January 2023		(12.3)	24.2	11.9
Movement for the period		0.8	(29.1)	(28.3)
Tax impact	16.2	—	5.6	5.6
Asset held for sale		2.9	—	2.9
At 31 December 2023		(8.6)	0.7	(7.9)
Movement for the period		5.6	(4.3)	1.3
Tax impact	16.2	—	0.9	0.9
Recycling of the reserve related to a disposal group held for sale		(2.9)	—	(2.9)
At 31 December 2024		(5.9)	(2.7)	(8.6)

31.4 Reserve of disposal group held for sale

€m	2024	2023
Reserve of disposal group held for sale	—	2.9
Total	—	2.9

32. Group information



¹ Balance of shares held by TIP Trailer Services Netherlands B.V.

33. Related party disclosures

a) The following table summarises current period transactions and outstanding balances with the related parties:

€m			
Lender/supplier	Borrower/debtor	2024	2023
Current period transactions			
Global TIP Holdings Two B.V.	Cube Transportation Europe Coöperatief	1.4	1.8
TIP Trailer Services Management B.V.	TIP Fleet Services Canada Ltd.	0.6	—
Other revenue		2.0	1.8
Global TIP Finance B.V.	Cube Transportation Europe Coöperatief	3.1	2.9
Global TIP Holdings Two B.V.	Canada Trailer Leasing Holdings Limited	0.7	—
Finance income		3.8	2.9
Global TIP Holdings Two B.V.	Cube Transportation Europe Coöperatief	(4.4)	(0.8)
Other costs		(4.4)	(0.8)
Total		1.4	3.9
Dividends paid			
Global TIP Holdings Two B.V.	Cube Transportation Europe Coöperatief	(95.6)	(24.4)
Total		(95.6)	(24.4)
Outstanding balances			
Global TIP Finance B.V.	Cube Transportation Europe Coöperatief	63.6	55.2
Loan receivable		63.6	55.2
Global TIP Holdings Two B.V.	Canada Trailer Leasing Holdings Limited	28.1	—
Deferred consideration		28.1	—
Cube Transportation Europe Coöperatief	Global TIP Finance B.V.	—	(0.4)
Trade and other payables		—	(0.4)
Total		91.7	54.8

Financial assets relate to an arm's length loan of €63.6m granted to Cube Transportation Europe Coöperatief U.A. The loan has a floating interest rate and is fully repayable on maturity date in June 2027. Payables relates to management service fees.

Cube Transportation Europe Coöperatief U.A. has pledged the shares of Global TIP Holdings Two B.V. as security for the RCF.

In June 2024, the Group sold TIP Fleet Services Canada Ltd to Canada Trailer Leasing Holdings Limited ("Buyer"), a related party under common control. The ultimate controlling party of both Global TIP Holdings Two B.V. and the Buyer is ISQ Holdings, LLC. Further details of the transaction are provided in Note 15. The transaction was conducted on terms equivalent to those prevailing in arm's length transactions. As of the reporting date, the Group has an outstanding receivable from the Buyer amounting to €28.1m.

b) Compensation of key management personnel of the Group:

€m	2024	2023
Salaries	9.0	8.1
Post-employment benefits	0.6	0.5
Total	9.6	8.6

The Senior Leadership Team is considered to be the key management personnel of the Group. The amounts disclosed in the table above are recognised as an expense during the reporting period.

The shareholder has put in place a cash incentive plan in case of a sale of the group at set minimum levels of return. Using 2024 data and future estimates, the current view is that the plan is not projected to make a payment. As an amendment to this plan, the shareholder made prepayments in September 2023 and 2024, which amortizes over a 3 year period. An amount of €2.2m (2023: €0.5m) of the payment has been recognized as an expense in 2024. These prepayments represent a floor in the plan, subject to employment for a three-year period. The Non-Executive Directors do not receive pension entitlements from the Group.

Terms and conditions of transactions with related parties

Transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. There have been no credit losses relating to the outstanding balances.

34. Commitments and contingencies

a) Assets pledged as collateral

Under the Group's various borrowing facilities referred to in note 26, the Group has pledged the following assets as security for these facilities:

Revolving credit facility (RCF)

The Group has pledged the assets below as security for this facility through fixed and floating charges:

€m	2024	2023
Fleet	1,747.1	2,051.7
PP&E	140.8	130.9
Non-current assets	1,887.9	2,182.6
Inventories	47.2	57.7
Unbilled revenue	8.8	9.8
Trade receivables	154.8	152.0
Cash and cash equivalents	0.1	16.5
Current assets	210.9	236.0
Total	2,098.8	2,418.6

The Group has also pledged shares of some of its operating companies.

The RCF facility allows for either fleet or lease contracts to be pledged separately via an SPV for securitised financing, via lease facilities and other loan facilities up to certain stipulated levels.

Green revolving credit facility (GRCF)

The Group has pledged the assets listed below as security for this facility through fixed and floating charges:

€m	2024	2023
Fleet	27.0	19.5
Non-current assets	27.0	19.5
Trade receivables	0.4	0.3
Current assets	0.4	0.3
Total	27.4	19.8

Asset back securitisation facility (ABS)

The Group has pledged the assets below as security for this facility through an SPV:

€m	2024	2023
Fleet	255.4	193.6
Non-current assets	255.4	193.6
Cash and cash equivalents	8.0	2.6
Current assets	8.0	2.6
Total	263.4	196.2

Funding lease book (FLB)

The Group's obligations under leases are secured by the lessor's legal title to the leased assets below:

€m	2024	2023
Fleet	84.3	78.6
PP&E	114.0	106.8
Non-current assets	198.3	185.4
Trade receivables	3.5	3.5
Current assets	3.5	3.5
Total	201.8	188.9

Term loan facilities (TL)

The Group has pledged the assets below as security for these facilities:

€m	2024	2023
Non-current assets	—	—
Total	—	—

b) Capital commitments

€m	2024	2023
Fleet	174.9	224.9
PP&E	27.8	33.1
Intangible assets	9.0	14.9
Total	211.7	272.9

Number of fleet units	2,292	2,260
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c) Guarantees

The Group has provided the following guarantees:

€m	2024	2023
FLB	45.5	40.8
Total	45.5	40.8

All guarantees issued are in the ordinary course of business.

