

allane mobility group

# Annual Report 2022



# The Allane Mobility Group in Figures

in EUR million	2022	2021	Change 2022 on 2021 in %	2020
Revenue	717	740	-3.2	748
<b>Thereof operating revenue</b>	<b>385</b>	<b>386</b>	<b>-0.2</b>	<b>423</b>
Thereof Leasing business unit	328	333	-1.3	373
Thereof Fleet Management business unit	57	53	7.0	50
Thereof sales revenue	332	354	-6.4	324
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	185	184	0.6	211
Earnings before interest and taxes (EBIT)	17	13	31.1	20
<b>Earnings before taxes (EBT)</b>	<b>13</b>	<b>6</b>	<b>109.0</b>	<b>9</b>
Operating return on revenue (in %) <sup>1</sup>	3.3	1.6	+1.7 Points	2.2
Operating return on revenue Leasing business unit (in %) <sup>1</sup>	3.7	1.7	+2.0 Points	1.7
Operating return on revenue Fleet Management business unit (in %) <sup>1</sup>	1.0	0.8	+0.2 Points	5.8
Consolidated profit	9	6	54.5	2
Earnings per share - basic and diluted (in EUR)	0.44	0.28		0.11
Total assets	1,218	1,195	2.0	1,296
Lease assets	993	995	-0.2	1,093
Equity	235	220	6.8	213
Equity ratio (in %)	19.3	18.4	+0.9 Points	16.4
Financial liabilities <sup>2</sup>	808	805	0.4	936
Dividend per share (in EUR) <sup>3</sup>	0.09	0.06	50.0	0.02
Total dividend, net	1.9	1.2	54.6	0.4
<b>Contract portfolio (in thou.)</b>	<b>116</b>	<b>129</b>	<b>-10.1</b>	<b>130</b>
Thereof Fleet Leasing	34	33	0.8	38
Thereof Online Retail	35	36	-3.5	39
Thereof Fleet Management	47	59	-20.3	53
Investments in lease assets <sup>4</sup>	372	315	18.0	430
Number of employees <sup>5</sup>	738	715	3.2	693

<sup>1</sup> Ratio of EBT to operating revenue

<sup>2</sup> Current and non-current financial liabilities, including finance lease liabilities

<sup>3</sup> Proposal by the Managing Board. The exact proposal is subject to the approval of the Supervisory Board and is included with the agenda of the Annual General Meeting 2023

<sup>4</sup> Value of vehicles added to the leasing fleet

<sup>5</sup> Annual average

# About Allane Mobility Group

Allane Mobility Group based in Pullach is a multi-brand provider of comprehensive mobility solutions. In its business fields Retail Leasing, Fleet Leasing and Fleet Management, the Company offers a wide range of services and innovative solutions that make mobility easy in every way.

Private and commercial customers use Allane's online and offline platforms to lease new vehicles affordably or acquire used vehicles from a large stock. Corporate customers benefit from the cost-efficient full-service leasing of their vehicle fleet and from comprehensive fleet management expertise.

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## To our shareholders

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## A.1 – Letter to shareholders

### Dear shareholders,

2022 was a challenging year for all of us. And yet, together we have achieved a lot. The continuing supply chain problems caused by the ongoing COVID-19 pandemic put a damper on our business development again last year. This was compounded by the outbreak of the Russia-Ukraine war, which, in addition to its devastating humanitarian impact, also led to serious distortions within global market dynamics. The resulting rise in inflation rates and interest rates is more challenging than ever for Germany as an industrial location. Nevertheless, we achieved a solid improvement in results in 2022 and presented our new growth strategy *FAST LANE 27*. In the 2023 financial year, we want to further accelerate our pace - on „all lanes“.

Our name „Allane“ stands for the wide range of possibilities we offer our customers, especially due to our brand independence. This is how we want to meet the need for flexible mobility solutions. Our Group contract portfolio in Germany and abroad (excluding franchise and cooperation partners) declined by 10.1 per cent to 115,900 contracts in 2022. At the same time, consolidated operating revenue (excluding sales revenues) fell slightly by 0.2 per cent to EUR 385.4 million. Sales revenues decreased by 6.4 per cent to EUR 331.6 million. Despite continued high demand and rising unit prices for used vehicles, this development is mainly the result of a decline in the sales volume. Overall, our consolidated revenue of EUR 717.0 million was below the previous year's figure. Group earnings before taxes (EBT), on the other hand, increased significantly to EUR 12.8 million. At EUR 6.7 million, EBT doubled compared to the previous year.

Taking into account the globally strained overall situation, we intend to propose a dividend of EUR 0.09 per share for the 2022 financial year at the Annual General Meeting on 30 June 2023. The exact proposal for the appropriation of profits is subject to the approval of the Supervisory Board and will be published with the agenda for the 2023 Annual General Meeting. Our dividend proposal corresponds to a pay-out ratio of 21 per cent of consolidated profit in the 2022 financial year. The previously communicated target range of 30 to 60 per cent remains unchanged regardless of the pay-out ratio for the current financial year.

Ladies and gentlemen, global developments in recent years have taught us many things. For example, the COVID 19 pandemic has once again highlighted the importance of digital solutions in everyday life. In addition to flexible working models, this also applies in particular to the way we get around. As a pioneer in the field of digital mobility, we have continued to develop with innovative products and services in the 2022 business year. In addition, the consequences of climate change and the Russia-Ukraine war clearly show us that we must accelerate the energy transition - on the one hand, to protect our climate and, on the other hand, to become energy-independent and thus remain capable of action. We therefore took various measures in the 2022 financial year 2022 to increase the proportion of e-vehicles in our fleet.



Donglim Shin (CEO)

Even though our growth was slowed down by the macroeconomic consequences of the pandemic and the war in Ukraine in the form of delivery delays, inflation and rising interest rates, we made progress in many areas in 2022.

In the Retail Leasing business field, for example, we have been offering the trade-in of used vehicles via Sixt Neuwagen since last year, with the transaction being handled by autohaus24.

In the business fields of Fleet Leasing and Fleet Management, we continued to expand our portfolio of products and services in the 2022 financial year. For example, our app „The Companion“ was expanded to include an integrated driver's license check. In addition, the driver instruction has also been possible digitally since 2022 via our partner DriversCheck. To make it easier to process claims, we have completely revised our digital claims tool. The tool takes

particular account of the requirements of insurance companies in order to minimize queries to our customers. The ability to upload photos directly via smartphone has significantly simplified the claims reporting process.

Ladies and gentlemen, as you can see: It is not only mobility that is changing. We are also changing in order to meet the changing needs of our customers and to take advantage of future growth opportunities. We presented our adapted *FAST LANE 27* strategy at our Annual General Meeting last year.

The new growth strategy includes a comprehensive package of measures to put us back on the fast track. Our goal is to generate additional added value for our customers, partners, employees and investors. This will enable us to further expand the foundation to become the leading cross-brand provider of comprehensive mobility solutions in Europe in the long term. *FAST LANE 27* is to be implemented by 2027.

The focus is on the strategic realignment of the business model. Among other things, we are expanding the established three business pillars with captive leasing and on-site retail to include a fourth and a fifth pillar. In addition, we are further expanding our product range by taking into account trends such as car-as-a-service or used car leasing. At the same time, innovation and cooperations will become more central.

Another important component of *FAST LANE 27* is the goal of becoming more sustainable by further increasing the share of alternative drive systems in our fleet and promoting green mobility solutions.

The core of our fourth business pillar, Captive Leasing, is a leasing portal we developed that enables manufacturers to market their vehicles to customers via their own dealer network. After an intensive test phase, all 490 Hyundai dealers in Germany can now work together with Allane as a leasing partner and offer their customers attractive leasing conditions directly on site via the dealer portal developed by Allane. In addition, cooperation agreements with other manufacturers offer long-term growth potential.

For our fifth business pillar, On-Site Retail, we are planning the transformation into a comprehensive mobility hub for car-related products and services. A first example of this is the aforementioned trade-in of used vehicles, which we have been offering since 2022. In the future, we want to

further expand our range of services that go beyond the purchase of cars and offer our customers, for example, the option of having used cars reconditioned or taking out suitable insurance policies.



Alvaro Hernández (CFO)

Dear shareholders, with our major shareholder HCBE we have a strong strategic partner at our side. Therefore, and on the basis of the progress we have already made, we are optimistic that we will be able to implement *FAST LANE 27* quickly and return to profitable growth. The successes are expected to be realised from the current financial year onwards.

For the 2023 financial year, we expect a Group contract portfolio in a range of 120,000 to 150,000 contracts and an operating Group turnover in a range of EUR 350 to 400 million. In terms of EBT, we expect a low double-digit million-euro amount

We would like to thank you, dear shareholders, for your trust as we would also like to thank our employees for their outstanding commitment and the Supervisory for its constructive cooperation.

Pullach, April 2023

#### Managing Board

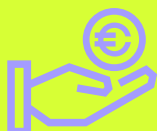
Donglim Shin  
CEO

Álvaro Hernández  
CFO

# Highlights

## 2022/23

In the 2022 financial year, we made progress in many areas and presented our new FAST LANE 27 growth strategy. In 2023, we want to accelerate our pace further – on „all lanes“.



### sixt-neuwagen.de extends service offer by purchase of used vehicles

Allane offers trade-in of used vehicles through Sixt Neuwagen. Interested parties can either sell their old vehicle to Sixt Neuwagen or trade it in when ordering a new vehicle. The processing is carried out via autohaus24.



### Hyundai Captive Leasing

Allane launches a cooperation with Hyundai Motor Germany. Under the „HYUNDAI Leasing“ brand, all 490 German Hyundai dealers can work with Allane as a leasing partner and offer their customers attractive leasing rates directly on site via the „Allease“ dealer portal newly developed by Allane.



### Cooperation with AUTO1.com

The Allane Mobility Group launches a cooperation with AUTO1.com, offering more than 10,000 high-quality lease returns and fleet vehicles per year on Europe's largest trading platform for used cars.

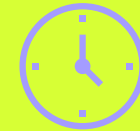
## Introduction of a new corporate identity

The Allane Mobility Group renews its brand design and renames the brands in the fleet business „Allane Fleet“ (previously „Sixt Leasing“) and „Allane Mobility Consulting“ (previously „Sixt Mobility Consulting“). The rebranding of the Allane Mobility Group follows its renaming and will also be reflected in the Group’s brand identity in the future.



## Promotion of electric mobility

The Allane Mobility Group is cooperating with Mer Solutions. Together, the two companies provide Allane Mobility Group customers with the holistic charging solution „eeFlat“.



## Short-term leasing as a favorable alternative to a car subscription

The Allane Mobility Group offers commercial customers the VW T-Cross on a short-term lease including car insurance, thus closing the gap between traditional vehicle leasing and car subscription.



## New growth strategy „FAST LANE 27“

At the Annual General Meeting, the Allane Mobility Group presents its new „FAST LANE 27“ strategy, the overarching goal of which is to meet changing customer needs and return to profitable growth. Among other things, the established three strategic business pillars are to be expanded with captive leasing and on-site retail as a fourth and a fifth pillar.



## Black Leasing Friday special promotion

Sixt Neuwagen once again takes part in the bargain day of the year with its „Black Leasing Friday“ special promotion, offering popular new cars at particularly attractive conditions - including e-vehicles for the first time in 2022.



## A.2 – Report of the Supervisory Board

### Dear Shareholders,

In fiscal year 2022, the Supervisory Board of Allane SE performed the duties incumbent upon it by law, the Articles of Association and the Rules of Procedure. In particular, it regularly advised the Managing Board on the management of the company and monitored its activities. The Supervisory Board dealt in detail with the economic situation of the company and the Group and the strategic further development and was involved in all decisions of fundamental importance.

Due to the pandemic, the Supervisory Board again held its meetings by video conference in 2022. Four ordinary meetings and one extraordinary meeting were held in the fiscal year. Of these, all meetings were held by video/audio conference. Further resolutions were adopted by written procedure. The legally prescribed schedule of at least two meetings per calendar half-year was observed. All appointed members took part in the meetings and resolutions, in some cases using electronic communication means in accordance with the requirements of the Articles of Association.

The Managing Board provided the Supervisory Board with regular, timely and detailed written and oral reports on the situation of the Company and the Group, the profitability and planning of the Company and its subsidiaries, and on all issues of strategy, planning and business development relevant to the Company and the Group. For this purpose, it prepared, among other things, a quarterly report with detailed information on the economic and financial situation of Allane SE and its subsidiaries. The Supervisory Board reviewed the plausibility of the documents and reports submitted to it. The Managing Board explained the documents and reports submitted to the members of the Supervisory Board at the meetings. In this context, the Supervisory Board questioned the Managing Board on important issues, critically examined the reports and draft resolutions submitted by the Managing Board, and made suggestions.

The members of the Supervisory Board also held regular discussions with the members of the Managing Board outside these meetings. In particular, the Chairman of the Supervisory Board maintained contact with the Chairman of the Managing Board between meetings and discussed with him issues relating to the strategy, business development, risk situation, risk management and compliance of the company.

The Supervisory Board of Allane SE formed an Audit Committee in its meeting on 16 December 2021, which held four ordinary meetings in 2022 by way of video conferencing. All committee members participated in these meetings. It did not form any other committees with decision-making powers. In the reporting period, the Audit Committee discussed in particular the annual and consolidated financial statements of the Company and the combined management report for fiscal year 2021, as well as the dependent company report pursuant to § 312 AktG (German Stock Corporation Act). No objections were raised in the course of these reviews. The committee also dealt with the award of contract for the audit for fiscal year 2022.

### Topics discussed in plenary sessions of the Supervisory Board

The Supervisory Board regularly dealt with the current business development, strategic orientation, risk situation, risk management, internal control systems, the development of the contract portfolio in the individual business fields, and the net assets, financial position, and results of operations of Allane SE and the Allane Mobility Group. It also addressed matters of the Supervisory without the participation of the Managing Board, as well as personnel matters affecting the Managing Board personnel.

The Supervisory Board engaged in consultations in particular on the following topics:

- **Business planning and strategy:** At the beginning of the reporting period, the Supervisory Board dealt with the Managing Board's business plan for the coming years and again with the realignment of the Group's strategy. The Supervisory Board had the Managing Board explain to it the multi-year plan, the strategy and the progress in detail and approved the budget and plan adjustments required in particular against the background of the national and international development of the continuing COVID 19 situation, the associated change in the market and business environment, and the geopolitical situation.
- **Annual General Meeting:** In the run-up to the Annual General Meeting on 29 June 2022, the Supervisory Board dealt in all due detail with the items on the agenda. These included in particular the appropriation of net income, the election of the auditor, a resolution on the approval of the remuneration report, and elections to the Supervisory

Board. The Supervisory Board adopted its proposed resolutions on the individual agenda items and endorsed the Managing Board's proposal to the Annual General Meeting to pay a dividend of 0.06 euros per share. The Managing Board and Supervisory Board made their decision on the dividend proposal based on the Company's current business, investment and liquidity planning, which has already taken into account the economic and financial impact of the COVID-19 situation and the other geopolitical situation on the markets and the business of Allane SE.

- **Campaigns and innovations:** In the course of the reporting year, the Supervisory Board was informed by the Managing Board about major campaigns and innovations and dealt with their expected impact on business development.

### Corporate Governance

In March 2023, the Managing Board and Supervisory Board issued the annual Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). This is permanently available to all shareholders on the company's website at [ir.allane-mobility-group.com](http://ir.allane-mobility-group.com). Allane SE follows the recommendations of the Government Commission on the German Corporate Governance Code apart from some exceptions.

The Supervisory Board was not aware of any indications of conflicts of interest on the part of members of the Managing Board and Supervisory Board.

Further explanations on the corporate governance of the company can be found in the Corporate Governance Report.

### Changes to the Managing Board and Supervisory Board

There were no personnel changes on the Managing Board in the reporting year.

Ms. Hyun Joo Kim and Mr. Chiwhan Yoon resigned from the Supervisory Board with effect from the end of 31 May 2022. Dr. Julian zu Putlitz also resigned as a member of the Supervisory Board with effect from the end of the Company's Annual General Meeting on 29 June 2022.

Messrs. Norbert van den Eijnden, Su Ho Kim and Hung Seok Lee were subsequently elected to the Supervisory Board by the Company's Annual General Meeting on 29 June 2022.

Mr. Norbert van den Eijnden was already a member of the Company's Supervisory Board as a court-appointed member.

