



DATE

11 October 2021

Pon Holdings to acquire Dorel Sports, creating a world leading bike company

- Combination Dorel Sports and Pon.Bike creates a leading bike company in the world with around 2.5 billion euro in revenues
- Acquisition fully fits Pon Holdings strategy to build a complete portfolio of premium and electric bike brands covering all categories
- 15 top brands, including Cannondale, Schwinn, Caloi, Gazelle, Swapfiets, Kalkhoff, Cervélo, Santa Cruz
- Canadian Dorel Industries and Pon Holdings agreed on acquisition; sale expected to close before the end of the first quarter of 2022

Amsterdam, 11 October 2021 – Pon Holdings, headquartered in Amsterdam, the Netherlands acquires US-based bike company Dorel Sports. By combining Pon.Bike and Dorel Sports, a leading bicycle company in the world will be created, with a combined revenue of around 2.5 billion euro. Pon Holdings and Dorel Industries Inc., the parent company of Dorel Sports, today announced the acquisition.

The combination of Pon.Bike and Dorel Sports creates a bicycle company with the strongest portfolio of iconic and quality brands. Dorel Sports (1.2 billion US dollar revenue) owns the worldwide renowned brand Cannondale, with a complete range of premium bike models for all types of riders, including a strong e-portfolio. The *American Original* brand Schwinn is the number 1 in awareness in the United States, with a heritage of 125 years. The same rich history applies to Caloi, market leader in Brazil providing a leading position in Latin and South America. Mongoose and GT are both from California and are icons in the Dirt and BMX community. For over ten years, Pon Holdings has been building a worldwide portfolio of leading bicycle brands. It started with the acquisition of the Netherlands based Gazelle in 2012, currently one of Europe's most well known brands. Later on, Kalkhoff and Focus in Germany, Cervélo and Santa Cruz in the US, as well as the Dutch Urban Arrow and BBB Cycling were added to Pon.Bike. Leading to a top 5 position in the worldwide market and revenues of 1.5 billion euro. Pon.Bike leads in e-bike sales and introduces new concepts for renting, leasing and retail in the European bicycle market with brands such as Swapfiets and Lease a Bike. The role of the independent bicycle dealer for sales and service of premium brands remains important.

US break-through

With the acquisition of Dorel Sports, Pon.Bike not only reaches a worldwide leading position, it also further improves its broad portfolio of bicycle brands. Moreover it means a break-through in the United States, with millions of consumers and a rich offer of bikes in all categories (Urban, Trekking, MTB, Road).

Janus Smalbraak, CEO of Pon Holdings says: *“Today’s step is a milestone in the creation of a world-leading bike company with a variety of quality brands. With the acquisition of Gazelle in 2012 we launched a strategy that step by step led us to the 1.5 billion in revenue bike group that we are today, with great comfort and performance bicycle brands, of which 70 percent electric. As a result of this strategy. We have now reached a highlight with the acquisition of Dorel Sports. They have a rich history with their iconic bike brands all with an impressive heritage. Schwinn is an institute in the US. Caloi the pride of Brazil. And Cannondale is a truly global brand with an excellent reputation. Dorel Sports really is complementary to Pon.Bike and that’s why*



this is such a logical step. Together we can further cater the ever growing demand for quality and electric bikes, whether it's for urban use, leisure or sports. Biking is not only healthy, it also plays a critical role in fighting inner-city congestion. It's one of the most sustainable ways of transport. We are determined to make bikes a powerful part of mobility.

We look forward to working together with the Dorel Sports people all over the world and welcome them to the Pon family.”

Growing need for e-bikes

Given the growing need for electric bikes in all main categories, Pon Holdings strongly believes there is room and potential for a true leader in the world with a complete family of iconic and quality bike brands for daily use, for business, in leisure and in sports. The acquisition of Dorel Sports is fully in line with this vision. All brands can benefit from innovation, design, knowledge and creativity throughout the Pon.Bike group. Brands of Dorel Sports, for instance, can leverage the experience of Pon.Bike with electric bikes, combined with the high growth potential in the US. At the same time, the eCommerce experience of Dorel Sports will greatly benefit the European markets of Pon.Bike. Already 20% of Dorel Sports revenues is generated online. This rich knowledge and innovation contributes to all bike lovers in the world, especially in a time when cycling, dealers and bicycle companies can provide tangible solutions for mobility, health and sustainability challenges consumers, governments and companies face.

Transaction

Pon Holdings acquires Dorel Sports for a total consideration of US\$ 810 million, on a debt and cash free basis. The transaction has been recommended unanimously by the Boards of both companies. The transaction is subject to customary regulatory approvals and expected to be closed before the end of the first quarter of 2022. Lazard and ING acted as financial advisors and Goodmans as legal advisor.

The family of bike brands

Pon.Bike, as well as Dorel Sports hold a broad range of bicycle brands. Both portfolios consist of:

Dorel Sports:

- Cannondale, Schwinn, Mongoose, GT, Charge, Caloi, KidTrax

Pon.Bike:

- Gazelle, Kalkhoff, Focus, Santa Cruz, Cervélo, Swapfiets, Urban Arrow, BBB Cycling, Lease a Bike, Union, Reserve Wheels, Juliana



About Pon Holdings and Pon.Bike

Pon Holdings, one of the Netherlands largest family companies, is a leading international company and mobility group with 14,000 employees and around 7.5 billion euro revenue. Pon Holdings operates in a variety of markets, ranging from consumer and company cars, bikes to infrastructure & construction machines, generators and marine solutions, as well as in the agricultural sector. The company is active in 40 countries with 80 different companies in five business segments: Automotive, Pon.Bike, Equipment & Power Systems, Industrial Mobility and Agriculture Services & Products. In The Netherlands Pon is the largest mobility group, facilitating daily transport for millions of consumers with bikes, cars and new mobility services.

Pon.Bike has around 2,400 employees and € 1.5 billion euro. 70% of sales is e-bikes. Pon.Bike operates in Europe, North America, Asia and Australia with leading brands. In August 2021 Pon.Bike acquired Mike's Bikes, with 270 employees and 12 locations in the US. Mike's Bikes is a strong online player with its own brand Public.

About Dorel Sports

Dorel Sports, which generates 1.2 billion dollars revenue with leading bike brands, has its HQ in Wilton, Connecticut (US), as well as several plants and distribution centers. In Europe Dorel Sports has locations in the UK, Germany and the Netherlands, the latter with its European HQ. Dorel Sports also produces in Almelo, the Netherlands. Furthermore the company is located in Sao Paulo and Manaus (Brazil), Japan and Taiwan. Dorel Sports is a division of Dorel Industries Inc, listed at the Montreal stock exchange.

Note: reference is made to the press release as distributed by Dorel Industries Inc on 11 October 2021, which is leading in case of differences in text.

END PRESS RELEASE

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