The expiration periods of these guarantees are as follows:

€m	2024	2023
2024	—	5.3
2025	1.1	1.1
2026	2.8	2.7
2027	0.3	0.3
2028	1.1	1.1
2029	18.1	18.1
2030+	22.1	12.2
Total	45.5	40.8

d) Legal claims

The Group had no material legal claims outstanding at 31 December 2024, nor at 31 December 2023.

35. Committed revenue

At the end of the reporting period, the Group has committed revenue (L&R and M&R) with customers for whom the contract term was greater than 12 months. The contractually committed revenue can be split as follows:

€m	2024	2023
Within one year	528.9	504.3
Between 1 and 2 years	399.1	381.8
Between 2 and 3 years	295.1	276.6
Between 3 and 4 years	192.6	190.1
Between 4 and 5 years	106.5	112.3
More than 5 years	135.0	129.0
As of 31 December 2024	1,657.2	1,594.1

In addition, the Group has substantial operational committed cash flows from customers. This is driven by the customers' contractual commitments with their end-users for the Group's fleet. Often customers cannot quickly change to other suppliers without costly disruption to the supply chain. Customers, therefore, continue to use and pay the same lease rate post the end of the contracted period through evergreens. In addition, many customers enter into contract extensions for additional periods which are often for two to three years. Short-term contracts can also extend into subsequent periods.

36. Financial risk management

The Group's principal financial instruments, other than derivatives comprise of trade and other receivables, and cash and short-term deposits that it derives directly from its operations. It also includes loans and borrowings, and trade and other payables. The primary purpose of the Group's financial liabilities is to finance its operational activities. The Group views derivatives as risk management tools and does not use them for trading or speculative purposes.

36.1 Liquidity risk

Liquidity risk is the risk that financial liabilities that are settled in cash or by other financial assets cannot be fulfilled when they fall due or can only be met at unfavourable economic conditions.

The Group monitors its risk of a shortage of funds using cash forecasting models. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits and bank loans. The Group is exposed to risk associated with concentration of its borrowings. However, access to sources of funding is sufficiently available, and the majority of the borrowing arrangements mature within 1 to 5 years after the reporting date (please refer to [note 26](#)). The Group plans to continue to diversify the maturity of its borrowings in the coming years.

The table below summarises the maturity profile of the Group's financial liabilities based on undiscounted contractual payments:

2024						
€m	Note	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest		22.1	66.7	170.7	7.6	267.1
Borrowings repayment	26	22.7	72.9	1,779.0	51.7	1,926.3
Derivatives	27	(1.7)	(1.3)	6.5	—	3.5
Trade and fleet payables		67.1	—	—	—	67.1
Total		110.2	138.3	1,956.2	59.3	2,264.0

2023						
€m	Note	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest		29.4	87.6	131.1	5.3	253.4
Borrowings repayment	26	18.3	55.0	2,037.1	32.6	2,143.0
Derivatives	27	(6.2)	(3.5)	5.5	—	(4.2)
Trade and fleet payables		42.0	—	—	—	42.0
Total		83.5	139.1	2,173.7	37.9	2,434.2

36.2 Fair value of financial assets, borrowings and derivatives

All financial assets and liabilities, except for derivatives, are floating rate instruments or have short tenors, and therefore their carrying amount approximates fair value. All derivatives are carried at fair value. Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

				Fair value measurement using		
2024	Note	Carrying amount	Fair value	Quoted prices in active markets	Significant observable input	Significant unobservable inputs
				(level 1)	(level 2)	(level 3)
€m						
Financial assets	21	91.7	91.7	—	91.7	—
Derivatives	27	3.5	3.5	—	3.5	—
Borrowings	26	1,920.1	1,920.1	—	1,920.1	—
Total borrowings and derivatives		1,923.6	1,923.6	—	1,923.6	—

				Fair value measurement using		
2023	Note	Carrying amount	Fair value	Quoted prices in active markets	Significant observable input	Significant unobservable inputs
				(level 1)	(level 2)	(level 3)
€m						
Financial assets	21	55.2	55.2	—	55.2	—
Derivatives	27	4.2	4.2	—	4.2	—
Total financial assets and derivatives		59.4	59.4	—	59.4	—
Borrowings	26	2,128.3	2,128.3	—	2,128.3	—
Total borrowings		2,128.3	2,128.3	—	2,128.3	—

The Management assessed that the fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts mostly due to the short maturities of these instruments.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There were no transfers between Level 1 and Level 2 during 2024 and 2023.

The following methods and assumptions were used to estimate the fair values:

- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Derivatives valued using valuation techniques with observable market inputs are mainly interest rate swaps and floors and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and the entity itself, foreign exchange spot and forward rates and interest rate curves. As at 31 December 2024 and 31 December 2023, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk, and the marked-to-market value of derivative liability positions is net of a debit valuation adjustment attributable to derivative entity's own credit risk. The changes in the credit risk of both counterparties and entity itself had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other instruments summarised at fair value.
- Fair values of the Group's borrowings are determined by using a DCF method with a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk is assessed to be stable between the date of entering into the contract and the reporting date.
- Fair values of the Group's financial assets are determined by using a DCF method with a discount rate that reflects the counterparty risk as at the end of the reporting period.

36.3 Market, interest and foreign currency objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Management oversees the management of these risks. The Management is supported by the Treasury team who advises on financial risks and the appropriate financial risk governance framework for the Group. All derivative activities for risk management purposes are carried out by a specialist team that has the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments. Market risk consists of interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates (primarily Euribor/SONIA) relates mainly to the Group's long-term borrowing obligations with floating interest rates.