### Audit of the annual financial statements and the consolidated financial statements 2022

The Managing Board prepared the annual financial statements of Allane SE as per 31 December 2022, in accordance with the provisions of the German Commercial Code (HGB), and the consolidated financial statements and the report on the position of the Group and the Company as per 31 December 2022, in accordance with Section 315e of the German Commercial Code (HGB), on the basis of the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of Allane SE and the consolidated financial statements as well as the management report of the Group and the Company and issued an unqualified audit opinion in each case. The auditing company had been commissioned by the Supervisory Board on the basis of the resolution of the Annual General Meeting on 29 June 2022.

The Audit Committee and the entire Supervisory Board received the documents together with the dependent company report of the Managing Board and the audit reports of the auditors as well as the proposal of the Managing Board on the appropriation of net income, in each case with sufficient time for review. The discussion and review took place at the Supervisory Board meeting to approve the financial statements on 28 April 2023, after the Audit Committee had deliberated and discussed these documents at its meeting on 18 April 2023.

The auditors of the annual financial statements and consolidated financial statements who attended the meeting of the Audit Committee and the Supervisory Board plenary session provided comprehensive information on the main results of their work and the audit of the financial statements. After analyzing the risk situation and risk management, the auditor came to the conclusion that there are no significant risks in Allane SE and the Group companies that are not mentioned in the reports. The auditor's review of the

effectiveness of the accounting-related internal control and risk management system did not lead to any objections. In addition, the auditors informed the Audit Committee and the Supervisory Board about services provided over and above the audit of the financial statements. In the auditor's opinion, there were no circumstances that could give rise to doubts about the auditor's independence.

The Supervisory Board noted with approval the results of the audit and raised no objections after completing its own examination. The annual financial statements and consolidated financial statements prepared by the Managing Board and audited by the auditor, as well as the management report for the Group and the Company, were approved by the Supervisory Board. The 2022 annual financial statements of Allane SE were thus adopted in accordance with the provisions of the German Stock Corporation Act. The Supervisory Board concurred with the proposal submitted by the Managing Board for the appropriation of the 2022 unappropriated profit.

The auditor included the report of the Managing Board on the relationships of Allane SE with affiliated companies in its audit pursuant to Section 312 of the German Stock Corporation Act (AktG) and submitted its audit report to the Audit Committee and the Supervisory Board. The audit by the auditor did not give rise to any objections. The following unqualified opinion was issued:

"Following our audit and assessment in accordance with professional standards, we confirm that the factual disclosures made in the report are correct and that the consideration paid by the company for the legal transactions listed in the report was not unreasonably high."

The review of the report on the relationships of Allane SE with affiliated companies pursuant to Section 312 of the

Pullach, April 2023

### **The Supervisory Board**

Jochen Klöpfer	Chairman
Thomas Hanswillemenke	Board Member
Norbert van den Eijnden	Board Member
Su Ho Kim	Board Member
Hyung Seok Lee	Board Member

German Stock Corporation Act (AktG) by the Audit Committee and the Supervisory Board did not lead to any objections. The Supervisory Board therefore concurred with the result of the audit by the auditor. Following the final results of its own review, the Supervisory Board raised no objections to the declaration of the Managing Board at the end of the report on relations with affiliated companies."

### **Thanks to the Managing Board and all employees**

In the reporting year, the Group's contract portfolio remained significantly below the prior-year level. Operating revenue at the end of the reporting year remained at the previous year's level. Due to the high price level on the used car market and the associated high margins on the sale of lease returns, lower depreciation on leased assets, and an improvement in the financial result, EBT was very significantly higher than the previous year's figure.

In view of the annual balance sheet, which is nevertheless satisfactory against this backdrop, the Managing Board, the managements of the subsidiaries of Allane SE, and all employees in the Group deserve the Supervisory Board's sincere thanks for their dedicated work. The Allane Mobility Group expects that business development in 2023 will continue to be influenced by the development of interest rates and inflation as well as a gradual normalization of new and used car prices, whereby the ongoing Russia-Ukraine war may have an additional impact on the European economy and the automotive market. Overall, we are confident of continuing the successful development of the Allane Mobility Group.

## A.3 – Allane SE share

### Challenging year 2022 for the stock market

Despite high volatility, international stock markets performed very positively in 2022. The DAX, Germany's leading index, closed at 13,924 points on the last trading day of 2022, down 12.3% on the year-end closing price in 2021 (15,885 points). The annual high for the year was reached on 5 January 2022 at 16,272 points, while the low for the year - following a downward trend and the increasingly challenging economic situation - was recorded on 29 September 2022 at 11,976 points.

The negative trend on the capital markets was mainly due to the increasing macroeconomic challenges, which were further exacerbated as a result of the Russia-Ukraine war.

The DAX opened trading in Germany on 3 January 2022 at 15,947 points. In the following months, a downward trend developed, which was accelerated in particular by Russia's invasion of Ukraine and the global economic consequences. Strong sell-offs were followed by repeated strong recoveries, often driven by inflation data or announcements by the central banks on the extent and duration of interest rate hikes. After the low for the year in September, the DAX recovered by around 2,000 points between October and November and was mostly at around 14,000 points by the end of the year.

### Allane shares down for the year

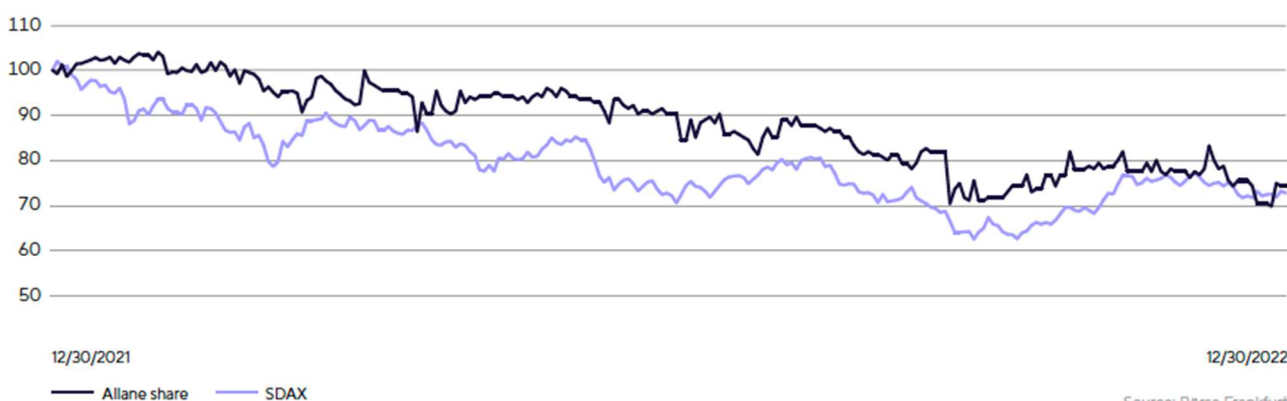
The Allane share initially developed positively in 2022 and was able to largely withstand the first price drop after the start of the Russia-Ukraine war. In the course of the year, however, the share was not spared the pressure of the general market and fell significantly. On the last trading day of the year, it closed at EUR 11.60. This was 25.7% below the previous year's closing price (EUR 15.62). The SDAX, however, recorded a decline of 27.3% in 2022.

On 1 February it reached its high for the year of EUR 16.24. An accelerating downward trend set in, so that the share reached its low for the year of EUR 10.90 on 27 December. From the end of September, the trading volume of the Allane share increased significantly.

The new growth strategy of Allane SE *FASTLANE 27* published on 1 July 2022 had no significant impact on the performance of the Allane share. The forecast increase for the Group EBT for the full year published on 2 November 2022 also had little impact on the share price performance.

In August 2022, continuous trading of the Allane share on XETRA was discontinued. However, the share continues to be traded on the Frankfurt Stock Exchange.

Performance of Allane shares compared with the SDAX (indexed to 100)



## Shareholder structure

As of the end of the year under review, Hyundai Capital Bank Europe GmbH, Frankfurt am Main, still was the largest single shareholder of Allane SE, holding 92.07% of voting rights in the Company. There are no voting right notifications received by the Company during the year under review.

### Allane share information

Share class	No-par value ordinary bearer shares (WKN: A0DPRE, ISIN: DE000A0DPRE6)
Stock exchanges	All price-setting German stock exchanges <sup>1</sup>
Trading segment	Prime Standard
Designated Sponsors	-

<sup>1</sup> XETRA excluded

## Dividend policy

Allane SE adheres to the principle of permitting its shareholders to participate in the Company's success by distributing an appropriate dividend. The amount paid out is determined by the development of consolidated earnings as well as future demands placed on equity, above all with a view to the scheduled growth at home and abroad.

For the 2021 financial year, the Annual General Meeting on 29 June 2022 approved a dividend of EUR 0.06 per share proposed by the Managing Board and Supervisory Board, which was significantly lower than in the previous year. The dividend thus took into account the constraints and challenges of the ongoing COVID-19 situation. The pay-out ratio was around 21% of the consolidated profit. Based on the year-end share price for 2021, this resulted in a dividend yield of around 0.36%.

For the 2022 financial year, the Managing Board of Allane SE is considering proposing a distribution of a dividend of EUR 0.09 per share to the Annual General Meeting on 30 June 2023, taking into account the current challenging and still uncertain macroeconomic situation. The remaining undistributed retained profit is to be carried forward to new account. The exact dividend proposal is subject to the approval of the Supervisory Board and will be published with the agenda for the 2023 Annual General Meeting. The dividend proposal of the Managing Board would result in a pay-out ratio of 21% of the consolidated profit for the 2022 financial year. The previously communicated target range of 30 to

60% remains unchanged regardless of the pay-out ratio for the 2022 financial year.

	2022	2021
Earnings per share (EUR) - basic and diluted	0.44	0.28
Dividend per share (EUR)	0.09 <sup>1</sup>	0.06
Number of shares (as at 31 December)	20,611,593	20,611,593
Total dividend (EUR million)	1.9	1.2
Pay-out ratio	21%	21%

<sup>1</sup> Proposal by administration

	2022	2021
High (EUR) <sup>2</sup>	16.24	17.90
Low (EUR) <sup>2</sup>	10.90	15.04
Year-end price (EUR) <sup>2</sup>	11.60	15.66
Dividend yield (%) <sup>3</sup>	0.78	0.36
Market capitalisation (EUR million) <sup>3</sup> as at 31 December	239.1	322.8

<sup>2</sup> All prices refer to the Börse Frankfurt closing prices

<sup>3</sup> Based on Börse Frankfurt year-end price

## Communication with the capital market

As a stock-listed company in Deutsche Börse's Prime Standard, Allane SE has to meet extensive requirements on transparency and publicity. By being in continuous dialogue with the capital markets, the Company ensures open, timely and comprehensive financial communication.

In 2022, the Company provided analysts, investors and the media with an overview of the business situation and development of the group through regular publications. The main focus of interest was Allane SE's new growth strategy *FAST LANE 27* and the associated realignment of the business model with new partnerships, new business pillars and expansion opportunities. In particular, the resulting opportunities and added value for customers, partners, employees and investors were explained.

Allane has set itself the target of maintaining detailed and transparent communication of its growth strategy and its progress in implementing it. Special attention will be given to outlining in due detail the key differentiating features and strengths over relevant competitors as well as the particular opportunities in the individual business fields.

## A.4 – Sustainability

### 1. Sustainability at Allane

Sustainable mindsets and actions, based on firm values and principles, are key factors for Allane's success. The company assumes responsibility towards its employees, the environment and society and follows the guiding principle of sustainable development. Allane wants to make its contribution towards providing the following generations with stable economic, social and ecological conditions. When pursuing its economic interests during everyday business practice, the internationally active leasing provider and fleet manager also considers ecological, social and ethical aspects.

The Allane management is focused on responsible and long-term value creation. Across the Group-wide value chain from purchasing and leasing right through to the re-marketing of vehicles, sustainability aspects are also taken into consideration next to economic factors.

#### 1.1 Materiality

As a basis for the sustainability reporting of Allane SE, a materiality analysis was carried out. The aim was to identify the relevant fields of action in the area of sustainability for Allane SE. These are of particular importance for business development and show the areas in which Allane sees priorities. A cross-departmental team coordinated the entire process, provided assistance and summarised the results.

The materiality analysis was based on the established management systems for quality and environment as well as their inherent fields of action. The further process included industry-relevant aspects and insights gained from the analysis of competitors and other comparative companies. Workshops and surveys conducted with the professional departments then identified and discussed the material issues that are of relevance for the Allane Mobility Group. The analysis findings established were then worked through in collaboration with an external partner and transferred into key fields of action. Finally, the identified material issues of the Group were validated again and then approved by the Managing Board.

#### 1.2 Management Approach

It is Allane's declared objective to integrate the principle of sustainable development into its entrepreneurial decision-making procedures in the long run. The Company's uses its organisational structures and governance processes to promote and control responsible entrepreneurial actions, from strategy development through to implementation. This way, Allane systematically and consistently adheres to sustainability issues in all its business activities and across all hierarchical levels.

The Managing Board holds overall responsibility for sustainability management, as it sets the course so that corporate policy meets the requirements of socially responsible business dealings, and because it approves the corresponding strategies and programmes. The various business units and professional departments implement the sustainability measures and retrieve the sustainability data depending on their respective core business activities and/or task fields.

All five business fields of the Allane Mobility Group have established a firm and comprehensive process for collecting, analysing and implementing improvement measures on the basis of customer feedback. In the corporate business, Allane customers are regularly interviewed on their satisfaction, to which end the Company deploys a special CSI tool (Customer Satisfaction Index). With the help of this tool, the fleet managers and drivers can provide detailed feedback on service quality. Allane uses these data to continually optimise the service range to match customer wishes and requirements.

Allane's sustainability management receives additional support from the Company's own guidelines. The Code of Conduct applies worldwide, enjoys overriding significance and defines the ethical framework for daily business activities.

### 2. Material fields of action

The objective of Allane's sustainability management is to harmonise the Company's business activities with ecological, social and ethical aspects. It is operationalised through the fields of actions, objectives and measures and integrated into corporate procedures. In addition, the sustainability management is based on the requirements and

interests of the stakeholders. Particular importance is attached to customers, employees, suppliers and investors.

Alongside the higher-level area of ‘Sustainability at Allane’ the sustainability management is divided up into six further material fields of action, which are outlined in the following.

## 2.1 Corporate Governance

The success of Allane rests not only on the business policy, but also on its compliance with moral and ethical standards, integrity and the trust which customers and suppliers, shareholders and business partners place in the Company. Such trust can only be won and maintained if all employees adhere to the law and legislation and maintain Allane’s strict behavioural standards. Cooperation partners likewise are obliged by the same duties, as outsiders recognise them as the Company’s representatives. It is Allane’s declared aim to make all employees as well as cooperation partners regularly aware of the issue of compliance. A key role is afforded here to the Group-wide applicable Code of Conduct, which is regularly updated. All employees and cooperation partners have committed themselves to observe this Code of Conduct. It governs behaviour towards business partners and third parties, the fundamentals applicable for the working environment, as well as how to deal with conflicts of interests, assets and equipment of Allane, intellectual property of third parties and information.

The Code of Conduct specifies, among other things, the institution of an external ombudsman. In case employees want to disclose compliance violations, the ombudsman acts as additional contact point, alongside their corporate superior and the compliance officer. The compliance officer maintains regular contact with the Managing Board and assists as well as advises the Board with respect to preventive measures. All subsidiaries of the Allane Mobility Group are regularly inspected regarding their compliance with all laws and adherence to the Code of Conduct.

### Conceptual chart: Corporate Governance and Compliance

Objective	Measures	Performance indicator
Sensitising employees, franchise and cooperation partners to compliance	Integration of further compliance requirements into the Code of Conduct Obligation to adhere to the Code of Conduct	./.

Moreover, Allane has formulated clear expectations concerning its employees’ correct behaviour and makes it clear that business relations can only be maintained with customers, service providers and business partners whose business activities comply with statutory stipulations and whose financial means have a lawful origin. Within the framework of legislative and regulatory requirements, an anti-money-laundering officer has been instituted with a clear, brief mandate. Besides, organisational guidelines to prevent money laundering, terrorist financing and other criminal activities were drawn up. Every employee has to sign and accept the relevant guidelines. In addition, all employees have to receive regular training relating to this thematic complex. Their successful participation in these training sessions is recorded and filed. In accordance with section 9 (1) and (2) no. 1 to 4 of the Money Laundering Act, Allane has initiated ongoing risk-based measures to assess reliability. For example, appropriate assessments take place in the case of employment or employment relationships as well as risk-oriented during the existence of a employment or employment relationship by the supervisor.

