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BALANCE SHEET

Summary of Balance Sheet € 000s / December 31					
Assets			**Equity & Liabilities**		
	2024	2023		2024	2023
Fixed Assets:			Equity		
Property Plant & Equipment	3	2	Foundation Capital	30,000	30,000
Financial Assets (Investment Securities)	64,659	67,497	Reserves	39,883	43,332
			Funding Capacity Reserve MAVA	2,231	2,710
			Funding Capacity Reserve KfW	31,720	34,784
			Funding Capacity Reserve HW	4,699	4,890
			Saving and Free Reserve	1,233	949
Current Assets and Prepaid/ Deferred Items:			Funds Carried Forward	162	165
Accounts receivable & other	173	146	Provisions and Liabilities:		
Cash & Cash Equivalents	5,424	5,999	Miscellaneous Provisions	213	147
Prepaid Expenses and Deferred Charges			Trade accounts and other	0	
Total Assets	70,258	73,644	Total Equity & Liabilities	70,258	73,644

Total assets as of December 31, 2024 are €70.3 million. This €3.4 million decrease compared to December 31, 2023 is due to the use of the sinking fund capital of PONT. The endowment capital from "German Financial Cooperation ("GFC"), MAVA and the Hans Wilsdorf Foundation remained unchanged at €30 million. MAVA Foundation, GFC and Hans Wilsdorf Foundation made contributions to PONT's funding capacity reserve totalling €54.6 million (of which €6.6 million from MAVA, €43 million from GFC, and €5 million from Hans Wilsdorf Foundation). The funding capacity reserve contributions were made as "sinking funds" to be spent until 2030 for MAVA and 2040 for GFC and Hans Wilsdorf Foundation. After the utilisation in 2024 of the sinking funds as described in the discussion of the income statement below, a balance of €38.6 million remained at the end of 2024 (€2.2 million in the MAVA sinking fund, €31.7 million in the GFC sinking fund, and €4.7 million in the Hans Wilsdorf Foundation sinking fund).

In line with the prior year, the miscellaneous provisions amounted to €212.721 reflecting outstanding invoices for consulting and other services in connection with investment advisory, custody fees, accounting, financial statements, and audit.
The asset side of the balance sheet reflects a division between investment securities (€64.7 million) and cash (€5.4 million).

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INCOME STATEMENT

Background

As background to the discussion of PONT's income statement, it is important to keep in mind the different sources and uses of our funds:

- PONT's "above the line" spending sources include current use income in the form of the interest and dividend earnings and capital gains on our investments, as well as a smaller amount of donations.

- As mentioned in the description of the balance sheet, PONT received separate "sinking funds" contributions that are reflected in reserves. Utilisation of the sinking funds is reflected "below the line" in the income statement as a transfer from reserves. Given that today the sinking funds finance the bulk of the PONT programme expenditures, this means that PONT's income statement will continue to show a loss before reserves transfer, until PONT's sinking funds are reduced and its income from investments and donations grows.

Income and Expenses (amounts in Euro)			
NET REVENUE	**2024**	**2023**	**% Increase/Decrease**
Net Investment Income	817,558	807,071	1%
Donations & Other Income	124,209	124,837	-1%
Net Revenue	941,767	931,908	
EXPENSES			
Programme & Programme support	4,140,565	3,361,406	23%
Operating Expenses	253,133	219,984	15%
Total Expenses	4,393,698	3,581,389	
NET INCOME (loss)	(3,451,931)	(2,649,481)	
Transfer from Funding Capacity Reserve	3,734,424	3,046,183	23%
Transfer to Saving Reserves	284,940	269,024	6%
Funds Carried Forward from prior year	164,567	36,889	346%
Funds Carried Forward	162,120	164,567	-1%

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NET REVENUE

PONT's net revenue is composed of Net Investment Income and Revenue from Donations and Grants as shown in the table above. The following table shows the development of our investment income/loss.

Net Investment Income (amounts in Euro, except %)			
	2024	**2023**	**% Increase/Decrease**
Interest, dividend and similar income	1,027,346	1,139,300	-10%
Realised capital gain net & Currency exchange gain net	571,828	183,633	211%
Total Investment Income	**1,599,174**	**1,322,933**	21%
Realised capital loss net & Currency exchange losses	(376,971)	(139,683)	170%
Investment management and other expenses	(404,645)	(376,179)	8%
Total Investment Expenses	**(781,616)**	**(515,862)**	52%
Donations and other income	124,209	124,837	-1%
Net Revenue	**941,767**	**931,908**	169%

*Consists of: dividends; interest and similar Income and fund distributions

The investment climate in 2024 ended on a very positive note. The increase of earnings from interest and dividends left a positive realised investment income of €817.558. Donations and other income in 2024 reflect current use donations from the Sigrid Rausing Trust (£100.000) and private donors with a total value of €124.209.