To manage this exposure, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed notional principal amount. These swaps are designated to hedge underlying borrowing obligations (please refer to [note 27](#)). The Group's strategy is to hedge a minimum of 66% of its long-term external borrowings for the duration of the borrowings. For financing via ABS, interest rate swaps are taken out to match the operating lease cash flow and duration for the financing component of the facility.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on principal borrowings, after the impact of hedge accounting where applicable. With all other variables held constant, the Group's profit before tax and other comprehensive income are affected as follows:

2024		Change in	Effect on profit	Effect on
€m		rate	before tax	OCI
RCF	Interest rate swaps	(0.25) p.p.	0.3	(3.6)
		0.25 p.p.	(0.3)	3.6
ABS	Interest rate	(0.25) p.p.	0.5	—
		0.25 p.p.	(0.5)	—

2023		Change in	Effect on profit	Effect on
€m		rate	before tax	OCI
RCF	Interest rate swaps	(0.25) p.p.	0.5	(2.7)
		0.25 p.p.	(0.5)	2.5
ABS	Interest rate	(0.25) p.p.	0.4	—
		0.25 p.p.	(0.4)	—

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value, or future cash flows, of a financial instrument, will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the centrally managed borrowings in currencies other than the functional currency, the Group's operating activities (predominantly fleet purchases and sales at subsidiary level denominated in a different currency from the subsidiary's functional currency) and the Group's net investments in foreign subsidiaries.

Under the revolving credit and ABS facilities currently in place, the Group borrows in £, SEK, NOK, PLN, CHF and DKK to naturally hedge internal loans in those currencies.

The Group manages its foreign currency risk for the ABS structure (multi-currency facility) by hedging balance sheet exposure.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure.

The Group hedges its exposure to fluctuations on the translation into euros for ABS Structure, by holding net borrowings in different currencies and by using foreign currency swaps and forwards.

This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in exchange rates as at 31 December, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

€m	Change in rate	Effect on profit before tax	
		2024	2023
£	+5%	(1.7)	(1.4)
SEK	+5%	(0.8)	—
CAS	+5%	—	(1.2)

The following table shows the Group's net assets after borrowings by currency:

Net assets after borrowings by currency	2024	2023
€	69 %	40 %
£	4 %	4 %
CAS	— %	31 %
DKK	13 %	11 %
Others	14 %	14 %
	100 %	100 %

The Group does not hedge its intergroup net assets/investments after borrowings in non-reporting currency. In 2024 82% (2023: 51%) of its net assets/investments before borrowings are in € or currencies such as DKK which are formally tied to the €. When funding its UK, Swedish and Norwegian businesses, the Group principally borrows in £, SEK and NOK under its various financing facilities to substantially reduce its exposure to fluctuations in these currencies against the €. The Group assesses the residual risk of other currencies as limited.

36.4 Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily through its leasing and M&R activities and from its financing activities, including derivative financial instruments.

Financial assets

Financial assets, which potentially expose the Group to credit risk amount to €63.6m in receivables from the parent company and €28.1 in deferred consideration from the sale of the Canadian business. While the Group may be subject to losses up to the contract value of the financial assets in the event of non-performance by its counterparts, it does not expect such losses to occur. No collateral is required by the Group to support financial assets subject to credit risk.

Credit risk is managed by the Group in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

As per 31 December 2024, there is no indication that the loans given by the Group will not be received.

Trade receivables

The Risk team manages customer credit risk in each regional business unit subject to the Group's established policy, procedures and controls relating to customer's credit risk management. The credit quality of a customer is assessed to define credit limits based on internal and external credit ratings that take into account financial health and payment history.

The Chief Financial Officer and the Credit Risk Director of the Group delegate credit authorities to regional Finance Directors and Risk teams. Each regional Finance Director ensures that they consistently and adequately apply the policy for performing annual reviews on customer

accounts. The risk should be appropriate to the level of exposure and risk assessment of the customer and include the maintenance of clear underwriting records identifying the rationale for agreeing to each credit line level.

The Group uses customer's financial statements and other information (industry risk, business position perspective and other internal risks analyses) in assessing a customer's risk level. The key internal risk analyses include but are not limited to:

- Cash flow coverage analysis
- A standardised credit rating based on the financial information of the customer
- The most current data from local credit bureaus
- The customer Risk Class is updated monthly based on analysis of historical quality of customer payments to TIP.

All customers are monitored weekly by the Finance and Risk team and information about major overdue accounts is provided to the Management on a monthly basis.

A customer is moved to the status of the doubtful account when there is doubt of the future capacity of that customer or customer group to fulfil its payment obligations. For customers placed on the status of the doubtful account with an exposure exceeding a threshold (€0.5m), regional Finance Directors review all relevant risks and take appropriate actions to ensure any potential loss is mitigated. The evaluation may include but is not limited to, a summary of updated company financial information and projections, current contractual arrangements, analysis of the gap between net book value and fair value of an asset, site visits and review of an exit strategy if the asset is retrieved. The payment profile of these customers is closely monitored.

A customer who has filed for administration or bankruptcy, or has had legal action instigated due to overdue payments is classified as a doubtful account. All maintenance, services and other sundry offerings are stopped from the date of the classification as a doubtful account. The regional Finance Directors develop a plan to recover outstanding amounts and to retrieve any equipment. The Chief Financial Officer and the Credit Risk Director review and approve this plan.

When a customer is moved to the doubtful accounts, the existing trade receivables are impaired to profit or loss. For the non-doubtful accounts, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and

supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group writes-off the doubtful receivables, if:

- The Group receives information that the customer does not have any assets to perform enforcement proceedings,
- The enforcement proceedings were discontinued,
- The probability to recover debt is remote and further collection costs are likely to be higher than the debt itself,
- Customer is bankrupt/insolvent and the Group's claim was registered.

Excessive risk concentration

Concentrations arise when a number of customers are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group considers concentration risk using two key measures:

- Percentage of customers owing more than €0.25m and €1.0m
- Concentration in different credit rating classes.

The summary of outstanding customers owing more than €0.25m and €1.0m is as follows:

	No. of customers owing >€0.25m	% of the non- impaired trade receivables	No. of customers owing >€1m	% of the non- impaired trade receivables
2024	88	70 %	29	51 %
2023	83	62 %	26	38 %

37. Significant external factors

Geopolitical conflict in Ukraine

The Group is not directly impacted by the geopolitical conflict, as the TIP Group is not performing any operational activity in Ukraine and Russia.