As an internationally active Group, Allane Mobility Group is unreservedly committed to respect human rights and corresponding legal rules at home and abroad. The Group has undertaken to respect and promote human rights and to report in a transparent fashion about the results of its actions. In addition, Allane follows the ILO (International Labour Organisation) core labour standards and adheres to the five fundamental principles: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, the elimination of discrimination in respect of employment and occupation and occupational health and safety. In addition, Allane also obliges its cooperation partners to respect the human rights and comply with high social standards To ensure this, the corresponding expectations are contractually fixed and the partners are encouraged to run their business in accordance with ethical principles and to act with integrity.

#### Sources

ILO, Declaration on fundamental principles and rights at work, June 1998.

## 2.2 Climate Protection

As a provider of mobility solutions, Allane is aware of its responsibility for climate protection and has set itself the target of continually lowering the average CO<sub>2</sub> emissions of its customer fleet. It realises this through a series of measures,

such as the continuous utilisation of the latest vehicle models that have state-of-the-art powertrains in its fleet as well as by an increasing number of leasing offers for electric and hybrid vehicles.

Conceptual chart: Climate protection

Objective	Measures	Performance indicator
Reduction of the average CO <sub>2</sub> emissions of the fleet	Continuous renewal of vehicle fleet with cars equipped with state-of-the-art technology	Average CO <sub>2</sub> emissions of the fleet

For years, Allane has been assisting and following the developments in electric mobility and alternative vehicle powertrains as it promotes these by events for employees, fleet managers and media representatives, by cooperating with manufacturers, dealers and electric utility suppliers as well as by promotional offers for private customers. The Company has expertise in the selection and deployment of hybrid and electric vehicles and is therefore capable of giving interested customers competent advice and can optimise corporate fleets with regard to its sustainability aspects. This includes for example the use of e-car pools, improving pollutant emissions and introducing a CO<sub>2</sub> bonus-malus system.

In the 2022 financial year, Allane offered leasing agreements to private, commercial and corporate customers for new vehicles with terms anywhere between twelve and 72 months. As per 31 December 2022 the contracts had an average term of around 42 months. Regular and ongoing replacement of the lease fleet with more modern vehicles with more efficient technologies can reduce average CO<sub>2</sub> emissions per vehicle over time.

Another example of Allane's ecological commitment is the "You car – we tree" campaign, under which autohaus24 plants a tree for every used car sold. In 2022, over 4,700 trees were planted in this way.

Average CO<sub>2</sub>-emissions of the Leasing business unit

in g/km	2022	2021
	120	123

**2.3 Utilisation of Resources**

The protection of the environment and responsible utilisation of resources are taken for granted by Allane. In its own sphere of influence, the Company keeps its energy and

water consumption as low as possible. Through energy audits, Allane regularly monitors its resource consumption and strives for continuous efficiency improvements.

Conceptual chart: Utilisation of Resources

Objective	Measures	Performance indicator
Continual improvement of energy efficiency	Implementing and monitoring energy efficiency measures Conducting energy audits Sensitising employees to energy-saving measures	./.

Allane pursues the objective of continually improving its energy efficiency and cutting its energy consumption. Next to the implementation and monitoring of the concrete energy efficiency measures, it also conducts energy audits and heightens the awareness of employees for measures to utilise energy in a way that saves resources. According to the last energy audit conducted in the 2021 financial year for the calendar year 2020, the consumption ratings for the corporate headquarters are within the normal parameter range, while the heating requirements are below average.

**2.4 Employer attractiveness**

Allane attaches greatest importance to its workforce's customer focus and quality of service to ensure entrepreneurial success. The company therefore considers it its responsibility to develop its employees, promote their health and commitment, involve them in decision-making and enable equal opportunities. The Group-wide working atmosphere and the interaction of all employees are characterized by mutual respect, fairness and the prohibition of any discrimination.

Allane is a well-known employer with a good image. In order to remain an attractive employer, the company has set itself the goal, among other things, of constantly improving the work-life balance of its employees and promoting their health. Employees in central and administrative functions, as well as managers, work on the basis of trust-based working hours (as of December 2022: around 50% of all Allane Mobility Group employees in Germany). In addition, with flexible working models, the company enables its employees to conduct their work for up to 50% of their working hours irrespective of their place of work ("Mobile Work"). Allane also actively promotes the health of its employees by introducing a bicycle leasing offer. Allane aims to keep employee satisfaction at a high level. To this end, the Company conducts regular employee surveys, from which it then deducts



further measures. In addition, Allane maintains an active feedback culture and implements 360-degree feedback as well as customised development and promotion programmes.

Conceptual chart: Employer attractiveness

Objective	Measures	Performance indicator
Improving employees' work-life balance	Expanding the programmes to strengthen work-life balance	Number of employees in time arrangements based on trust
Maintaining high satisfaction levels among employees	Regular execution and evaluation of surveys on employee satisfaction Deducing potential action requirements from the survey findings	./.

Further information on strategic personnel development and the relevant KPIs can be found in the section 'Human resources report' of this annual report.

**2.5 Staff development and promotion**

Allane's entrepreneurial success is vitally dependent on the knowledge, skills and commitment of its employees. Qualified employees are the most important building block for the Group in order to be able to act as a premium supplier on the market and generate 'customer excitement'. The Company is therefore committed to a culture that has the people at its centre who work for Allane. It is the claim to consistently encourage and promote the talents of its workforce, adequately remunerate the commitment of Allane's employees and apply uniform principles in salaries and wages which omit any form of discrimination.

Conceptual chart: Staff development and promotion

Objective	Measures	Performance indicator
Further development of employees' professional expertise	Demand-oriented intensification of on-site training and e-learning units	./.
Further development of performance-based remuneration models	Regular evaluation of variable remuneration models and their KPIs	Share of employees with performance-based remuneration

Finding and promoting talents is deeply connected with further developing of professional expertise. To this end, Allane is intensifying the number of on-site trainings and e-learning sessions in training facilities wherever there is demand for them as well as interlocking these forms of training. The training units are offered to employees of all ranks and cover a wide range of topics.

In order to foster the individual commitment of its employees to the Company's success and to honour it accordingly, Allane has introduced a performance-based remuneration system for certain groups of employees. At the end of 2022, 32% of all employees of the Allane Mobility Group in Germany received variable remuneration in addition to their fixed salary. In order to honour the individual performance of each employee even more than before, Allane has set itself the goal of further developing the existing performance-related compensation models. To this end, the existing variable remuneration models are regularly evaluated and the quota of employees is determined using performance-based remuneration components.

Further information on the employee promotion programme and the key features of the remuneration can be found in the section 'Human resources report' of this annual report.

**2.6 Social commitment**

Allane considers it to be its duty to contribute towards society's well-being. Assuming social responsibility is a firm component in its entrepreneurial policy and corresponds with Allane's identity, principles and values. In fiscal year 2022, Allane Mobility Group participated in several fundraising activities to support social projects and organizations in order to contribute to society.

Conceptual chart: Social commitment

Objective	Measures	Performance indicator
Expanding social commitment	Promotion of social projects	./.

# B

## Management report on the situation of the group and the company

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## B.1 – Group fundamentals

### 1. Business Model of the Group

#### 1.1 Group structure and management

Allane SE, Pullach, is a European Stock Corporation (Societas Europea) and the parent company of the Allane Mobility Group, which mainly conducts its business under the business names of „Sixt Leasing“, „Sixt Mobility Consulting“, „Sixt Neuwagen“, „autohaus24“ and „Flottenmeister“. The Company has its registered offices in Dr.-Carl-von-Linde-Straße 2, 82049 Pullach/Germany, and is registered in the Commercial Register of Munich Local Court under docket number HRB 227195. The Company has been established for an indefinite period.

As a financial services company, Allane SE is supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) and has to comply with the minimum requirements for risk management of banks and financial services institutions (MaRisk).

The Company was founded 1975 in Munich as „Central Garagen CG GmbH“ and has been trading since 2003 under the name „Sixt Autoland GmbH“ with its registered offices in Garching close to Munich. Sixt Group's operative leasing business has been overseen by „Sixt Leasing GmbH“ since 1988 and after its change of legal form into a stock corporation under the name „Sixt Leasing AG“. In 2004 „Sixt Leasing AG“ merged with the previous „Sixt Autoland GmbH“. In the following „Sixt Autoland GmbH“ changed its legal form to a stock corporation and continued under the name „Sixt Leasing AG“. The Company's shares have been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since its IPO on 7 May 2015. By approval of the Annual General Meeting on 1 June 2016 the Company was transformed by way of changing the legal form according to Art. 2 (4) in conjunction with Art. 37 SE-Reg to Sixt Leasing SE.

On 16 July 2020, Sixt Leasing SE was acquired to approximately 92% by Hyundai Capital Bank Europe GmbH (HCBE), Frankfurt am Main, Germany, a joint venture of Santander Consumer Bank AG, Mönchengladbach, Germany, and Hyundai Capital Services Inc., Seoul, Korea, as part of a voluntary public takeover offer. In the process, HCBE also acquired the approximately 42% stake held by the former main shareholder Sixt SE. As part of the separation from Sixt SE, the Annual General Meeting of Sixt

Leasing SE resolved on 29 June 2021 to change the Company's name to „Allane SE“. The new company name „Allane SE“ was entered in the commercial register on 5 August 2021.

The Managing Board of Allane SE manages the Company under its own responsibility and currently consists of Mr. Donglim Shin, Chairman of the Managing Board (CEO) since 1 July 2021, and Mr. Álvaro Hernández, CFO since 1 December 2021.

The Supervisory Board of Allane SE, which consists of six members in accordance with the Articles of Association, appoints, monitors and advises the Managing Board and is directly involved in decisions of fundamental importance for the Company and the Group.

Allane SE acts as an operative leasing company and is the parent company of the Allane Mobility Group. It has directly or indirectly 100% shareholdings in the following subsidiaries, which also operate in the leasing or fleet management businesses of their respective countries:

- Allane Location Longue Durée S.a.r.l., Rueil-Mailmailson/France
- Allane (Schweiz) AG, Urdorf/Switzerland
- Allane G.m.b.H., Vösendorf/Austria
- autohaus24 GmbH, Pullach/Germany
- Allane Mobility Consulting GmbH, Pullach/Germany
- Allane Mobility Consulting S.a.r.l., Rueil-Mailmailson/France\*
- Allane Mobility Consulting AG, Urdorf/Switzerland
- Allane Mobility Consulting Österreich GmbH, Vösendorf/Austria\*
- Allane Mobility Consulting B.V., Hoofddorp/Netherlands
- Allane Services GmbH, Rostock/Germany\*
- Allane Services GmbH & Co. KG, Rostock/Germany
- One Mobility Management GmbH, Pullach/Germany (founded in 2022 financial year)

\* not consolidated

In addition, the company Isar Valley S.A., Luxembourg (share of 0%, however, control according to IFRS 10) is fully consolidated.

Between Allane SE and Allane Mobility Consulting GmbH, a profit and loss transfer agreement is in place.

As of reporting date 31 December 2022, the Company's share capital amounted to EUR 20,611,593.00 divided up into 20,611,593 ordinary bearer shares. The shares are no-par value shares with a notional interest in the share capital of EUR 1.00 per share. The shares are fully paid up.

As of the reporting date, Hyundai Capital Bank Europe GmbH, Frankfurt am Main ('HCBE'), was the largest shareholder with 92.07% of the shares and voting rights is.

In the context of the sale of the stake in Allane SE by Sixt SE to HCBE, Allane SE and Sixt SE also concluded a number of agreements with regard to the temporary continued use of the 'Sixt' brand and the Carve-Out of the IT structure.

Further agreements concluded between Allane SE and HCBE and its respective parties are described in the notes to the consolidated statements under 'related party disclosures'.

## 1.2 Group activities and services portfolio

The Allane Mobility Group is organised into the two business units (segments) Leasing and Fleet Management. The Leasing segment includes the Retail Leasing and Fleet Leasing business fields. The Fleet Management segment is not further subdivided into business fields.

As part of the implementation of the growth strategy *FAST LANE 27*, five strategic business pillars were presented. The strategic business pillars refer to the two business units Leasing and Fleet Management. The Online Retail and Captive Leasing business pillars are assigned to the Retail Leasing business field in the Leasing business unit. The On-Site Retail business pillar is to be assigned to the Retail Leasing and Fleet Leasing business fields in future.

While On-Site Retail includes the business of autohaus24, the core of the Captive Leasing business pillar consists of the „Allease“ dealer portal newly developed by Allane.

### 1.2.1 Leasing business unit

Through its Leasing business unit, Allane SE acts as a non-bank, vendor-neutral leasing company in Germany. In addition, the business unit is also represented by its operative subsidiaries in France, Switzerland, Austria and the Netherlands.

The Leasing business unit is divided up into the two business fields of Retail Leasing (private- and commercial

customer leasing conducted as part of the classic Online Retail and the in 2022 financial year started Captive Leasing) and Fleet Leasing (corporate customer leasing).

In the Fleet Leasing business field, the Group offers lease financing and associated services (so-called full-service leasing) to corporate customers.

Target customers for this business field are, on the one hand, companies with a fleet size of more than 100 vehicles, whose fleets are made up of different manufacturers and have a certain complexity. Allane SE supports these mid-sized and large customers through individual fleet solutions. On the other hand, smaller corporate customers with a fleet size of around 20 to 100 vehicles are also served. The approach in this customer segment is to use standardised products and processes to professionalise fleet purchasing and management.

Next to the classic finance leasing, the offering includes a variety of services such as multi-brand online configuration, consulting on the vehicle selection, online approval procedure according to individual company guidelines, price-optimised vehicle procurement, maintenance of the vehicles over the total contract period, tire changing, damage assistance and management incl. insurance handling as well as the management of fuel cards, vehicle taxes and broadcast contribution. The ratio of contracts which combine finance leasing with service components of various scope accounted for around 93% of the total contract portfolio of the Fleet Leasing business field at the end of 2022.

Allane SE operates its Retail Leasing business field via the websites *sixt-neuwagen.de* and *autohaus24.de*. The platforms give private and commercial customers (with up to 20 vehicles) the opportunity to configure vehicle models from about 35 different car manufacturers, to request their individual leasing offer and to order online. In addition, a large number of immediately available storage cars can be selected. With the online-based vehicle leasing for private and commercial customers, the Company addresses a market that is growing strongly in Germany. The Retail Leasing business segment also includes the strategic pillar Captive Leasing, which was added as part of the implementation of *FAST LANE 27*. In this business, vehicle models from Hyundai are offered to both private and commercial customers through the dealer network at the point of sale. The core of this pillar is the dealer/seller portal „Allease“ developed by Allane.

The Retail Leasing business field also offers additional services such as a wear and tear, an inspection or an insurance

package, which can be booked online to the leasing contract and included in the lease instalment. At the end of 2022, around 42% of private and commercial customer contracts contained at least one service component.

### 1.2.2 Fleet Management business unit

The Allane Mobility Group operates its Fleet Management business unit via the Allane Mobility Consulting GmbH, which was founded in 2011, and further direct and indirect subsidiaries of Allane SE. So, the expertise in managing larger customer fleets can also be offered to customers, who purchased their vehicles or leased them from other providers. The target group for this service ranges from mid-sized businesses to international corporations.

As bank- and manufacturer-independent fleet manager, the aim of Allane Mobility Consulting is to advise and support companies in the procurement and operation of leasing and purchasing fleets. To this end, just as in the Fleet Leasing business field, proprietary developed online-based IT tools like the Multibid Configurator, and the „Fleetintelligence“ analysis tool are used. The Multibid Configurator offers functions such as freely configuring fleet vehicles, comparing them with possible alternative vehicles and carrying out tenders for desired vehicles among different leasing companies. In June 2021, Allane Mobility Consulting launched the digital analysis tool 'FleetIntelligence' for fleet customers and managers as well as for internal analyses. The new application is based on (cloud) technology and enables the fleet to be analysed in terms of key parameters such as stock, costs, sustainability and damage. In addition, Allane Mobility Consulting supports the company car users of the corporate clients in all topics related to the vehicle, from ordering to accident management to wheel changes. The self-service app 'The Companion' makes it possible to perform vehicle-related tasks such as booking workshop appointments via smartphone and supports digital communication between fleet managers and company car users.

### 1.3 Significant external influencing factors

As an internationally active leasing group with a stock-listed parent company, the business activities of the Allane companies are exposed to the influence of a number of different legal systems and stipulations/requirements. These include road traffic and public order stipulations, as well as tax and insurance laws, and capital and financial market regulations.