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EXPENSES

Most of our expenditures are used for our core mission, namely grant and programme expenses, but a smaller portion goes to cover costs that directly support the PONT operating expenses.

Expenses (amounts in Euro)			
	2024	2023	%. Increase/Decrease
Programme Grants & Projects	3,915,767	3,174,837	23%
Grants to NGO's	2,645,815	2,013,452	31%
Grants to PA	1,185,240	1,092,691	8%
Consulting & Other Projects	84,712	68,694	23%
Programme Development and Management	224,798	186,568	20%
Programme Development and Management Internal	190,410	184,568	3%
Programme Development and Management External	34,388	2,000	1619%
Operating Expenses	253,133	219,984	15%
Administrative	217,666	182,841	19%
Fundraising	35,467	37,143	-5%
Total Grant and Other Expenses	4,393,698	3,581,389	23%

Expenses for Programme Grants and projects reflect our grants for programmatic purposes and mission-related activities. Grants to NGOs include our continuing grant to the Greek NGO SPP (€511.651 in 2024) as well as grants to other EAs/NGOs in the three countries (€2.134.164 in 2024 in total). The increase in our grants to NGOs and PAs (€724.912 in 2024) reflects the new grants in our geographical expansion areas. In North Macedonia and Albania, we continue to support 10 grants to 11 protected areas in those countries. In 2024, we also continued our consulting based on identified needs (studies regarding the delineation and description of the Connectivity Conservation Area in the upper catchment of the Vjosa in Albania, a potential geographical expansion feasibility study in Albania, the facilitation of PONT Connect, the support to the PONT database, and our ongoing support to grantees by PONT Focal Points).

The Programme Development and management (internal) expense reflects staff salary allocations to the development and management of our programme as well as travel costs related to our programme, and the costs of running the PONT regional programme office in Tirana.

The Operating Expenses of PONT reflect our administrative and fundraising costs. The Administrative expenses consist mainly of bookkeeping, financial reporting and audit, legal and similar costs in Germany and Albania, including the cost of support of the Nature Trust Alliance's (NTA). In 2024, PONT managed to control administrative expenses well (€217.666). In 2024, fundraising expenses include mainly the allocation of the salary of the Executive Director according to time dedicated to fundraising activities as well as the fee of the part-time fundraising consultant.

We follow an "operating expense ratio" to monitor the relationship between the operating expenses and the foundation's overall expenses including the grant programme. We seek to ensure that operating expenses are well below 15% of the total, and in recent years, with our maturing grant programme, that has been the case. The ratio in 2024 (5.8%) continued to remain below 10%.

We are primarily a grant making organisation—and for the most part are not direct implementers of our programmes. As such, we seek to control the cost of delivering our programme, while at the same time keeping in mind the capacities of our grantees, their need for our support in developing their grants and the important monitoring necessary to ensure our funds are properly spent and making an impact. We follow our "programme delivery ratio" (5.4% in 2024) to do this, tracking the costs we incur in delivering the programme (i.e., in developing and monitoring our grants) in relation to our overall programme costs.

RATIOS:	2024	2023	2022	2021	2020	2019	2018	2017
Operating Expense Ratio [1]	5.8%	6.1%	10.10%	14.8%	12.9%	13.9%	16.5%	21.0%
Programme Delivery Ratio[2]	5.4%	5.6%	7.20%	8.5%	9.4%	9.9%	10.8%	6.8%

[1] Operating Expense Ratio = Administrative Expenses + Fundraising Expenses / Total Expenses
[2] Programme Delivery Ratio = Programme Development and Management / Total Programme Expenses

Net Income and Funds Carried Forward

In 2024, PONT's ordinary income and expense items generated a net loss of €3.45 million before transfer from the reserves. This transfer added €3.73 million in revenue and, after offsetting the carry forward from the prior year, €162.120 remained to be carried forward to 2025.

We plan and manage our expenditures in relation to the funding sources available to us. We strike a balance between developing our grant programme on a sustainable basis and at the same time adding the maximum permitted funding to capital and reserves. For as long as we have adequate sinking funds, we can draw on them to support our programme as it develops and achieve a zero balance or small surplus on our income statement. Our challenge is to develop funding sources that allow us to continue spending at current or even higher levels, and for the long term, as the sinking funds are consumed.

Investment Returns

PONT's income statement reflects earned investment income in the form of dividend and interest income, realised capital gain or loss and currency gains or losses as discussed above. However, these figures do not reflect the underlying increase or decrease in the value of the investment portfolio (unrealised capital gain or loss). Accordingly, from an investment perspective, PONT follows the total return on its investment portfolio (the combination of earned investment income and unrealised gain or loss).

In 2024, the value of our assets increased overall by 8.9% during the year. PONT's performance since the inception of its investment program in 2017 accumulated a 30.5% return with an annual average return of 3.4%.