The Group constantly monitors the conflict in Ukraine and its potential impact on the TIP Group and its customers.

38. Events after the reporting period

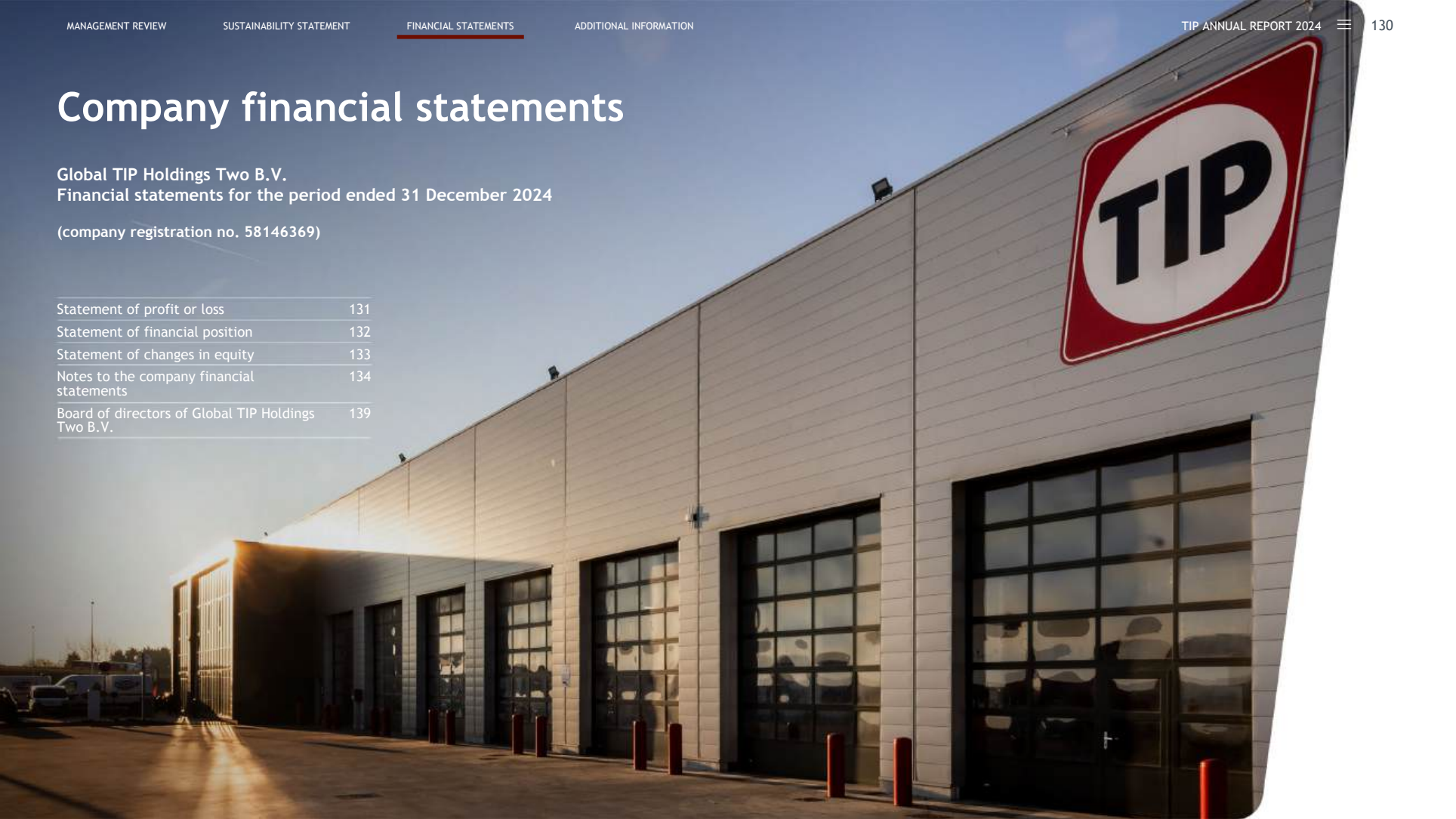
No significant events occurred after the reporting period.

Company financial statements

Global TIP Holdings Two B.V.
Financial statements for the period ended 31 December 2024

(company registration no. 58146369)

Statement of profit or loss	131
Statement of financial position	132
Statement of changes in equity	133
Notes to the company financial statements	134
Board of directors of Global TIP Holdings Two B.V.	139



Statement of profit or loss

for the period ended 31 December

€m	Note	2024	2023
Revenue		—	—
Gross profit		—	—
Administrative and other operating expenses	I	(0.5)	(0.1)
Operating profit		(0.5)	(0.1)
Finance cost	II	(17.8)	(19.4)
Finance income		1.5	—
Gain on sale of subsidiary	V	83.1	—
Result before taxes		66.3	(19.5)
Taxation	III	4.5	5.0
Net results from subsidiaries	IV	28.4	65.9
Net profit		99.2	51.4

Statement of financial position

as at 31 December

€m	Note	2024	2023
Financial assets	IV	854.0	968.3
Non-current assets		854.0	968.3
Other receivables	VI	—	78.6
Current tax assets	VII	4.5	5.1
Cash and cash equivalents		0.4	—
Current assets		4.9	83.7
Total assets		858.9	1,052.0
Borrowings	VIII	171.5	409.9
Non-current liabilities		171.5	409.9
Borrowings	VIII	39.0	—
Trade and other payables	IX	0.5	—
Current liabilities		39.5	—
Total liabilities		211.0	409.9
Net assets		647.9	642.1
Share capital	X	—	—
Share premium	X	477.1	477.1
Retained earnings	X	165.1	164.3
Other reserves	X	5.7	0.7
Equity		647.9	642.1