Economically, the Group is dependent on general economic conditions, which particularly affect the consumption

behaviour of private customers and companies' willingness to invest as well as the development of the used car market. Next to these, changes in interest rates or in tax frameworks are key external factors that can have an impact on Allane SE's business. Likewise, social trends can also affect the demand for mobility services, as for example the increasing willingness to pay for the provision of mobility in form of a time-dependent using fee rather than for owning a vehicle

## 2. Business management

The long-term business success of the Allane Mobility Group is measured by using predefined financial and operative control parameters. In addition, non-financial performance indicators play a role for the Allane Mobility Group, particularly in the fields of climate protection, employer attractiveness as well as staff promotion and development.

The following financial and operative control parameters (financial performance indicators) are particularly relevant for the Allane Mobility Group:

- Group contract portfolio (number of contracts),
- consolidated operating revenue (leasing revenue (finance rate), other revenue from leasing business and fleet management revenue (without revenue from the sale of returned vehicles) as well as
- consolidated earnings before taxes (EBT).

In addition, the following key figures support the management of the Group (no forecasts and therefore no target-actual comparisons are made for these key figures):

- contract portfolio of the business fields (number of contracts),
- consolidated revenue (operating revenue and sales revenue),
- consolidated earnings before interest, taxes, depreciation and amortization (EBITDA),
- operating return on revenue of the Group (EBT/operating revenue) and
- equity ratio of the Group (equity/total assets).

### 3. Research and development

Allane SE did not pursue any significant research and development activities in the 2022 financial year. In order to drive the digitalisation of the business model, Allane SE develops new products, applications and digital business processes itself. In doing so, Allane SE makes use of external services

depending on project requirements, capacity needs and relevant expertise. In the financial year 2022, production costs of EUR 5.2 million were activated for development projects in progress. Amortization of EUR 8.4 million occurred in the financial year for completed and commissioned in-house developments.

## B.2 – Business report

Due to rounding, it is possible that selected figures in this report cannot be added up to the amount recorded and that the year figures listed do not follow from adding up the individual quarterly figures. For the same reason, the percentage figures listed may not always exactly reflect the absolute numbers to which they refer.

### 1. Economic environment

Allane-Mobility Group operates with its subsidiaries in its home market of Germany as well as in France, Switzerland, Austria and the Netherlands. Various influencing factors are material to the Group's business activities in these markets, in particular corporate investment activity, the willingness of business and corporate customers to spend, consumer behavior among private customers, and the development of the used vehicle market.

Growth in the global economy slowed significantly in 2022 as a result of the numerous global challenges. According to the International Monetary Fund (IMF), global gross domestic product (GDP) increased by 3.4% year-on-year. According to the Kiel Institute for the World Economy (IfW), the global economy grew by 3.2% in 2022. According to the IfW, growth weakened in the course of the year, mainly under the impact of high energy prices and great uncertainty. Easing supply bottlenecks and a normalization of the COVID-19 pandemic had positive effects, but the burdens of inflation and restrictive monetary policy as well as a weakening Chinese economy due to the Corona policy outweighed these.

The German economy continued to recover in 2022 despite difficult conditions. According to initial calculations by the Federal Statistical Office (Destatis), GDP increased by 1.9%. In 2022 the German economy was dominated by the Russia-Ukraine war and its consequences, in particular the extreme price increases for energy. Material and supply bottlenecks and the shortage of skilled workers further slowed growth. However, these factors were countered by positive effects from the lifting of Corona protection measures and the resulting catch-up effects in private consumer spending, which increased by 4.6% year-on-year after adjustment for prices. The number of people in employment increased by 1.3% to 45.6 million, thus reaching a record level in Germany. The relief provided to the national budget by the expiring COVID 19 measures was offset by burdens from the energy crisis, with the result that the financing deficit is still at a high level of EUR 102 billion.

#### Sources

IMF, World Economic Outlook Update, January 2023;  
IfW Kiel, Economic Outlook World, No. 97, December 2022;  
Destatis, GDP domestic product up to 1,9% in 2022, 13 January 2023.

## 2. Group business performance overview and comparison with forecast of the year

Overview of key performance indicators:

	31 December 2021	Outlook	Adjustment	31 December 2022
Group contract portfolio (number of contracts)	128,800	130,000 to 150,000 contracts	110,000 to 130,000 contracts <sup>1</sup>	115,900
Operating revenue (in EUR million)	386.0	Range of EUR 350 million to EUR 400 million	No adjustment	385.4
Earnings before taxes (EBT) (in EUR million)	6.1	Higher single-digit million euro amount	Between EUR 11.0 million and EUR 15.0 million <sup>2</sup>	12.8

<sup>1</sup> Ad-hoc announcement of 28 July 2022

<sup>2</sup> Ad-hoc announcement of 2 November 2022

The Allane Mobility Group's business performance met or exceeded the forecast made on 31 December 2021, with the exception of the Group contract portfolio. Consolidated revenue, which includes operating revenue and sales revenue, fell by 3.2% year-on-year to EUR 717.0 million (2021: EUR 740.4 million). Consolidated operating revenue (excluding sales revenues) decreased by 0.2% to EUR 385.4 million (2021: EUR 386.0 million). The merely marginal increase in Group operating sales is attributable to the continuing supply bottlenecks for new vehicles and the associated decline in contracts. In addition, the overall economic situation continues to be adversely affected by the ongoing Russia-Ukraine war. Sales revenues for lease returns and marketed customer vehicles at the Allane Mobility Group decreased by 6.4% to EUR 331.6 million (2021: EUR 354.4 million). Despite continued high demand and rising unit prices for used vehicles, this development resulted mainly from a decline in sales volumes. The decline in sales volume resulted from a lower contract portfolio and a higher number of lease contract prolongations.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 0.6% to EUR 185.1 million in the reporting year (2021: EUR 184.0 million). Consolidated earnings before taxes (EBT) increased significantly by 109.0% to EUR 12.8 million (2021: EUR 6.1 million). This is mainly due to lower depreciation and a significant improvement in the financial result. As a result, the operating return on revenue (ratio of EBT to operating revenue) was 3.3% (2021: 1.6%). The higher EBT is in line with the expectations according to the ad-hoc announcement of 2 November 2022.

The equity of the Allane Mobility Group increased to a total of EUR 235,268 thousand compared to the previous year (2021: EUR 220,192 thousand). The group equity ratio was thus 19.3% as of the balance sheet date (2021: 18.4%).

As of 31 December 2022, the Allane Mobility Group's contract portfolio was 10.1% below the previous year's level at 115,900 contracts (2021: 128,800 contracts). In its forecast of March 2022, the Managing Board had assumed a Group contract portfolio of between 130,000 and 150,000 contracts. As of July, the Managing Board of Allane SE had come to the conclusion that this expectation was probably not feasible for financial year 2022. Accordingly, the expectations for financial year 2022 were adjusted to a range of 110,000 to 130,000 contracts. The main reasons for the adjustment were the expiring and non-renewed fleet management contracts as well as the overall economic situation, which, in addition to a weakening COVID-19 situation, supply restrictions for new cars due to the semiconductor shortage as well as high inflation rate and rising interest rates in connection with the geopolitical developments due to the Russia-Ukraine war, continues to be negatively influenced.

### Contract portfolio<sup>1</sup>

in thousands	2022	2021	Change in %
Allane Mobility Group	115.9	128.8	-10.1
thereof Fleet Leasing	33.6	33.3	0.8
thereof Retail Leasing	35.3	36.5	-3.5
thereof Fleet Management	47.0	59.0	-20.3

<sup>1</sup> Incl. leasing contracts, fleet management contracts, service contracts and order book (contracts, for which the vehicle has not yet been delivered).



### 3. Contract and revenue performance of the business units

#### 3.1 Leasing business unit

In the Leasing business unit, the contract portfolio at the end of the reporting year totalled 68,900 contracts, which was 1.5% below the figure as of 31 December 2021 (69,800 contracts). At the same time, the contract portfolio in the Retail Leasing business field declined by 3.5% to 35,300 contracts (2021: 36,500 contracts). The contract portfolio in the Fleet Leasing business field slightly increased by 0.8% to 33,600 contracts (2021: 33,300 contracts).

Total revenue in the Leasing business unit fell by 4.7% to EUR 596.0 million in the reporting year (2021: EUR 625.1 million). Operating revenue (segment revenue excluding proceeds from the sale of lease returns) decreased by 1.3% to EUR 328.4 million (2021: EUR 332.8 million). Revenue

from the sale of used leasing vehicles decreased by 8.5% to EUR 267.6 million (2021: EUR 292.3 million).

#### 3.2 Fleet Management business unit

In the Fleet Management business unit, the contract portfolio at the end of 2022 decreased significantly by 20.3% year-on-year to 47,000 contracts (2021: 59,000 contracts).

The business unit's total revenue increased by 4.9% to EUR 121.0 million in 2022 (2021: EUR 115.3 million). Operating revenue increased by 7.0% to EUR 57.0 million (2021: EUR 53.2 million). Revenue from the sale of customer vehicles increased by 3.2% to EUR 64.1 million (2021: EUR 62.1 million). The marketing of customer vehicles as an additional service is eliciting differing responses from customers, depending on their needs. Consequently, the development of revenue from vehicle sales is more volatile in the Fleet Management business unit than in the Leasing business unit.

### 4. Earnings development

Consolidated income statement (condensed)

in EUR million	2022	2021	Absolute Change	Change in %
Consolidated revenue	717.0	740.4	-23.4	-3.2
Thereof consolidated operating revenue <sup>1</sup>	385.4	386.0	-0.6	-0.2
Fleet expenses and cost of lease assets	449.1	473.1	-24.0	-5.1
Personnel expenses	52.8	50.1	2.8	5.5
Net losses arising from the derecognition of financial assets	2.7	3.2	-0.5	-16.0
Net impairment losses (-)/gains (+) from financial assets	0.5	-0.8	1.3	-162.8
Net other operating income/expense	-27.8	-29.3	1.4	-4.9
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>185.1</b>	<b>184.0</b>	<b>1.1</b>	<b>0.6</b>
Depreciation and amortisation	168.1	171.0	-3.0	-1.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>17.0</b>	<b>13.0</b>	<b>4.0</b>	<b>31.1</b>
Net finance costs	-4.2	-6.9	2.6	-38.6
<b>Earnings before taxes (EBT)</b>	<b>12.8</b>	<b>6.1</b>	<b>6.7</b>	<b>109.0</b>
Operating return on revenue (%)	3.3	1.6	+1.7 Points	
Income tax expense	3.8	0.3	3.5	1,188.0
Consolidated profit	9.0	5.8	3.2	54.5
Earnings per share <sup>2</sup> (in EUR) - basic and diluted	0.44	0.28	0.15	

<sup>1</sup> Leasing revenue (finance rate), other revenue from leasing business and fleet management revenue (without revenue from the sale of returned vehicles).

<sup>2</sup> Based on EUR 20.6 million shares

Fleet expenses and cost of lease assets decreased by 5.1% to EUR 449.1 million (2021: EUR 473.1 million). Adjusted by expenditure incurred in connection with the sale of lease assets, fleet expenses and cost of lease assets recorded an increase of 12.0%, contrary to the decline in Group operating turnover.

Personnel expenses increased by 5.5% to EUR 52.8 million (2021: EUR 50.1 million), in particular due to the increase in personnel resources and general wages and salary adjustments.

The balance of other operating income and expenses decreased by 4.9% in particular due to lower legal and consulting costs and the completion of the IT carve-out project to EUR -27.8 million (2021: EUR -29.3 million), whereby other operating expenses decreased more than other operating income.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 0.6% to EUR 185.1 million (2021: EUR 184.0 million).

Depreciation and amortisation decreased by 1.7% to EUR 168.1 million (2021: EUR 171.0 million).

Earnings before interest and taxes (EBIT) totalled EUR 17.0 million, which was 31.1% more than the year before (2021: EUR 13.0 million).

Net finance costs in the year under review improved significantly once again, up by 38.6% to EUR -4.2 million (2021: EUR -6.9 million). The improvement in the financial result is due to the more favourable refinancing of the bond repaid in the financial year 2022.

Earnings before taxes (EBT) of Allane Mobility Group for the 2022 financial year amounted to EUR 12.8 million, which is 109.0% up the previous year's figure of EUR 6.1 million. This is mainly due to lower depreciation and a significant improvement in the financial result.

Consequently, the operating return on revenue (ratio of EBT to operating revenue) came to 3.3% (2021: 1.6%).

Income taxes increased by >100.0% to EUR 3.8 million (2021: EUR 0.3 million). The low tax expense in the previous year resulted from deferred tax income due to a special effect from the recognition of deferred tax assets in the previous year.

Overall, the 2022 financial year fulfilled the expectations set out in the previous year's management report, with the exception of the Group contract portfolio. The expectations for the Group contract portfolio were already adjusted in July 2022. The result from ordinary business activities in the 2022 financial year was within the expectations last adjusted and communicated in November 2022.

## 5. Net assets

As of 31 December 2022, the total assets of the Allane Mobility Group came to EUR 1,218.4 million, EUR 23.5 million or 2.0% more than on 31 December 2021 (EUR 1,194.8 million).

Non-current assets, which increased year-on-year by EUR 5.7 million to EUR 1,057.3 million (2021: EUR 1,051.6 million; +0.5%) are still dominated by lease assets. By reference date comparison, lease assets fell slightly by EUR 2.2 million or 0.2% to EUR 993.2 million (2021: EUR 995.4 million). As a proportion of total assets, its share decreased slightly to 81.5% (2021: 83.3%). Among the other items of non-current assets, above all other receivables and assets as well as property and equipment increased. Other receivables and assets rose by EUR 8.7 million or >100.0% to EUR 10.4 million (2021: EUR 1.8 million) due to the increase in the effective portion of the hedging relationships. Property and equipment increased by EUR 3.9 million or 15.5% to EUR 29.0 million, mainly due to the prolongation of existing right of use assets from lease agreements for the used car marketing location in Eching and Egelsbach. Intangible assets decreased by EUR 4.7 million or 19.4% to EUR 19.5 million (2021: EUR 24.2 million), mainly due to performed impairments.

Compared with the same reporting date of last year, current assets increased by EUR 17.9 million or 12.5% to EUR 161.1 million (2021: EUR 143.2 million). This was largely the result of the increase in trade receivables, as well as the increase in other receivables and assets. Trade receivables rose by EUR 7.5 million or 9.9% to EUR 82.7 million (2021: EUR 75.2 million). Other receivables and assets rose by EUR 5.1 million or 19.2% to EUR 31.8 million (2021: EUR 26.7 million). This is mainly due to the increase in receivables from value added taxes and other taxes by EUR 5.7 million. In addition, receivables from related parties increased by 32.0% to EUR 0.6 million (2021: EUR 0.5 million). Moreover, bank balances increased significantly by EUR 3.5 million or 212.3% to EUR 5.2 million (2021: EUR 1.7 million).

Income tax receivables as of the reporting date increased EUR 0.1 million or 20.3% to EUR 0.8 million (2021: EUR 0.7 million).

## Consolidated balance sheet (condensed)

## Assets

in EUR million	2022	2021
<b>Non-current assets</b>		
Intangible assets	19.5	24.2
Lease assets	993.2	995.4
Other	44.6	32.1
<b>Current assets</b>		
Inventories	39.9	38.5
Bank balances	5.2	1.7
Other	116.0	103.1
<b>Assets</b>	<b>1,218.4</b>	<b>1,194.8</b>

## 5.1 Equity

As of 31 December 2022, the Allane Mobility Group's equity amounted to EUR 235.3 million. The increase by EUR 15.1 million or 6.8%, compared to the same reporting date of the previous year (2021: EUR 220.2 million), is essentially the result of the generated consolidated profit minus the cash outflow for the dividend of EUR 1.2 million paid out in the reporting year for the 2021 financial year. The equity ratio increased from 18.4% to 19.3% of the balance sheet total.

As of the reporting date, the share capital of Allane SE was unchanged at EUR 20.6 million.

## Consolidated balance sheet (condensed)

## Equity and liabilities

in EUR million	2022	2021
Equity	235.3	220.2
<b>Non-current liabilities and provisions</b>		
Financial liabilities	529.7	314.7
Liabilities to affiliated companies	-	-
Miscellaneous	51.0	45.3
<b>Current liabilities and provisions</b>		
Financial liabilities	278.1	490.1
Liabilities to affiliated companies	0.1	0.0
Vertragsverbindlichkeiten	15.2	15.9
Miscellaneous	109.0	108.6
<b>Equity and liabilities</b>	<b>1,218.4</b>	<b>1,194.8</b>

## 5.2 Liabilities

As of 31 December 2022, the Group reported non-current liabilities and provisions of EUR 580.7 million (2021: EUR 360.0 million; +61.3%). This was mainly due to the increase in non-current financial liabilities by EUR 215.1 million to

EUR 529.7 million (2021: EUR 314.7 million; +68.3%). This is mainly due to borrowings of long-term loans with Santander Consumer Bank AG, Mönchengladbach.