Statement of changes in equity

for the period ended 31 December

€m	Note	Share capital	Share premium	Retained earnings	Other reserves	Equity
At 1 January 2023		—	477.1	137.4	23.2	637.7
Net profit		—	—	51.4	—	51.4
Movement for the period	X	—	—	—	(22.7)	(22.7)
Dividend	X	—	—	(24.3)	—	(24.3)
Total comprehensive income		—	—	27.1	(22.7)	4.4
Reclass	X	—	—	(0.2)	0.2	—
At 31 December 2023		—	477.1	164.3	0.7	642.1
Net profit		—	—	99.2	—	99.2
Movement for the period	X	—	—	—	2.2	2.2
Dividend	X	—	—	(95.6)	—	(95.6)
Total comprehensive income		—	—	3.6	2.2	5.8
Reclass	X	—	—	(2.8)	2.8	—
At 31 December 2024		—	477.1	165.1	5.7	647.9

Notes to the company financial statements

Basis of preparation

The company financial statements are prepared according to the provisions in part 9, Book 2, of the Netherlands Civil Code, by applying the accounting policies used in the consolidated financial statements under IFRS according to the provisions of Article 362 sub 8, part 9, Book 2, of the Netherlands Civil Code. For all the notes to the Company's balance sheet, reference is made to the notes to the consolidated balance sheet unless stated otherwise.

Significant accounting policies

The accounting policies set out before in preparing the consolidated financial statements are also applied in the company financial statements, except for the valuation of investments in subsidiaries. Investments in subsidiaries are accounted using the net asset value, based upon accounting policies used in the consolidated financial statements. When the Company's share of losses exceeds its interest in the subsidiary, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations, which are expected to result in an outflow of resources, or made payments on behalf of the subsidiary.

I. Administrative and other operating expenses

€m	2024	2023
Other expenses	0.5	0.1
Total	0.5	0.1

Audit and accounting advisor fees

These fees are disclosed in the consolidated financial statements (refer to note 13).

II. Finance cost

€m	2024	2023
Interest	15.0	19.2
Foreign exchange losses/(income)	2.8	0.2
Total	17.8	19.4

III. Taxation

The Company is part of the Dutch tax group for corporate tax purposes with Cube Transportation Europe Coöperatief U.A. as head of the tax group. The TIP entities Global TIP Finance B.V., TIP Trailer Services Netherlands B.V. and TIP Trailer Services Management B.V. are also part of the Dutch tax group. The Company is jointly and severally liable for all corporation tax liabilities resulting from the Dutch tax group in relation to the Dutch tax authorities. The current corporate tax benefit for 2024 is €4.5m (2023: €5.0m). Current taxes are determined at each individual entity of the Dutch tax group based on its taxable profit or loss for the period taking into account permanent and temporary differences for the period. Deferred taxes for each individual entity of the tax group are determined on an individual basis taking into account temporary differences on a stand-alone basis. The forecasted profits of the Dutch tax group are used for the recognition of deferred tax assets.

IV. Financial assets

The financial assets pertain to the investment in subsidiaries and the deferred consideration related to the sale of Canadian business (note V), payable after 3 years, interest bearing at 4.7% and includes fair value adjustment of € 1.1 m.

€m	2024	2023
Investments in subsidiaries		
At 1 January	968.3	1,005.5
Capital increase in subsidiaries	20.2	3.3
Capital decrease in subsidiaries	—	(30.6)
Sale of subsidiary ¹	(154.3)	—
Cash flow hedge (net of taxation)	3.4	(23.5)
Foreign exchange movements	(5.6)	0.8
Net profit from subsidiaries	28.4	65.9
Dividend received	(34.5)	(53.1)
At 31 December	825.9	968.3
Deferred consideration		
At 1 January	—	—
Additions	28.1	—
Repayment	—	—
At 31 December	28.1	—
Total	854.0	968.3

V. Discontinued operations

The management initiated a plan to divest the Canadian operations in December 2023. As a result, the Canadian business has been reported as discontinued operations and was classified as a disposal group held for sale as of 31 December 2023.

TIP Fleet Services Canada Ltd was sold to Canada Trailer Leasing Holdings Limited on 17 June 2024, allowing the Canadian business to develop in the broader North American market and will enable TIP Group management to further improve its presence and offering in the European market. The fair value of the consideration amounted to USD 476m (€437m) which includes deferred consideration of USD 28.8m (€ 26.5 m).

The results of discontinued operations are as follows:

€m	2024	2023
Gain from operating activities before taxes	20.6	31.2
Income taxes	(3.8)	(6.1)
Net profit	16.8	25.1
Total sales proceeds	437.0	—
Net assets directly associated with the disposal group ²	(347.9)	345.9
Gain on sale before foreign currency translation reserve write-off	89.1	—
Transaction costs	(1.7)	—
Write-off of foreign currency translation reserve	(4.3)	—
Gain on sale	83.1	—
Loss on cash flow hedge	(3.1)	—
Other costs	(1.5)	—
Gain from discontinued operations	95.3	25.1

¹ The amount includes the intercompany balance of €193.6 m between TIP Fleet Services Canada Ltd and Global TIP Finance B.V.

² The amount excludes intercompany balance between TIP Fleet Services Canada Ltd and Global TIP Finance B.V.

VI. Other receivables

€m	2024	2023
Loan receivable	—	76.7
Withholding tax receivable	—	1.9
Total	—	78.6
Current	—	78.6
Non-current	—	—

The loan receivable has a maturity of 90 days. The interest rate is set out as Euribor +0.7% excluding administration expenses and the interest period is 1 month.

VII. Current tax

Current tax assets represent tax receivables as part of the Dutch tax group. Current tax asset movements are as follow:

	2024	2023
At 1 January	5.1	2.8
Current tax charge for the period	4.5	5.0
Settlement of tax losses with tax group	(4.6)	(2.7)
At 31 December	5.0	5.1

VIII. Borrowings

The Company has the following borrowings from Global TIP Finance B.V., Amsterdam, the Netherlands.

€m	2024	2023
Borrowing 1	171.5	409.9
Borrowing 2	39.0	—
Total	210.5	409.9
Current	39.0	—
Non-current	171.5	409.9

Borrowing 1: Maturity until 31 December 2027. The interest rate is set out as Euribor +1.91% (excluding administration expenses), and the interest period is three months.

Borrowing 2: Maturity 90 days. The interest rate is set out as Euribor +0.7% (excluding administration expenses) and the interest period is 1 month.

IX. Trade and other payables

The Company has the following trade payables.

€m	2024	2023
Other	0.5	—
Total	0.5	—
Current	0.5	—
Non-current	—	—

X. Equity

a) Issued capital

€	2024	2023
Authorised shares		
Ordinary shares 1,000 of €0.01 each		
Ordinary shares issued and fully paid	10.0	10.0
At 1 January and 31 December	10.0	10.0

b) Retained earnings

€m	2024	2023
At 1 January	164.3	137.4
Net profit for the period	99.2	51.4
Dividend	(95.6)	(24.3)
Reclass - Internal software reserve	(2.8)	(0.2)
At 31 December	165.1	164.3

During 2024, Global TIP Holdings Two B.V. distributed to its shareholder (Cube Transportation Europe Coöperatief U.A.) a dividend of €95.6m. In anticipation of the annual general meeting of shareholders adopting the annual financial statements, it is proposed that the remainder of the net profit for 2024 will be added to the retained earnings. The proposed profit appropriation has not been recognised in the balance sheet as of 31 December 2024.

c) Other reserves

€m	Note	Foreign currency translation	Cash flow hedge	Internal software reserve	Total
At 1 January 2023		(12.3)	24.2	11.3	23.2
Movement for the period		0.8	(29.1)		(28.3)
Tax impact	16.2		5.6		5.6
Reclass from/(to) retained earnings				0.2	0.2
At 31 December 2023		(11.5)	0.7	11.5	0.7
Movement for the period		5.6	(4.3)	—	1.3
Taxation	16.2	—	0.9	—	0.9
Reclass from/(to) retained earnings		—	—	2.8	2.8
At 31 December 2024		(5.9)	(2.7)	14.3	5.7

All other reserves are legal reserves and are non-distributable by the Company pursuant to the provisions of Part 9, Book 2, of the Dutch Civil Code. There are no statutory reserves prescribed in the Articles of Association of the Company. The internal software reserve relates to internal working hours to generate this software.

XI. Other

Compensation of key management personnel of the Company

The Company had no employees during 2024 and paid neither salaries nor directors' emoluments.

Financial risk management

Management's approach is covered in the consolidated financial statements (refer to note 36).

Events after the reporting period

These events are covered in the consolidated financial statements (refer to note 38).

Board of directors of Global TIP Holdings Two B.V.

Amsterdam, 12 March 2025

Represented by

Gerard Reinder Kraaij

Director

Hiske Damhuis

Director

Robert Alain Fast

Director

Johannes Jacobus Maria van Lierop

Director

Other information

Profit appropriation pursuant to the articles of association

In accordance with Article 23 of the Articles of Association of the Company, the profit of the financial year is at the free disposal of the General Meeting of Shareholders. The General Meeting of Shareholders may also make interim distributions insofar the equity exceeds the reserves that must be maintained by law.



Independent auditor's report

To: the shareholder of Global TIP Holdings Two B.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of Global TIP Holdings Two B.V. based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of Global TIP Holdings Two B.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements give a true and fair view of the financial position of Global TIP Holdings Two B.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

- The company statement of financial position as at 31 December 2024
- The company statement of profit or loss for 2024
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit, we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We refer to section Managing our risk of the management report for the board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the TIP's code of conduct, the TIP's Financial Integrity Policy and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks, we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 4 'Significant accounting judgments, estimates and assumptions' to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance and human resources.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, inspection of internal audit reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit. We have been informed by the board of directors that there was no correspondence with regulatory authorities. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'Going concern' in Note 2 (a) to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional scepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

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

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

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, where due to fraud or error during our audit.

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

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Communication

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

Amsterdam, 12 March 2025

EY Accountants B.V.

Signed by W. Smit

ADDITIONAL INFORMATION

Corporate information	146
Forward-looking statements	148
Eighteen-year financial summary	149
Glossary and references	150
Other key terms and abbreviations	154
Acknowledgements	156



Corporate information

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Main banking partners



Main term loan financing partners



Key banking and financing partners



Other banking and financing partners



Forward-looking statements

Our annual report contains certain forward-looking statements, estimates and projections that are subject to significant risks, uncertainties and assumptions concerning both business and external economic factors, and as such are difficult to predict.

Actual results will vary from the anticipated results and, as such, variations may be material. The information has been provided in good faith using information available up to the date the Board of Directors approved this report. TIP, the Board of Directors and Senior Leadership Team (SLT) give no assurances that these expectations will prove to be correct. Except as required by law or regulation, TIP, the Board of Directors and SLT undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.