Current liabilities and provisions as of 31 December 2022 amounted to EUR 402.4 million (2021: EUR 614.6 million). The decrease by EUR 212.2 million or 34.5% was essentially due to decreasing current financial liabilities by EUR 212.0 million or 43.3% to EUR 278.1 million (2021: EUR 490.1 million), which is mainly attributable to the bond repaid in February 2022 with a nominal value of EUR 250 million. Current other provisions increased by EUR 0.6 million or 8.7% from EUR 6.3 million to EUR 6.9 million. This is mainly due to legal disputes against Allane SE from revocation actions for leasing contracts with regard to the first and second instance. In this context, the further course of some of the open cases depends on the timing of outstanding rulings by the Federal Supreme Court and / or the European Court of Justice on individual cases of Allane SE. For these open cases, Allane SE is subject to an other financial obligation in the amount of EUR 0.9 million, which was not recognised in the provisions. At present, the Allane Mobility Group considers it unlikely that it will be called upon in this regard.

Trade payables rose by EUR 3.8 million or 5.7% to EUR 69.4 million (2021: EUR 65.7 million).

## 6. Financial position

## 6.1 Financial management and financial instruments

The financial management of the Allane Mobility Group is centralised within the finance department on the basis of internal guidelines and risk policies as well as a monthly Group finance planning. The key tasks overseen include safeguarding liquidity, cost-oriented long-term coverage of financing requirements of the consolidated companies, managing interest rate and credit risks as well as maturity-matching refinancing. Operative liquidity control and cash management are effected centrally by the Group's Finance department for all consolidated companies.

The financing instruments mainly consist of loans from Santander Consumer Bank AG, Mönchengladbach, an asset backed securities (ABS) programme as well as bilateral credit lines with other banks.

As at the end of 2022 the Allane Mobility Group was primarily financed by the following instruments:

- Current and non-current drawings from the ABS programme with variable market interest rates, maturing up to 2027 as well as
- Current and non-current drawings from bank loans with market interest rates. Of these bank credit lines, EUR 135.1 million have not been drawn down as of 31 December 2022.

## 6.2 Liquidity position

Consolidated cash flow statement  
(condensed)

in EUR million	2022	2021
Gross cash flow	135.7	138.7
Net cash flows from/used in operating activities	14.1	157.9
Net cash flows used in investing activities	-6.7	-16.1
Net cash flows used in/from financing activities	-1.9	-142.2
<b>Net change in cash and cash equivalents</b>	<b>5.5</b>	<b>-0.4</b>

For 2022, the Allane Mobility Group reports a gross cash flow of EUR 135.7 million, which is EUR 3.0 million less than the figure for the preceding year (2021: EUR 138.7 million). Adjusted for changes in lease assets and net working capital, this results in net cash inflows from operating activities of EUR 14.1 million (2021: cash inflow of EUR 157.9 million). The change is essentially due to higher income from disposals of lease assets and significantly lower expenses for investments in lease assets.

Net cash used in investing activities amounted to EUR 6.7 million (2021: cash outflow of EUR 16.1 million), essentially due to the investments made in intangible assets.

Financing activities resulted in a cash outflow of EUR 1.9 million (2021: cash outflow of EUR 142.2 million). Payments received of EUR 500.5 million were offset by dividend payments as well as, in particular, the repayment of financial liabilities including interest payments in the total amount of EUR 502.4 million.

After changes relating to exchange rates, total cash flows as of 31 December 2022 resulted in a raise in cash and cash equivalents, up to EUR 5.6 million (2021: decrease of EUR 0.4 million).

## 6.3 Investments

In 2022, the Allane Mobility Group added vehicles with a total value of EUR 371.9 million (2021: EUR 315.8 million; 17.8%) to the leasing fleet. This is mainly due to the aforementioned recovery in the overall economic situation, which has fallen short of expectations. In particular, the Russia-Ukraine war that broke out in February 2022 and is continuing, the resulting increase in the cost of living, as well as continuing supply bottlenecks in the new vehicle sector are having a negative impact on capital spending.

## 7. Segment reports

### 7.1 Leasing segment

#### 7.1.1 Industry development

The European leasing industry was able to continue the recovery with an increase of 15.8% from the full year 2021 in the first half of 2022 at a somewhat slower pace. According to the industry association Leaseurope, the new business volume of leasing companies increased by 5.9% to EUR 167.4 billion compared to the same period last year. New business in vehicle and equipment leasing increased by 2.3% and 13.9% respectively.

The German leasing industry, Europe's second largest leasing market, also continued to develop positively. According to the Federal Association of German Leasing Companies (BDL), the industry's acquisition values grew by 4.0% (incl. leasing and lease-purchase). The leasing segment (excluding lease-purchase) grew by 0.9%. The main growth driver was the lease-purchase segment with an increase of 19.3%.

#### Sources

Leaseurope, Market overview in 2021 and H1 2022 results, 13 October 2022; BDL, First forecast for business development in the leasing industry 2023, 7 February 2023.

#### 7.1.2 Business development

The Leasing business unit comprises the business fields of Retail Leasing (private and commercial leasing customers) and Fleet Leasing (corporate customer leasing).

In the 2022 financial year, the business unit generated total revenue of EUR 596.0 million, a decrease of 4.7% (2021: EUR 625.1 million). The segment's operating revenue (excluding sales revenues) fell by 1.3% to EUR 328.4 million (2021: EUR 332.8 million). At the same time, leasing revenue (finance rate) decreased by 5.6% to EUR 188.3 million (2021:

EUR 199.4 million). Other revenue from the leasing business, comprising mainly revenues from services, increase by 5.1% to EUR 140.2 million (2021: EUR 133.4 million). Revenue from the sale of vehicles decreased by 8.5% to EUR 267.6 million (2021: EUR 292.3 million).

The segment's contract portfolio as of 31 December 2022 totalled 68,900 contracts, a decrease of 1.5% compared to the figure recorded on the same date the year before (2021: 69,800 contracts).

In the Retail Leasing business field, the number of contracts decreased by 3.5% to 35,300 contracts (2021: 36,500 contracts). The reason for this continued to be the lower number of new orders due to the recovery of the overall economic situation, which remained below expectations, as well as the economic effects of the Russia-Ukraine war.

In the Fleet Leasing business field, the number of contracts increased slightly by 0.8% to 33,600 contracts (2021: 33,300 contracts). The slight increase in the contract portfolio is due in particular to the incipient recovery of the overall economic situation in the area of corporate customers.

The main expense item is fleet expenses and cost of lease assets in the amount of EUR 338.0 million (2021: EUR 369.1 million).

The business unit's earnings before interest, taxes, depreciation and amortisation (EBITDA) rose in the reporting year, contrary to the lower contract portfolio and the decline in usage-related revenues, by 0.6% to EUR 184.4 million (2021: EUR 183.4 million). Earnings before taxes (EBT) went up 115.6% to EUR 12.3 million (2021: EUR 5.7 million). The segment's operating return on revenue (EBT/operating segment revenue) thus amounted to 3.7% (2021: 1.7%).

#### Key figures Leasing business unit

in EUR million	2022	2021	Change in %
Leasing revenue (finance rate)	188.3	199.4	-5.6
Other revenue from leasing business	140.2	133.4	5.1
Sales revenue	267.6	292.3	-8.5
Total revenue	596.0	625.1	-4.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	184.4	183.4	0.6
Earnings before interest and taxes (EBIT)	16.4	12.4	32.4
Earnings before taxes (EBT)	12.3	5.7	115.6
Operating return on revenue (%)	3.7	1.7	+2.0 Points

#### Retail Leasing business field

##### Online Retail

**Marketing and sales campaigns:** During the reporting period, Allane conducted several marketing and sales campaigns in the Online Retail business segment. These included, for example, the special promotions „Black Leasing Friday“ and „Sparadies“, in which the company made a limited contingent of new car models available to private and commercial customers at discounted prices. For Black Leasing Friday 2022, electric vehicles were also offered for the first time. The focus of the special offers was on moderately priced vehicle models with predictable delivery times.

In addition, since 2022 it has been possible to apply for the greenhouse gas reduction premium (GHG premium) via Sixt New Cars. For 2022, Allane guaranteed a minimum premium of 365 euros per certificate – including an additional premium of 15 euros. In addition, the "damage management" service product on sixt-neuwagen.de has been free of charge and included in all new contracts since 2022. This means that customers benefit from a one-stop service that covers all the necessary steps in the event of damage, an accident or a breakdown.

**Reorganisation of sales:** In the reporting period, Allane reorganised its B2C sales for new car leasing, thereby significantly increasing efficiency. Despite a weak market situation, the acquisition level was comparable to that of the previous year. The reorganised existing customer team stabilised the portfolio, while the new customer team was able to win new customers for Allane.

**Promoting customer satisfaction:** The Allane Mobility Group regularly asks its private and commercial customers about their satisfaction with the company's offers and services at various touch points – from configuration on the

website to returning the vehicle. For the year 2022, the results of the survey yielded a Trustpilot rating 4.1, with a maximum value of 5.0.

**Expansion of the product and service portfolio:** In the 2022 financial year, the Allane Mobility Group has expanded its range of services to include the trade-in of used vehicles via Sixt Neuwagen. Interested parties can either sell their old vehicle to Sixt Neuwagen or trade it in when ordering a new vehicle. The transaction takes place via autohaus24.

**Personnel changes:** In the 2022 financial year, Mr. Philipp Schwenke took over the management of autohaus24 GmbH. His predecessor, Mr. Patrick Kischkel, left the company. Philipp Schwenke is responsible for the online business of autohaus24.de. He shares the position of Managing Director with Mr. Werner König, who has been responsible for the business with the used car locations in Berlin, Munich and Frankfurt since October 2020. A common focus of the two managing directors is the expansion of the product portfolio.

### Captive Leasing

**Preparations for the start of business activities:** During the reporting period, the Captive Leasing pursued the goal of developing the IT systems and processes to market maturity in order to prepare for the start of business activities with the dealers of the Hyundai brand in Germany. The core of the cooperation between the affiliated dealers and Allane was and is the completely newly developed dealer/seller portal „Allease“.

After the transfer of the system landscape from the test phase to the pilot phase, the cooperation with a few selected (pilot) dealers already started in the first half of 2022. Through regular feedback, targeted evaluation and prioritisation, as well as structured implementation of the optimisation measures presented, „Allease“ can be continuously developed further.

**Market launch with HYUNDAI Leasing:** In the middle of the year 2022, business activities were started with almost all Hyundai dealers in Germany. Under the branding „HYUNDAI Leasing – powered by Allane“, dealers have since been able to market their Hyundai vehicles with tailor-made leasing offers – as well as optional service modules. The cooperation with the Hyundai dealers was successively expanded by means of a comprehensive training offer by the field staff of the Captive Leasing business segment. The aim of the chosen step-by-step approach is a sustainable

cooperation with the dealers based on intensive support by Allane.

**Personnel changes:** In April, Mr. Mike Song took over the responsibility of the Captive Leasing business pillar. Mr. Mike Song has many years of experience in the automotive and manufacturer-related banking and leasing business.

### Fleet Leasing business field

**Digitisation of fleet leasing:** In the fleet leasing business segment, the Allane Mobility Group has continued to drive digitisation forward in 2022.

In the area of claims management, Allane Mobility Consulting has carried out a general overhaul of the online claims notification and has also given the design a new and modern look. The new damage report takes into account, among other things, the requirements of insurance companies in order to minimise their queries to Allane customers and to simplify the processes. Allane has also updated the B2B portal „MyLeaseCar“ and, in the course of this, created digital damage files, among other things.

**Expansion of the electric mobility segment:** Together with the cooperation partner Mer Solutions, Allane has been offering its customers the holistic charging solution „eeFlat“ since the beginning of 2023. „eeFlat“ includes the installation of a wallbox in the private garage of the company car driver as well as the complete service and maintenance.

The Allane Mobility Group has also been offering its fleet customers the opportunity to apply for the GHG premium for e-vehicles since the beginning of 2023. The service package includes the application and sale of the bonus and is implemented in cooperation with ADAC. The application for the premium can be made digitally and easily via the Allane website.

**Promoting customer satisfaction:** Allane's customers are regularly surveyed on their satisfaction. The company uses a special CSI tool (Customer Satisfaction Index) for this purpose. Both the users of the leased vehicles and the fleet managers can give detailed feedback on the quality of service. Allane uses this data to further optimise its service portfolio based on customer wishes and needs. The CSI tool again demonstrated a high level of customer satisfaction in 2022. 84% intended to continue using Allane's solutions in the future (2021: 83%).

## 7.2 Fleet Management segment

### 7.2.1 Industry development

The Allane Mobility Group estimates that the demand for fleet management services remains high. Many companies are also tending to outsource the management of their vehicle fleets to external specialists. The advantages for companies are that they can focus on their core business, achieve cost and planning security and have access to specialised know-how.

According to Dataforce, around 868,000 new passenger cars were registered in the relevant fleet market (new commercial registrations excluding vehicle construction, trade and car rental companies) in 2022. This is a significant increase of 10.5% compared to the previous year and the second highest annual volume for this sector to date. The share of the total passenger car registration market thus rose to a record 33.0%. Every third passenger car registered in 2022 went to a corporate customer. According to Dataforce, the share of electric mobility in vehicle fleets also increased in 2022. BEVs and plug-in hybrids together accounted for 34.0% of the fleet market. More important for the future, however, are BEVs, which showed the strongest growth among the fuel types.

According to Allane's estimates, a growing fleet market is leading to greater complexity in fleet management and higher customer demands. Tailor-made mobility solutions and individual advice for fleet managers are becoming increasingly important. In the course of digitalisation, it is also necessary to enable interfaces for the increasing exchange of data.

#### Sources

Dataforce, Dataforce résumé 2022: Thanks to a strong final spurt and pull-forward effects, the German passenger car market finished positive after all, 20 January 2023

### 7.2.2 Business development

Within the Allane Mobility Group, the Fleet Management business unit is operated by Sixt Mobility Consulting GmbH and other direct and indirect subsidiaries of Allane SE.

In the year under review, total revenue of the business unit amounted to EUR 121.0 million, an increase of 4.9% on the previous year figure of EUR 115.3 million. The segment's operating revenue (excluding sales revenues) increased by 7.0% to EUR 57.0 million (2021: EUR 53.2 million). Revenue from the sales of customer vehicles increased in 2022 by 3.2% to EUR 64.1 million (2021: EUR 62.1 million). The marketing of vehicles as an additional service is eliciting

differing responses from customers, depending on their needs. Consequently, the development of revenue from sales is more volatile in the Fleet Management business unit than in the Leasing business unit.

The segment's contract portfolio as of 31 December 2022 totalled 47,000 contracts and was thus 20.3% lower than the corresponding figure on the same date the year before (2021: 59,000 contracts). This was due in particular to expiring and non-renewed fleet management contracts.

The main expense item is fleet expenses and cost of lease assets in the amount of EUR 111.2 million (2021: EUR 104.1 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the reporting year increased slightly by 4.4% to EUR 0.7 million (2021: EUR 0.7 million). Earnings before taxes (EBT) rose by 26.2% to EUR 0.6 million (2021: EUR 0.5 million). The development of earnings in the 2022 financial year was particularly affected by the positive development of sales revenues and other operating income, with expenses remaining at the same high level as in the previous year. Consequently, the segment's operating return on revenue (EBT/operating segment revenue) came to 1.0% compared to 0.8% the year before.

#### Key figures Fleet Management business unit

in EUR million	2022	2021	Change in %
Fleet management revenue	57.0	53.2	7.0
Sales revenue	64.1	62.1	3.2
Total revenue	121.0	115.3	4.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.7	0.7	4.4
Earnings before interest and taxes (EBIT)	0.6	0.6	4.5
Earnings before taxes (EBT)	0.6	0.5	26.2
Operating return on revenue (%)	1.0	0.8	+0.2 Points

**Digitalisation of fleet management:** In 2022, Allane Mobility Consulting further advanced the digitalisation of customer processes and, among other things, added additional services to the smartphone app "The Companion". Furthermore, the general claims management tool described under "Fleet Leasing Business Unit" has been applied, thus also simplifying the corresponding processes for fleet management customers.

**Personnel changes:** With effect from 1 January 2022, Mr. Ömer Köksal was appointed Managing Director and Spokesman of the Executive Board of Allane Mobility Consulting GmbH. Mr Álvaro Hernández was appointed as the second Managing Director with effect from 17 June 2022. The management was completed with Mr Tobias Dillmann as General Representative on 17 June 2022



## B.3 – Human resources report

### 1. Strategic human resource work

Allane Mobility Group attaches great importance to all its employees focusing strongly on providing services with a clear service mentality. This applies to the development of customised and demand-oriented product solutions as well as competent, comprehensive, committed and customer-friendly service. For this reason, Allane attaches strategic importance to its human resources work. The holistic approach covers the extensive recruitment process, apprenticeships and further training as well as the employees' professional and personal development.