Eighteen-year financial summary

€m	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ¹	2017	2018	2019	2020	2021	2022	2023 ⁵	2024
Profit or loss																		
Revenue	503	502	401	398	375	351	323	326	372	441	517	565	626	914	955	1,134	1,250	1,190
Contribution	305	320	238	222	219	194	159	160	175	216	268	294	327	500	536	633	656	609
Operating expenses	(85)	(80)	(66)	(57)	(55)	(53)	(48)	(61)	(65)	(72)	(76)	(75)	(84)	(107)	(106)	(121)	(132)	(121)
EBITDA	220	240	172	165	164	141	111	99	110	144	192	219	243	393	430	512	524	488
Operating profit/(loss)	29	36	(24)	1	22	20	16	57	40	41	53	60	53	87	118	172	169	131
Balance sheet																		
Net operating assets	1,338	1,333	1,104	861	686	563	359	464	649	889	971	1,123	1,973	1,872	1,892	2,139	2,548	2,379
Net borrowings	—	—	—	—	—	—	232	258	449	667	742	883	1,591	1,480	1,586	1,756	2,131	1,918
Equity	—	—	—	—	—	—	208	519	544	552	573	304	541	528	518	638	642	648
Cash flow																		
Fleet investment	396	285	38	21	14	19	37	137	195	276	237	272	251	265	301	536	644	436
Acquisitions	—	—	—	—	—	—	—	17	44	149	9	67	865	—	11	115	101	47
Other investment	5	5	7	9	5	6	6	28	38	29	18	24	31	30	14	15	31	28
Fleet sales	(77)	(57)	(47)	(61)	(43)	(35)	(28)	(27)	(28)	(36)	(45)	(35)	(40)	(85)	(65)	(77)	(117)	(118)
Net investment	324	233	(2)	(31)	(24)	(10)	15	155	249	418	219	328	1,107	210	261	589	659	393
Metrics:																		
Operational																		
ADR in €	15.4	15.6	15.2	15.6	16.5	17.1	16.8	17.1	18.1	16.5	16.3	17.0	18.3	19.2	19.7	21.3	22.4	27.5
UTE	91%	87%	74%	82%	91%	86%	84%	82%	84%	86%	89%	91%	91%	87%	93%	94 %	89 %	89 %
Opex % of revenue	17%	16%	16%	14%	15%	15%	15%	19%	18%	16%	15%	13%	13%	12%	11%	11 %	11 %	10 %
Profitability %																		
Contribution	61 %	64 %	59 %	56 %	59 %	55 %	49 %	49 %	47 %	49 %	52 %	52 %	52 %	55 %	56 %	56 %	52 %	51 %
EBITDA	44 %	48 %	43 %	41 %	44 %	40 %	34 %	30 %	30 %	33 %	37 %	39 %	39 %	43 %	45 %	45 %	42 %	41 %
Operating profit	6 %	7 %	(6)%	— %	6 %	6 %	5 %	18 %	11 %	9 %	10 %	11 %	8 %	10 %	12 %	15 %	13 %	11 %
Asset returns																		
RoIC	2.1 %	2.7 %	(1.9)%	0.1 %	2.9 %	3.3 %	3.6 %	13.9 %	7.2 %	5.3 %	5.6 %	5.8 %	3.4% ²	4.5 %	6.2 %	8.0 %	7.2 %	5.6 %
Capital efficiency	16 %	18 %	14 %	17 %	21 %	23 %	24 %	24 %	20 %	19 %	21 %	21 %	16% ³	20 %	23 %	24 %	21 %	21 %
Financing																		
Net leverage ratio	— %	— %	— %	— %	— %	— %	64 %	56 %	69 %	75 %	76 %	79 %	81 %	79 %	84 %	82 %	84 %	81 %
Gearing ratio	— %	— %	— %	— %	— %	— %	53 %	33 %	45 %	55 %	56 %	74 %	75 %	74 %	75 %	73 %	77 %	75 %
Net borrowings/EBITDA	—	—	—	—	—	—	2.1x	2.6x	4.1x	4.6x	3.9x	4.0x	6.5x ⁴	3.8x	3.7x	3.4x	4.1x	3.9x

1. Excludes one-time indemnification and recovery, see Glossary for further explanation.

2. 4.2% after normalising the timing impact of the PEMA and Trailer Wizards acquisitions.

3. 20% after normalising the timing impact of the PEMA and Trailer Wizards acquisitions.

4. Increase driven by the timing of the PEMA and Trailer Wizards acquisitions in December 2019.

5. 18-year history includes TIP Canada numbers from its Acquisition in 2016 till its divestiture in 2024.

Glossary and references

Definitions and key alternative performance measures that supplement generally accepted accounting principles and terms

The glossary of terms below sets out definitions of terms used throughout the Management discussion & analysis (MD&A) section, including information derived from consolidated financial information but not presented in our financial statements prepared in accordance with IFRS. Specifically, we have referred, in various sections of this report, to:

Acquisitions

Business combinations and asset acquisitions not qualified as business combinations under IFRS, principally where we acquire existing/new customer contracts together with the fleet they are leasing or renting.

Branch

A physical location where lease, rental and maintenance are provided, having branch management, front-office service delivery and back-office maintenance management. Often located with a TIP workshop.

Capital efficiency

EBITDA divided by average net operating assets, which we believe to be a useful metric for measuring cash returns.

Capital expenditure (capex)

Fleet additions and customisation, excluding asset acquisitions that do not qualify as business combinations under IFRS.

Cube Transportation

Refers to Cube Transportation Europe Coöperatief U.A., the immediate shareholder of Global TIP Holdings Two B.V.

Cube Transportation Board

Refers to the Cube Transportation Supervisory Board and Board of Directors.

Damage protection

Our customer damage waiver programme offered on our own equipment only. As such, it is not an insurance product, nor is it regulated. In general, we operate an own book programme. In some cases, however, we take out insurance against these damage risks where we deem it economically appropriate to do so. The price of damage protection is set in each market based on prevailing local market conditions, after having determined appropriate levels of insurance cover, if any, and the expected costs of managing and settling damages.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

A useful measure for management and stakeholders to indicate the potential cash generation of our business from operating activities, commonly used within our business to assess financial performance.

Fleet usage and composition

The table below provides an overview of the principal usages of our fleet by type and related definitions:

Asset		Description	Definitions
Curtainsider		General transport of goods not requiring high security	Curtainsiders, flats, tilts, other trailers
Reefer		Temperature-controlled goods - food, electronics and flowers	Reefers (including eReefers) and temperature-controlled trailers
Van		General transport of goods requiring high security and of parcels	Vans, bulkers
Chassis		Transport of swap bodies and containers	All chassis
Swap body		Intermodal transport	Swap bodies, excluding tanker swap bodies
Truck		Power units	All power driven units, trucks, tractors, rigids, shunt trucks, commercial vehicles, electric vehicles, trucks with alternative fuel, excluding waste tankers and any truck with tanker attached
Tanker		Transport of liquids, powders and waste	Tankers, waste tankers, tanker swap bodies, any truck with tanker attached
eLCV		Electric light commercial vehicle	Electric light commercial vehicles

GE Equipment Services

Formerly a multi-product commercial transportation and construction equipment leasing and rental division of General Electric (GE). GE Equipment Services contained various trading divisions including TIP, GE Rail Services, GE Key Lease, GE Modular Space, TLS Van Rental, GE Plant Hire and GE Fleet Services. TIP was owned by GE from 1993 until 2013.

Gearing ratio

Net borrowings divided by equity plus net borrowings. This measure enables investors to assess the level of risk in the financial structure of our business.

I Squared Capital

An independent global infrastructure investment manager, with over \$36bn of assets under management, which focuses on the energy, utilities and transportation sectors in the Americas, Europe and Asia.

Leasing backlog years

Refers to committed revenue at the end of the year divided by leasing revenue for that year.

Mobile service unit (MSU)

Service van equipped with tools to undertake maintenance and repair when equipment breaks down on the road, or for scheduled and unscheduled maintenance.

Net assets

Total assets after deducting all liabilities, as presented on the balance sheet in the financial statements section of this report. It is equivalent to equity.

Net borrowings

Gross borrowings less cash and cash equivalents.

Net leverage ratio

Net borrowings divided by net operating assets. This measure enables investors to assess the level of risk in the financial structure of our business.

Net operating assets

Total assets after deducting cash, financial assets, intangibles and non-borrowings liabilities.

Non-borrowings liabilities

Total liabilities after deducting borrowings and derivatives.

One-time indemnification and recovery

In January 2017, an inactive distressed customer paid €9m for a combination of an indemnification for damages (€5m), fleet sales (€2m) and unpaid account receivables (€2m), which were provisioned in 2013. Over a number of years, the Group's legal and risk teams used various 'out-of-court' debt recognition processes and several land and property charges to successfully secure this payment. This transaction was recorded in the 2016 financials.

Operating expenses (opex)

Refers to the sum of employee benefit expenses and other operating expenses. Refer to notes 10 and 11 of the financial statements.

Operating profit

Refers, in the MD&A section, to the underlying operating profit, which is defined as operating profit as reported excluding exceptional items and amortisation of intangible assets.

Return on Invested Capital (RoIC)

Operating profit divided by average net operating assets. We believe that RoIC is the key measure for any leasing, rental and services business through the economic cycle, and the best medium-term indicator of the strength of the business.

Shareholder

Refers to Cube Transportation, our direct shareholder. Our ultimate shareholder is ISQ Global Infrastructure Fund II, a limited partnership managed by I Squared Capital.

UN ECE R141

From 6 July 2024, all new trailers in the EU must be equipped with a tyre-pressure monitoring system (TPMS) that supports a warning light in the dashboard of the truck. This legislation

increases road safety for all road users, saves fuel costs and increases the lifetime of trailer tyres.

Strategic matters

Comprises, among other things, the reserve matter listed under the articles of association of the Shareholder.

Supervisory Board

Refers to the Supervisory Board of the Shareholder.

The Board

Refers to the Board of Directors of Global TIP Holdings Two B.V.

The Boards

Refers to the Supervisory Board, Board of Directors.

Workshop

A physical location where maintenance and repair work is performed by mechanics, supported by a workshop manager and back-office support. Work is performed on TIP's own equipment as well as on 3rd-party assets. Sometimes located at the same site as a TIP branch.

Definitions and descriptions of key performance indicators (KPIs) and 18-year financial summary

The following are KPIs not defined elsewhere in this annual report or where additional clarification may help the reader:

Revenue, operating profit and profitability KPIs

These are measured on an underlying basis.

European Transport Board (ETB)

The ETB is a group of leading European transport and logistics companies. Its stated mission is to help reduce the environmental impact of road freight, cut down on congestion, increase road safety and improve the industry's overall effectiveness and efficiency.

Sustainability related definitions

ESRS

The European Sustainability Reporting Standards (ESRS) are a set of standards established under the Corporate Sustainability Reporting Directive (CSRD) in the European Union. These standards guide companies on how to report their sustainability performance and impacts in a clear, consistent, and comparable way.

GOV-1 Sustainability governance

ESRS 2 General Disclosure Requirement GOV-1 - The role of the administrative, management and supervisory bodies

GOV-5 Internal ESG policies and controls

ESRS 2 General Disclosure Requirement GOV-5 - Risk management and internal controls over sustainability reporting.

SBM-1

ESRS 2 General Disclosure Requirement SBM-1 - Strategy, business model and value chain

E1: Climate change

The ESRS is divided into different topical areas, labelled E, S, and G, corresponding to Environmental, Social, and Governance dimensions. The E1, E2, etc., specifically refer to the subcategories under the Environmental (E) dimension.

E5: Resource Use and Circular Economy

The ESRS is divided into different topical areas, labelled E, S, and G, corresponding to Environmental, Social, and Governance dimensions. The E1, E2, etc., specifically refer to the subcategories under the Environmental (E) dimension.

S1: Own Workforce

The ESRS is divided into different topical areas, labelled E, S, and G, corresponding to Environmental, Social, and Governance dimensions. Under the Social (S) dimension, the focus is on a company's impacts on people—employees, communities, customers, and other stakeholders. S1: Own Workforce Covers how companies treat their direct employees and workers.

G1: Business Conduct

The ESRS is divided into different topical areas, labelled E, S, and G, corresponding to Environmental, Social, and Governance dimensions. Under the Governance (G) dimension, the focus is on a company's governance structure, ethical business practices, and accountability. G1: Business Conduct focuses on disclosures related to ethical corporate behaviour, transparency, and regulatory adherence.

Other key terms and abbreviations

ABS	Asset-backed securitisation	KYC	Know your customer
ADR	Average daily rate	Leasing	Term of lease is greater than one year
AMLAT	Anti-money laundering anti-terrorism	M&R	Maintenance and repair
BI	Business intelligence	PP&E	Property, plant and equipment
EAuM	Equivalent asset under management	RCF	Revolving credit facility
EHS	Environment, health and safety	Rental	Term of lease is one year or less
EMT	Executive Management Team	SLT	Senior Leadership Team
ESG	Environmental, Social & Governance	TIP	Trading name of Global TIP Holdings Two B.V. and subsidiaries
EY	EY Accountants B.V.	TL	Term loan
FLB	Funding lease book	UTE	Utilisation
GDPR	General Data Protection Regulation	VP	Vice President
IFRS	International Financial Reporting Standards		
IT	Information technology		

KPI Key performance indicator



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TIP provides a wide variety of products and services for transportation and logistics customers through its 141 locations across 17 countries. Our services include everything from specifying and sourcing equipment to lease and rental, daily operations, maintenance and repair, as well as the buying and selling of used assets.

www.tip-group.com