Whenever a new member of staff begins to work for Allane, a very individually prepared onboarding process gets started. It includes both the professional as well as the personal introduction to the respective work department and the entire Company.

During the employment term, the Company engages in a pro-active feedback culture and makes sure superiors and employees meet for regular appraisal interviews that go in both directions. Feedback tools such as the regularly employee satisfaction surveys as well as supporting 360-degree feedback (manager assessments, which compare employee self-assessments with those of superiors, colleagues and employees) serve both the employees and Allane as indicators and bases for future development and promotion programmes tailored to the respective employee. Further to these, all employees have access to a portal integrated to the internet where they can choose from a variety of seminars for further training, which can then be selected in agreement with the executive superior and attended.

Thus, a continuous personnel development geared to the individual requirements and needs of the employees shall be achieved. Human resources work aims to enable employees to act autonomously and responsibly, seeking to continually improve Allane's products and services and not only meet the changing (mobility) needs of their customers but also support them actively.

Talent promotion, employee development and leadership training of Allane are integrated into the central human resources management of the Allane Mobility Group.

### Traineeship

Allane offers graduates a General Management trainee programme, running for 18 months. During this time, trainees pass through various core business areas. Furthermore, they have the opportunity to gather working experience in foreign subsidiaries. Trainees who perform well get offered a take-over contract into a permanent employment within the Allane Mobility Group at the end of their training. No new trainees started in 2022.

### Promotional programmes

Allane offers its employees many different national and international career paths. In addition, employees can use a variety of options for their professional and personal development. Key elements in the executive development are the promotion programmes entitled 'Team Leader' and 'Supervisor'. They serve, among other things, to identify colleagues with particular development potential, offer them structured promotion and thus train future top performers and executives.

### 2. Number of employees

Number of employees by business unit (average)

	2022	2021
Leasing	657	630
Fleet Management	81	85
<b>Total</b>	<b>738</b>	<b>715</b>

The Allane Mobility Group employed 738 people on average in 2022, an increase of around 3% over the previous year (2021: 715 employees).

### 3. Key features of the remuneration system

#### 3.1 General remuneration policy of the Allane Mobility Group

The Managing Board of Allane SE is responsible for the appropriate structure of the employees' remuneration systems

and informs the Supervisory Board of Allane SE regularly on the actual structure of the remuneration systems, taking due account of the requirements of the Remuneration Regulation for Institutions (InstitutsVergV – Institutsvergütungsverordnung). Arranging the remuneration system for the Managing Board of Allane SE, in turn comes under the responsibility of the Supervisory Board of Allane SE. The control units (especially internal audit, compliance, human resources and risk management) are integrated into the arrangement and monitoring of the remuneration systems in accordance with the stipulations of the InstitutsVergV.

The remuneration policy is a key component of the corporate policy of the Allane Mobility Group. Its primary purpose is to be able to attract new employees to the Company, as well as to motivate the existing workforce by means of suitable incentives and to bind them to the Group in the long term. Furthermore, compliance with all legal requirements is an important part of the remuneration policy. The following general conditions apply for our remuneration policy:

- It is derived from the business and risk strategy.
- It is transparent and comprehensible for executives and employees.
- It includes measures to avoid conflicts of interest.
- It supports the future economic development and performance of the Allane Mobility Group.

### 3.2 Remuneration system of employees

The Allane Mobility Group is not bound to any collective wage bargaining agreements.

The components of the remuneration system outlined in the following do not essentially differ between the different business units and are therefore presented as a whole. In case of deviations in individual cases, these will be explicitly referenced.

For the employees, the total remuneration consists of a non-performance-related basic remuneration, a variable salary component (bonus or commission) and so-called benefits (fringe benefits), whereby not all employees receive a variable salary component.

#### Non-performance-related basic remuneration

All employees receive a fixed annual salary to be paid out in 12 equal instalments monthly after each month (basic remuneration). Key parameters determining the remuneration unrelated to performance are the function as well as the

scope of assignments and responsibilities held and the associated decision-making powers.

#### Variable salary component

Besides their basic remuneration, a part of the employees receives a variable remuneration pro-rated for the year and contingent on the Company's success and/or their personal target attainments. The variable remuneration component depends on the functional role, the hierarchical as well as the personal target attainment level. The ratio between the basic and the variable remuneration component can vary anywhere between around 60:40 through to around 95:5 (in each case assuming a 100% target attainment). The personal targets are deduced over the various functional levels from the overall corporate objectives. Consequently, any personal target attainment takes due consideration of the target attainment of the individual employee's organisational unit. Usually in September, employees receive a down-payment on the expected variable salary payment, as far as variable salary payment for the current financial year is expected. The final payment will be made with the salary payment after the close of the financial year but no later than three months after the end of the financial year.

In derogation of the foregoing, the variable remuneration (commission) in sales is calculated monthly (Retail Leasing business field) or quarterly (corporate customer business) and paid in arrears. In Retail Leasing, the ratio of the basic remuneration to variable remuneration can go up to 1:2, depending on the personal degree of target achievement. This group of employees achieves its sales performance within a very narrow framework. This group does not decide independently if a contract is concluded, but such approval is given or denied by Operational Credit Management within the framework of the competence regulations. This ensures that the actions of the sales team are in line with the business and risk strategy.

### Benefits

Besides their basic and variable remuneration, employees of Allane Mobility Group can receive the following fringe benefits:

- Capital-forming benefits (German "Vermögenswirksame Leistungen"),
- Company pension scheme, offered through a Partner,
- Company car and fuel card, depending on function,
- Mobile phone and
- Employee leasing.

The structure of remuneration and of the remuneration systems is based on the requirements of section 5 of the InstitutsVergV. Above all, the combination of the existing strategies, the business model, the organisational set-up and competence rules with the existing remuneration structure do not provide incentives to take on disproportionately high risks and do not conflict with the monitoring function of the control units. In addition, there is no significant dependence on a variable remuneration. Entitlements established in individual contracts to benefits in the event of termination of activities are not created in an amount which remains unchanged despite any negative individual performance contributions. The structure of the remuneration runs not counter to the control function of the control units. Special attention was given to ensure that the structure of the variable remuneration systems for the employees in the control units are not concurrent with the departments controlled and the organisational units monitored by them so that there is no threat of a conflict of interest.

Moreover, the requirements of section 10 of the InstitutsVergV are also recognised. In addition, the emphasis of the remuneration structure regarding the control units' staff is on their fixed remuneration (section 9 (2) of the InstitutsVergV).

### 3.3 Remuneration system of the Managing Board

The Supervisory Board has determined the remuneration for 2021 and 2022 on an individual basis as follows:

#### Remuneration

in Euro	Donglim Shin		Álvaro Hernández	
	2022 actual	2021 actual <sup>1</sup>	2022 actual	2021 actual <sup>2</sup>
Basic remuneration	387,715	290,971	300,000	100,000
Taxable pecuniary benefits and other fringe benefits	101,202	79,428	107,465	34,530
<b>Total fixed remuneration</b>	<b>488,917</b>	<b>370,399</b>	<b>407,465</b>	<b>134,530</b>
Multi-year variable remuneration <sup>3</sup>	71,755	94,570	99,600	37,600
<b>Total remuneration</b>	<b>560,671</b>	<b>464,969</b>	<b>507,065</b>	<b>172,130</b>

<sup>1</sup> Since 1 July 2021

<sup>2</sup> Since 1 September 2021 General representative and since 1 December 2021 Member of the Board

<sup>3</sup> Will be paid out on a stretched basis to 2024 in the case of Donglim Shin

The remuneration system for the Managing Board of Allane SE is determined by the Supervisory Board. The legal requirements as well as the recommendations and suggestions of the German Corporate Governance Code are duly taken into account and essentially followed. The structure of the remuneration system is regularly reviewed to test its appropriateness. This is intended to ensure that remuneration is commensurate with the tasks and performance of the Managing Board.

The total compensation of the Managing Board consists of a fixed basic compensation and a variable salary component (bonus), which is determined and set by the Supervisory Board for each fiscal year on the basis of individual targets and the Company's Managing Board Objectives (MBODs). The bonus payment is subject to the Company's current compensation principles.

As a result of the acquisition of the majority of shares and voting rights in Allane SE by Hyundai Capital Bank Europe GmbH, the Company has to comply with special banking supervisory regulations. As the provisions for major institutions (with regard to the members of the Managing Board and certain employees) are now applicable to Allane SE in accordance with section 27 of the InstitutsVergV (German Institutsvergütungsverordnung (Institutions' Remuneration Systems)), there is a need to adjust the provisions on variable remuneration.

As so-called risk takers, §§ 19-22 in conjunction with §27 InstitutsVergV apply in particular to variable remuneration.

This means in particular that, under certain circumstances, 40% of the variable remuneration must be deferred over a retention period of up to five years.

The total remuneration of the Managing Board consists of a fixed basic remuneration and a variable salary component (bonus), which is determined and set by the Supervisory Board for each financial year on the basis of individual objectives and the Company rating (MBODs). The bonus payment is subject to the Company's current remuneration principles.

In particular, under certain circumstances, 70% of the variable remuneration must be deferred over a retention period of up to four years.

In addition, the members of the Managing Board, as well as other senior executives of the Allane Mobility Group, receive non-cash benefits such as company cars, fuel cards, mobile phones and accident insurance contributions. Furthermore, a D&O insurance policy has been taken out for individual members of the Managing Board. There are no pension commitments for the members of the Managing Board.

### 3.4 Remuneration system of the Supervisory Board

The remuneration paid to members of the Supervisory Board is governed by the Articles of Association of Allane SE. These provide solely for a non-performance-related component and therefore do not specify any variable

performance-based components. In accordance with the Articles of Association, the members of the Supervisory Board are entitled to a fixed remuneration of EUR 40,000 in each financial year. The Chairman is entitled to EUR 50,000. If a member and/or the Chairman of the Supervisory Board holds office for less than a full financial year, the above remuneration is paid pro rata for the actual time the individual is a member of the Supervisory Board or holds the office of Chairman. The remuneration is payable after the

end of each financial year. In addition, the members of the Supervisory Board are reimbursed for their expenses and the value added tax payable on their remuneration and expenses. D&O insurance policies have also been taken out for members of the Supervisory Board. There are no pension obligations towards members of the Supervisory Board. In addition, the members of the Supervisory Board of the Company who are related to the current majority shareholder have waived their claims to remuneration.

## B.4 – Disclosures in accordance with the sections 289a and 315a of the HGB

### Composition of subscribed capital, share categories

As of 31 December 2022, the share capital of Allane SE amounted to EUR 20,611,593.00 in total and was composed of 20,611,593 ordinary bearer shares. The Company's shares are no-par value shares with a notional interest in the share capital of EUR 1.00 per share. All shares have been fully paid up. The shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Act (Aktiengesetz – AktG), in particular by sections 12, 53a et seq., 118 et seq. and 186 of the AktG.

### Restrictions on voting rights or the transfer of shares

Each ordinary share entitles its holder to one vote at the Annual General Meeting and determines the shareholder's portion in the Company's profit. Exempted are any treasury shares held by the Company, which do not confer any rights onto the Company. In cases of section 136 of the AktG, the voting right for the concerned shares is excluded by law.

The Company's Articles of Association do not impose any restrictions on the voting rights. Equally, they do not impose any restrictions on the transfer of shares. The Managing Board is not aware of any agreements between shareholders aimed at restricting voting rights or the transfer of shares.

### Shareholdings in Allane SE

Hyundai Capital Bank Europe GmbH, with its registered office in Frankfurt am Main, Federal Republic of Germany, continues to hold 18,976,123 ordinary voting shares in the share capital of the Company pursuant to the latest voting rights announcement published in connection with the acquisition as of 16 July 2020, accounting for 92.07% of the voting rights. The Company has not received any information about, and the Managing Board is not aware of, any further direct or indirect interests in the share capital exceeding 10% of the voting rights as at 31 December 2022.

### Shares with special rights

As of 31 December 2022, there are no shares conveying special control rights. Employee participation and their control rights

### Employee participation and their control rights

The Company is not aware of any employees holding shares in the Company's capital where the employees' control rights are not exercised directly.

### Appointment and dismissal of Managing Board members, amendments to the Articles of Association

Allane SE has a two-tier management and monitoring system, made up of a management body (Managing Board) and a supervisory body (Supervisory Board). The legal stipulations and conditions of the Articles of Association governing the appointment and dismissal of Managing Board members are defined in article 39 (2), sent. 1 of the SE Regulation (SE-VO), article 46 SE-VO, section 16 of the SE Implementation Act (SEAG), article 9 (1) lit. c ii of the SE-VO, sections 84, 85 AktG and section 7 of the Articles of Association.

In accordance with these, the Managing Board comprises one or more members. The Supervisory Board determines the number of Managing Board members, as it appoints a chairperson or speaker as well as a deputy chairperson or deputy speaker for the Managing Board. Furthermore, the statutory provisions of section 84 and section 85 of the AktG apply for the appointment and dismissal of Managing Board members.

Amendments to the Articles of Association of Allane SE are resolved by the Annual General Meeting. In accordance with article 16 of the Articles of Association, amendments to the Articles of Association that only concern the formal wording may also be resolved by the Supervisory Board. Mandatory statutory provisions require resolutions to amend the Articles of Association to be adopted by a majority of three-quarters of the share capital represented at the adoption of the resolution (article 59 (1) SE-VO, section 179 (2) sent. 1 of the AktG).

However, the law also provides for the possibility that the Articles of Association allow for a smaller majority providing that at least half of the subscribed capital is presented. This possibility does not apply though to a change of the Company's purpose, relocation of the Company's seat into another member state of the European Union, or for cases where a higher majority of capital is mandatory under statutory provisions (article 59 (2) SE-VO, section 51 SEAG).

Allane SE has made use of the option of specifying different majority requirements by means of a provision in the Articles of Association that is common among listed companies. According to section 20 (2) of the Articles of Association, decisions of the Annual General Meeting can be adopted by a

simple majority of votes cast, insofar as this does not conflict with any mandatory statutory provisions or the Articles of Association. According to section 20 (3) of the Articles of Association, amendments to the Articles of Association can be adopted by a simple majority of the submitted valid votes if at least half of the voting share capital is represented and insofar as this does not conflict with any mandatory statutory provisions.

## **Powers of the Managing Board with regard to the issue and buyback of shares**

### **Conditional capital**

In accordance with section 4 (4) of the Articles of Association, by resolution of the Annual General Meeting of 1 June 2016, the Company's share capital is conditionally increased by up to a total of EUR 4,122,318.00 (Conditional Capital 2016). The Conditional Capital 2016 serves the purpose of granting shares to the holders and/or creditors of convertible bonds as well as the holders of option rights from option bonds. Further details follow from the aforementioned article of the Articles of Association.

In addition, the Company's share capital has been conditionally increased by a total of up to EUR 1,000,000.00 (Conditional Capital 2017) in accordance with section 4 (5) of the Articles of Association by resolution of the Annual General Meeting on 29 June 2017. Conditional Capital 2017 is used to service the stock option programme 2017 and will only be effected to the extent that subscription rights are issued under the stock option programme 2017 and the holders of the subscription rights make use of their exercise rights. Further details follow from the aforementioned article of the Articles of Association.

## **Significant agreements by the Company that are subject to a change of control as a result of a takeover offer**

### **Bonds**

In case of a change of control event, including the case of a takeover offer, the respective creditors of the bond 2018/2022 (ISIN: DE000A2LQKV2) issued by Allane SE in the amount of EUR 250.0 million are entitled to demand the issuer repay them in full or in parts the bonds held by them. According to the bonds' terms and conditions, a 'change of control event' only occurs, if there is a change of control and an existing rating is lowered during the period the change of control occurs or no rating agency has assigned an investment grade rating during this period (120 days beginning

from the announcement and occurrence, respectively, of the change of control). Such a bondholder right constitutes a creditor right commonly encountered on the capital markets and in lending transactions. The bond was repaid early on 2 February 2022. The notice to the creditors regarding the early repayment was published in the Federal Gazette („Bundesanzeiger“) on 30 December 2021.

## **Agreements with Sixt SE and subsidiaries**

As part of the agreement of 21 February 2020 regarding the sale of Sixt SE's investment in the Company to Hyundai Capital Bank Europe GmbH ('HCBE'), the Company and Sixt SE concluded an agreement relating to the continued usage of the existing trademark rights for a period of five years from the date of the closing of the transaction (the 'Trademark Agreement').

This Trademark Agreement may be terminated extraordinarily by the licensor Sixt SE if the shareholding of HCBE (or that of an affiliated company) falls below a threshold equal to the shareholding of approximately 41.9% acquired from Sixt SE or if a third party acquires a shareholding in Allane SE that is greater than the shareholding of HCBE and affiliated companies. It can also be terminated extraordinarily, if HCBE or its shareholders directly or indirectly transfer shares in the Company to competitors of Sixt SE, which are listed exhaustively in detail.

The Company and Sixt Autovermietung GmbH & Co. KG, which is a 100% subsidiary of Sixt SE, have agreed on such a corresponding special right of termination in the 'IT Carve-Out Agreement' which was also concluded as part of the sale of Sixt SE's investment in the Company to HCBE.

Finally, the rental agreement concluded in the context of the sale of Sixt SE's shareholding in the Company to HCBE for the properties used by the Company at its registered office, which are owned by a subsidiary of Sixt SE, also provides for a corresponding special right of termination.

## **Compensation agreements between the Company and members of the Managing Board or employees in the case of a takeover offer**

The Company has no agreements with members of the Managing Board or employees that would entitle them to compensation in the case of a takeover offer.

## B.5 – Report on outlook

### 1. Economic environment

The International Monetary Fund (IMF) expects the global economy to continue growing in 2023, albeit at a slower pace. In its January 2023 outlook, the IMF expects global gross domestic product (GDP) to slightly increase by 2.9% (2022: 3.4%). It has thus increased its estimate by 0.2 percentage points compared to its forecast from October 2022. This is due in particular to positive developments in the fourth quarter and the surprising resilience of many economies.

For the euro area in 2023, the IMF expects GDP marginal growth of 0.7% (2022: 3.5%). The autumn forecast has thus been corrected upwards by 0.2 percentage points. The main reasons for this are the faster than expected interest rate increases as well as lower wholesale energy prices and additional announcements of fiscal support in the form of energy price controls and cash transfers. For Germany, the IMF assumes stable (+0.1%) economy (2021: 1.9%). In the autumn forecast, the IMF experts had still expected a decline of 0.3%.

The Kiel Institute for the World Economy (IfW) had expected the global economy to grow by 2.2% in 2023 according to its projections published in December 2022. Thus forecast from September 2022 thus remained unchanged. While the supporting effect of some factors on the development of the global economy is gradually losing significance, the restraining influences are becoming increasingly dominant. For example, the savings created during the COVID 19 pandemic, which were gradually reduced by consumption, have so far been able to keep consumption levels stable despite higher consumer prices. According to the IfW experts, however, inflation will increasingly burden consumers in the coming months. According to the IfW, the more expensive financing conditions are also increasingly slowing down the willingness to invest and thus the activity of the global economy.

For the euro area, the IfW expected economic growth in its December 2022 outlook to come to 0.7% in 2023. The institute has thus raised its September 2022 forecast by 0.8 percentage points. According to the IfW, the euro area is nevertheless heading for a recession. Although the recovery of the economy could initially be continued despite the Russia-Ukraine war, the effects of the energy price shock will predominate in 2023.

In addition, the weakening global economy is affecting the activity of the euro area economy. According to the IfW, inflation will persist for some time and reduce consumers' purchasing power. In the course of 2023, however, the negative development of the euro area economy should gradually turn positive.

For Germany, the IfW forecasts GDP to grow by 0.3%. Accordingly, its September forecast raised by one percentage point, as energy prices rose less than expected, thus weakening consumer spending less. However, the IfW reckons that the economic is facing a weak winter half-year in 2022/2023, in which economic output will decline slightly. Due to the high dependency on energy supply, the energy crisis is a particular burden on the German economy. This in turn has a negative impact on private consumption and energy-intensive production. According to the IfW, however, non-energy-intensive production is likely to be supported by high order backlogs and easing supply chain problems until well into 2023.

#### Sources

IWF, World Economic Outlook Update, January 2023;  
IfW, Kiel economic reports No. 97 and 98, December 2022.

### 2. Projected industry development

For 2023, the German leasing industry is expecting further increased growth. The BDL justifies this in particular with the transformation that has already begun as well as the opportunity to benefit from the increased realignment of the capital stock in Germany. However, due to the massive government investments for military equipment, the leasing share of equipment investments is expected to decline.

The German Association of the Automotive Industry (VDA) expects the global passenger car market to grow by 4% in 2023, as in the previous year. This would bring the total volume to 74.0 million units, but it would still be 8% behind the market volume of the pre-crisis level (2019) in 2023. According to the VDA forecast, the US light vehicle market is expected to grow by 4% in 2023. For China, where the market was already above the pre-crisis level in 2022, the VDA experts forecast only slight growth of 3% for 2023. Europe is likely to grow by 5%, and for the German market the VDA expects market growth of 2% to 2.7 million passenger cars. As



a result of the gradual easing of the supply situation, the VDA expects a further recovery in domestic passenger car production, which is forecast to increase by 6% to 3.7 million units. This figure would be 20 per cent below the level of the pre-crisis year 2019. Foreign passenger car production is also expected to increase by 6 per cent with the manufacture of 10.3 million passenger cars.

It is the view of Allane that providers of fleet management services will continue to register solid demand even in strained economic conditions, as corporations especially in this situation are relying on lowering their internal efforts and fleets' total operating costs. By outsourcing the fleet management, they benefit from service providers' expertise in the purchasing and re-marketing of vehicles, as well as their maintenance and repair networks, which will allow them to protect their own human resources and focus on their own core business.

#### Sources

BDL, Forecast on the development of the leasing industry in the 2023 business year, 7 February 2023;  
VDA, "Use industry as an opportunity - Secure global relevance through strategic industrial policy - Re-globalisation instead of de-globalisation - World passenger car market level remains significantly below pre-Corona crisis level.", 11 January 2023.

### 3. Expected general development

For 2023, the Allane Mobility Group intends to further expand its position in online direct sales of new vehicles and as specialist in the management and full-service leasing of corporate fleets.

For this purpose, the previous strategy was adjusted in the 2022 fiscal year. The new strategic orientation of the Allane Mobility Group, *FAST LANE 27*, forms the foundation for becoming the leading cross-brand provider of comprehensive mobility solutions in Europe in the long term. The overarching goal is to meet changing customer needs and return to profitable growth.

After the company had already implemented initial strategic measures in the 2022 fiscal year, more are planned for the current fiscal year.

Among other things, the Allane Mobility Group plans to further expand its range of services, taking into account trends such as car-as-a-service, used car leasing, electric mobility and modular services especially for B2B customer. At the same time, innovation and cooperations will also become an even stronger focus.

In addition, further measures will be implemented to optimize the cost structure by making even better use of synergies between the business fields.

Further growth opportunities and synergy possibilities could arise from the cooperation with the majority owner of Allane SE, Hyundai Capital Bank Europe GmbH.

#### 3.1 Retail leasing business field

##### 3.1.1 Online Retail

The online retail market in Germany offers the Company an attractive growth potential. Allane expects new car sales to shift more and more towards online channels. This development is also shown by numerous studies (see 'Opportunities Report' in this Report on the Situation of the Group and the Company).

The Allane Mobility Group has made it its goal to further develop the online leasing market for private and commercial customers. Further market shares are expected to be won above all by launching suitable marketing activities as well as campaigns and cooperations. To access further sales channels, the Company is permanently reviewing the possibilities of acquisitions.

The Allane Mobility Group is continually working to further develop the product and service range of the business field to address new customer groups and generate additional growth. In particular, sales cooperations for the marketing of new cars as well as the introduction of leasing offers for used vehicles are to support the growth in contracts. In addition, the focus is on extending the range of services by severing the ties between leasing contracts and service products.

Alongside the expansion of its product and service range, Allane is attaching significant importance to further developing its IT systems and optimising its customer processes. The objective is the continuous improvement of the customer experience by gearing the websites as well as the order, delivery and return processes much more to user-friendliness. All of this is intended to have a positive impact on customer satisfaction and thereby foster and promote the conclusion of new and follow-up contracts.

In view of this growth perspectives and the ongoing digitalisation, the Online Retail business field continues to be seen as the Group's biggest growth and earnings driver.

### 3.1.2 Captive Leasing

The core of the captive leasing business segment is the leasing portal "Allease" developed by the Allane Mobility Group itself. The tool enables manufacturers to market their vehicles to customers via their own dealer network.

In the 2023 fiscal year, Allane plans to further expand the cooperation with Hyundai, which was launched in 2022.

Allane is continuously working to optimize the quality of the leasing portal. To this end, the company will continue to maintain an intensive dialogue with the dealers in the 2023 fiscal year.

### 3.1.3 Fleet Leasing

In the Fleet Leasing business field, Allane is operating in a competitive market, dominated in Germany by the large vendor-neutral leasing companies. Consequently, in its key account segment the Company is focusing in particular on strengthening long-standing customer relationships and on convincing existing customers with individual solutions and consistent high levels of service quality.

Allane intends to continue proactive contract monitoring in the 2023 fiscal year and to optimize and flexibilize term and mileage changes for fleet customers.

In the future, the Fleet Leasing business segment will operate under the „Allane Fleet“ brand. One focus of Allane Fleet will be on the area of e-mobility, which is becoming increasingly relevant. Among other things, the company intends to significantly expand its competences in this area in order to be able to advise customers even better in the future and accompany them on their way to e-mobility. In addition, the Allane Mobility Group will expand its product range in the current fiscal year on the one hand and optimize it on the other by relaunching existing products.

## 3.2 Fleet Management business unit

In the Fleet Management business unit, the Allane Mobility Group will continue to exploit the trend among larger corporations to outsource their fleet management so as to win over new customers. To this end the coming years will see the expansion of business in existing markets, especially by using customer relationships.

In addition, Allane will continue to focus on intelligent IT solutions and continuously invest in the further development of the digital infrastructure and the digitalisation of the

business model. The aim is to further improve the level of service for corporate customers and the user experience for company car drivers through digital solutions. More widespread use of the self-service solutions and automated processes could reduce staff time spent on user support and shift it to other activities such as advisory services. The Company expects this to have a positive impact on productivity and customer satisfaction.

In the long term, the Fleet Management business unit is to develop into a full-service provider of corporate mobility. This is because the mobility needs of employees have changed significantly in the past years, especially in large cities. Although the company car will probably remain a key component of corporate mobility, the demand from employees for flexible and individual mobility offers that integrate all means of transport is still increasing. Allane is therefore preparing to manage the entire range of corporate mobility across all suppliers and providers in the Fleet Management business unit: from classic company cars to further mobility solutions within the B2B business segment. For example, Allane develops customer-specific mobility concepts with which companies can increase their attractiveness on the labour market and better meet the mobility needs of their employees.

#### 4. Financial outlook 2023

For the 2023 financial year, the Managing Board expects a contract portfolio in a range between 120,000 and 150,000 contracts (2022: 115,900 contracts) and consolidated operating revenue to reach an amount between EUR 350 million and EUR 400 million (2022: EUR 385.4 million). As for EBT, the Managing Board expects a low double-digit million-euro amount (2022: EUR 12.8 million).

In addition to the operating business development in the current financial year to date, this forecast takes into account the high level of interest and inflation rates as well as the expected gradual normalization of supply restrictions for new cars and the impact this may have on new and used car prices. Moreover, the Russia-Ukraine war is still ongoing after one year and could potentially have an additional impact on the European economies and the automotive market, as described in B.6 – Report on Risks and Opportunities. The Allane Mobility Group expects the market to continue to be negatively impacted by the aforementioned factors. However, the Company expects a positive development in new contracts and usage-based revenues due to additional cooperations in the Leasing business unit, particularly in the Captive Leasing business field. Allane expects that the positive business development will accelerate in the second half of 2023 due to the momentum of the described cooperations. In addition to the operating business development in the current financial year to date, this forecast takes into account the high level of interest and inflation rates as well as the expected gradual normalization of supply restrictions for new cars and the impact this may have on new and used car prices. Moreover, the Russia-Ukraine war is still ongoing

after one year and could potentially have an additional impact on the European economies and the automotive market, as described in B.6 – Report on Risks and Opportunities. The Allane Mobility Group expects the market to continue to be negatively impacted by the aforementioned factors. However, the Company expects a positive development in new contracts and usage-based revenues due to additional cooperations in the Leasing business unit, particularly in the Captive Leasing business field. Allane expects that the positive business development will accelerate in the second half of 2023 due to the momentum of the described cooperations.

#### Overall statement on future development

Overall, the 2023 financial year will continue to be subject to major uncertainties. While the further development of the COVID-19 pandemic and the supply bottlenecks in the automotive industry are currently taking a positive turn, the high inflation rate and rising interest rates combined with the geopolitical developments in Ukraine are creating uncertainty on the car demand side. In order to get back on track for growth despite the uncertain exogenous factors, the Allane Mobility Group has unveiled its *FAST LANE 27* growth strategy in 2022. Among other things, the strategy includes the implementation of the Captive Leasing business field as one of the main drivers for future growth.

Due to its solid net assets, financial position and earnings situation as well as the above-mentioned developments, the Allane Mobility Group looks forward to the year 2023 with confidence.

## B.6 – Report on risks and opportunities

### 1. Risk situation

As a company operating across Europe, Allane Mobility Group is exposed to a variety of risks which could have a significant impact on the Group's business performance, assets, financial situation and operating results.

#### 1.1 General market risks (economic, social and regulatory risks)

The Allane Mobility Group is primarily engaged in the two business units Leasing and Fleet Management, both of which are focused mainly on Germany.

Both segments are dependent to a large degree on general economic conditions, because these influence particularly customer readiness to invest and spend, and correspondingly the demand for leasing and fleet management services.

In periods of economic weakness, the demand for leasing and fleet management services on the part of companies and private households can decline as a result of austerity measures. In addition, higher default risks (e.g. sector-specific risks and counterparty default risks) can be expected during these phases. A weakening of the overall economy can therefore have a negative impact on demand for leasing and fleet management products and on their profitability.

Demand for classic leasing and fleet management services could also be adversely affected by the emergence of alternative mobility solutions that are offered by established and new car manufacturers and market players, by the increasing trend away from the combustion engine as well as new mobility offerings.

In addition, the business development of the Allane Mobility Group may be affected by unforeseeable external factors such as natural and environmental disasters, terrorist attacks or epidemics or pandemics. Such events could have negative effects both directly on operations and on general demand and supply. As a result of these external events, there may be defaults by customers in the inventory portfolio, by dealers or manufacturers on vehicle sales, especially via buy-back agreements, and by service providers.

Macroeconomic trends are analysed taking into account both a global and a European perspective. The outbreak of the COVID-19 pandemic changed the course of the world economy leading to an expectation of a global downturn: major economists radically revised their forecasts and growth expectations. Moreover, on February 24, 2022, Russia began a full-scale land, sea, and air invasion of Ukraine, targeting military installations and cities across the country, with devastating consequences from both a humanitarian and political-economic perspective.

For example, the general supply fell as a result of the outbreak of war. The resulting shortage led to a drastic increase in prices. This led to a significant increase in inflation worldwide, which central banks have tried to combat by tightening interest rates.

With regard to the automotive industry, in addition to supply bottlenecks, significantly rising used car prices have been observed in recent months. This can be explained by the substitution effect used cars had on new cars, which is due to ongoing supply chain problems.

From September 2022, signals of a recession in the German economy increased. This was mainly due to a deterioration in general supply conditions, above all energy supplies. The German government has adopted several supporting measures to ease the financial situation of households and businesses. These include a subsidized rail ticket and a planned "gas price and electricity price brake" to reduce the current level of energy and gas prices in order to minimize the financial burden on private households and companies.

The business of the Allane Mobility Group is subject to a large number of laws and regulations. There is a risk that Allane may fail to meet all legal or regulatory requirements or respond in a timely manner to changes in the legal or regulatory environment. In addition to the requirements under the German Stock Corporation Act (AktG) and the German Banking Act (KWG) that apply within the Group, Allane Mobility Consulting GmbH, a wholly owned subsidiary of Allane SE, has submitted an application for permission under the German Payment Services Supervision Act (ZAG) to obtain a license to conduct payment transactions. The ZAG license application process is ongoing as of the reporting date. The Allane Mobility Group has installed a project team to ensure that open information requested by the German Federal Financial Supervisory Authority (BaFin)/Bundesbank for the

ZAG license permit is submitted in a timely manner. Queries and requests for information from BaFin/Federal Bank are possible prior to the completion of the licensing process. Therefore, the date on which the ZAG license will be granted cannot be predicted.

Furthermore, the bankruptcy of Silicon Valley Bank was announced on 10 March 2023 and the takeover of Credit Suisse from UBS on 19 March 2023. In the 2022 financial year, Allane SE only has business relations with Credit Suisse, which does not play a significant role in the business operations of the Allane Mobility Group, as there are no other business relationships as financing, credit lines, guarantees or derivatives beyond ordinary payment transactions. Prior to the acquisition of Credit Suisse by UBS, Allane SE had already established a risk monitoring system for the business relationship with Credit Suisse and limited the liquid funds in the ordinary payment transactions. In the event of a temporary or complete cessation of business operations, precautions have been taken to maintain ordinary business operations via accounts maintained with another major European bank. Allane SE is monitoring further developments very closely. At the current time, no further action is required on the basis of these initiated measures. Based on the circumstances, the Managing Board has not yet been able to identify any significant impact on the net assets, financial position and results of operations of the Allane Mobility Group at this time.

## 1.2 Specific risks in the Leasing and Fleet Management business units

In both business units, the focus of business activities is on corporate customers. The development of the business units is accordingly among others dependent on corporate investment behaviour. This investment behaviour can – apart from general cyclical influences – be affected by economic, accounting, regulatory, and fiscal conditions, in particular when it comes to commercial vehicle leasing. Higher taxes on leasing transactions and company cars or the possibility of adverse changes in international accounting regulations relating to contracts of lease can also reduce the attractiveness of solutions based on leased fleets.

The leasing market in Germany continues to be dominated by leasing companies tied to specific manufacturers or banks. They either enjoy good purchasing conditions and re-marketing opportunities due to their close connections with the manufacturers or good refinancing conditions because of their affiliation with a bank. For this reason, there is fierce

competition on the market for vehicle leasing in terms of price and conditions, which could have a negative impact on margins. This situation did not change in the 2022 financial year.

In the Fleet Leasing business field, the Allane Mobility Group focuses on full-service leasing which, in addition to pure financial leasing, also provide a variety of additional services for corporate customers. Due to the consistent orientation as a full-service leasing provider, the Allane Mobility Group aspires to reduce its dependency on pure finance leasing, which is under constant price pressure. In addition, the continuous development of new, mostly internet-based products provides an opportunity for the Group to differentiate itself from the competition. Allane Mobility Groups' Retail Leasing business field offers attractive leasing solutions to private and commercial customers, particularly on its websites [sixt-neuwagen.de](https://www.sixt-neuwagen.de) and [autohaus24.de](https://www.autohaus24.de).

Alongside the fleet customer business, the Retail Leasing with private and commercial customers is already important and is to be further expanded in the future as well as the new Captive Leasing business field with private and commercial customers. The related diversification of the Group's customer portfolio shall contribute to counteract risk concentrations which could arise, among others, from the economic, accounting, regulatory and fiscal conditions for commercial vehicle leasing in the fleet customer business.

Allane procures the vehicles it leases to corporate, commercial and private customers from car manufacturers and dealers. Consequently, the Company is dependent on the adequate supply of popular car models, their purchase at competitive conditions as well as an attractive and high-quality product range. The same dependence exists in relation to third-party providers, from whom the Company procures for example tyres, insurance and services such as repairs. To limit these risks, Allane negotiates long-term framework contracts and rebate agreements with these respective suppliers.

## 2. Internal control and risk management organisation

### 2.1 Risk management system

The risk management system supports the management of the Allane Mobility Group in implementing the business and

risk strategy and monitors all relevant risks at home and abroad.

The processes established at Allane SE for identifying, assessing, managing, monitoring and communicating risks, as well as the regulations governing the organisational structure and orientate themselves towards the minimum requirements for risk management of banks and financial services institutions (MaRisk) imposed by BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht).

During the reporting period, Allane SE considered the measures required by MaRisk relating to the adequacy of risk management as well as the measures required to ensure the correctness of the business organisation, taking into account the complexity and scale of the risks assumed by the Company.

The Allane SE has established the following committees - without changes in the 2022 financial year - which serve, among other things, risk management, control and supervision:

- The **Risk Approval Committee (RAC)** is the collegial committee that supports and advises the Managing Board on all risk management matters at Allane. For approvals granted by the Managing Board or Supervisory Board, the RAC provides support by reviewing and assessing the approval. The RAC, which meets monthly, is chaired by the Chief Financial Officer (CFO).
- The **Risk Control Committee (RCC)** is a collegial committee responsible for monitoring and controlling Allane's risks. The RCC's tasks are to ensure effective control of risks and to ensure that risks are managed in accordance with the risk appetite approved by the Board of Directors, always taking a holistic view of all risks identified in the risk map of the risk framework. The RCC, which meets monthly, is chaired by the Chief Risk Officer (CRO).
- The **Residual Value & Pricing Committee (RVPC)** is a committee responsible for the appropriateness and efficiency of Allane's residual value determination. The RVPC, which meets quarterly, is chaired by the CRO.

Allane SE only takes risks if they are calculable and consistent with the principles enshrined in the policy objectives and strategy of the Company or Group as well as the previously defined risk appetite.

Based on the risk strategy determined by the management, essential components of the risk management system are the identification, systematic documenting and analysis, assessment and prioritisation of risks, as well as an analysis of the effects and impact of risks on the Company. The risk management system has its components embedded into the organizational structure which follows the „Three Lines of Defence“ model and intends a clear separation of duties between the business and operating units, risk management, the control and monitoring functions, as well as process-independent auditing. On this basis, measures to avoid, reduce or transfer risks can be initiated.

The materiality of risks is determined annually or as required (e.g., when new products or business segments are introduced) as part of the risk inventory. The results are the basis for risk management, which is prepared quarterly for risk reporting - within the framework of the risk-bearing capacity calculation - and contains all significant risks of the Company. Taking into account any outsourced processes, Allane SE has installed a risk management system for the monitoring of all relevant risks incurred, which is continuously developed further on the basis of the Company's own business needs and in line with the requirements of a stock listed company.

Allane SE has made adequate provisions for contingent and exposure risks and other risks arising from its business activities. For the short-term receivables from leasing and full-service payments as well as fleet management services, a risk provision is created as of the reporting date in the form of a value adjustment on the outstanding receivables. For this purpose, the customer receivables are divided into risk classes and the value adjustment rates are applied based on historical defaults.

For risks from residual values of the leased assets, a risk provision is made in the form of a value adjustment on the leased assets as at the reporting date. The risk provision is calculated from the difference between the residual value from the initial lease calculation and the residual values expected at the end of the lease on the respective reporting date, which the Allane Mobility Group receives from an external market provider. The residual value forecasts of the external market provider are adjusted if required on the basis of internal expertise (e.g. historical surplus revenues).

The Allane Mobility Group recognises provisions for legal disputes if a financial burden is more likely than not. The expected judgement and settlement costs as well as other legal costs are estimated on the basis of experience.

Provisions, Depreciations and value adjustments in the financial statements have been made at an appropriate level.

As a response to the looming recession, Allane Mobility Group introduced an additional early warning system called *Internal Contingency Framework* in the 2022 financial year. Following the outbreak of the Russia-Ukraine war and the accompanying sharp rise in inflation as well as weakening economic forecasts, stress tests for the risk-bearing capacity were conducted. These stress tests were regularly adjusted based on prevailing conditions and supplemented, for example, by scenarios of a permanent halt to natural gas supplies from Russia. The stress tests showed that risk-bearing capacity was found to be always given.

## **2.2 Internal control and risk management system for (Group) accounting (disclosures in accordance with sections 289 (4), 315 (4) of the HGB – German Commercial Code)**

The internal control and risk management system for the Group's and the company's accounting includes organisational regulations and technical requirements for risk mapping in accounting. With regard to financial matters, general rules of conduct for employees are also laid down in the company's internal „Code of Conduct“.

Key elements here are the clear and appropriate separation of functions with regard to the Managing Board and leadership responsibilities including management control processes, the central accounting and reporting organisation for all consolidated companies, the technical stipulations contained in guidelines, manuals, process descriptions and Group-wide principles, the recording of business transactions with the so-called „four-eyes principle“, the implementation of quality assurance processes and effectiveness checks by the internal audit function and external audit procedures and consulting, systems-based security measures, manual control measures and regular comparisons with planning and controlling processes taking the form of target to actual comparisons and analyses of deviations. This process has been confirmed by management for accounting purposes as part of the Sarbanes-Oxley Act (SOX) certification.

To guarantee the safety of data the accounting-related systems have access restrictions and access rules. Employees receive appropriate instruction and regular training on information security as well as data protection rules and regulations.

The Supervisory Board examines the annual financial statements and the consolidated financial statements together with the management report on the Group's and the Company's situation as well as the Dependent company report and discusses these with the Managing Board and the auditors.

## **3. Risk management and controlling process**

In addition to the monitoring of risks in the planning, reporting, controlling and early warning systems which are established, as part of risk control processes, persons in charge within the organisational units document – as part of a risk inventory – all business-relevant and significant risks throughout the Group on a regular basis. To this end the estimates made by the responsible managers and other relevant information are analysed and aggregated. Relevant changes in the risk assessment and new risks are communicated to the management immediately within the framework of the presentation of the risk inventory result.

The identified individual risks are categorised into different loss levels and defined into risk types by their probability of occurrence and the potential loss level in the case of occurrence. The central risk controlling unit of the Allane Mobility Group then agglomerates these decentralised registered individual risks and the identified individual risks are assessed according to their materiality. This forms the basis for the risk inventory, which is integral part of the reporting system to the Managing and Supervisory Board of Allane SE.

The following provides an aggregate overview of the material risk factors.

### **3.1 Counterparty default risk**

The counterparty default risk arises if lessees and fleet management clients do not meet their payment obligations during the term of the contract or only partly or if vehicle suppliers cannot fulfil their buyback agreements towards Allane SE, resulting in payment defaults. This counterparty default risk in customer business generally increases with a deterioration in the economic situation, resulting in increased payment defaults by leasing and fleet management customers or a vehicle supplier subject to a buyback obligation.

The established credit management identifies the risks of counterparty default on receipt of the leasing or fleet

management agreement. When setting up an overall framework for leasing contracts with customers and vehicle buyback agreements with manufacturers and dealers, when certain thresholds are exceeded – these are usually the amount of the present value of the leasing contracts or, in the case of vehicle repurchase agreements, the sum of those agreed with the respective credit union buyback prices – the approval or information of certain boards and bodies (e.g. Risk Approval Committee), respectively, is required according to the given order of competences. Likewise, prior to the conclusion of fleet management and leasing contracts, the resulting risks and margins are identified and prepared for the relevant decision makers prior to their approval of the conclusion of the contract. In the case of larger commitments, the Managing Board also informs the Supervisory Board if certain threshold values for leasing and vehicle buyback agreements are exceeded.

The counterparty default risks are monitored on a regular basis and actively managed. In addition, there is a regular review of the customer's creditworthiness in the fleet customer business during the term of the lease or fleet management contract. The approved general frameworks are subject to regular prolongation and credit assessment processes in keeping with the competency structure.

Also, when selecting car suppliers, which provide buyback commitments to Allane Mobility Group, the Allane Mobility Group therefore places great emphasis on their economic stability. As with leasing and fleet management customers, vehicle suppliers are subject to regular strict credit checks.

As a result, any negative changes in the relationship to leasing and fleet management customers as well as vehicle suppliers can be identified immediately and early, and the appropriate countermeasures can be taken promptly if necessary. Commitments with higher levels of risk or potential default risks are monitored regularly by the receivables management.

Counterparty default risk may give rise to risks that may adversely affect the risk profile of Allane SE due to concentrations of similar and dissimilar risk factors. Here, portfolio-specific concentrations can arise both for individual customers and for individual sectors. In order to avoid risk concentrations, the Company has set up suitable risk monitoring measures to be able to identify any concentrations in relation to individual customers or sectors at an early stage.

### 3.2 Market price risk

The market price risk describes the danger of a loss caused by changes to market prices. For Allane SE it is especially the residual values of leasing vehicles as well as the refinancing interest rates that are subject to the market price risk.

#### 3.2.1 Residual value risk

Residual value risks result from the marketing of vehicles at the end of the leasing contract, if at this point in time the selling price which can be achieved is below the calculated residual value at the beginning of the contract. To counteract the risks involved in the disposal of vehicles within the Leasing business unit, the residual values of the vehicles included in the calculation of the leasing contract are covered partly by buyback agreements with dealers or manufacturers depending on market conditions. This applies in particular to a visible part of vehicles in the Fleet Leasing business, the residual values of which are covered by buyback agreements.

Especially when it comes to the marketing of used leasing vehicles, the Allane Mobility Group is also dependent on developments on the used-car market, particularly in Germany. The vehicles to be directly disposed by the Allane Mobility Group on the used-car market undergo regular valuation tests, which are based on the Group's own experience and monitoring of the market.

The remarketing of these vehicles is executed via a multi-stage process. Vehicles that are not sold under a buyback agreement to a manufacturer, dealer or the lessee at the end of their leasing contract, are generally offered via an online auction platform to registered dealers. If after the end of an auction period Allane reckons from its own sales experiences that a specific vehicle could achieve a price above the highest offer from the auction if it was offered on the used vehicle stations operated by itself, this vehicle will be transferred to these stations. Operating under the brand name 'Autohaus24' at three sites across Germany, the Company's own sales experts are responsible for marketing the vehicles to end customers. In several cases, leasing returns are also directly handed over to one of the Autohaus24 stations for remarketing.

The Managing Board is closely monitoring developments in the context of increasing registrations of vehicles with innovative drive technologies compared to conventional combustion engines. The management is also observing the general political discussion on new emission government



subsidy measures for electric or hybrid drive technology and their impact on future business.

The recoverability of goods in stock and in inventory is monitored on an ongoing basis through numerous committees that apply various tools such as sensitivity analyses. Due to the positive development of used car prices, the current situation is considered stable.

### 3.2.2 Interest rate risk

Interest rate risks comprise potential losses due to changes in market interest rates. They can arise when fixed-interest periods between the asset and liability sides of the balance sheet are not congruent. A variable interest rate for financing instruments can also lead to an interest rate risk in the event of market changes.

The Allane Mobility Group pursues the goal of obtaining refinancing funds with largely matching maturities in order to avoid maturity mismatches and will occasionally enter into derivative contracts to hedge against interest rate risks. However, no guarantee can be given that such hedging will be fully effective or that losses will be completely avoided.

Rising interest rates for refinancing instruments could result in higher refinancing costs and have a negative impact on earnings.

With regard to the interest rate risk, Allane SE monitors the present value loss that follows changes in the interest rate yield curve. In the addition to the scenario of a parallel shift in the yield curve by up to 200 basis points, a number of other interest rate scenarios are calculated and reported in the risk report – differentiated according to control-relevant and other scenarios. In doing so, the Allane Mobility Group is guided by the regulatory banking requirements. In addition, the Company regularly examines the extent to which parallel shifts in the interest rate curve affect the interest result (income statement-oriented approach).

### 3.3 Liquidity risk

The liquidity risk is the risk that existing financial reserves are not sufficient to service the financing of the Group's financial liabilities at maturity. Through its financial planning, the Allane Mobility Group seeks to ensure that sufficient liquidity is available to pay the due liabilities under both normal and stress conditions.

Since the change in the ownership structure implemented in the financial year 2020, the Group will increasingly strive for refinancing with matching maturities within the Group.

Furthermore, a range of asset-based financing opportunities (e. g. forfeiting or securitisation of leasing receivables) is available to Allane Mobility Group. The Allane Mobility Group made use of this for the first time in the year 2016 and set-up an asset backed securities (ABS) programme, which was prolonged until the end of 2021 and will be amortised continuously until the financial year 2027. The leasing and residual value receivables supplied into the ABS programme are refinanced with matching terms through additional swap transactions. Nevertheless, the risk generally remains that an increase in refinancing costs could have a significant impact on the cost basis and that the Group is potentially not able to pass on higher refinancing costs to its customers.

### 3.4 Business strategy risk

Allane SE defines business strategy risk as the risk from potential losses and reduced profits in the wake of disadvantageous business strategy developments, decisions or business area-specific targets, or due to a negative change in the economic environment. In addition, the failure to achieve sales targets because, for example, customer preferences change or because a new competitor enters the market is also included under business strategy risk.

Strategic risks are managed directly by the company's management with the aid of suitable instruments (e.g., individual sales channels and marketing), while monitoring is carried out by the (risk) controlling department.

### 3.5 Operational risks

Operational risk is the risk of a loss particularly caused by human behaviour, technological failure, inadequate or faulty processes, or by external events. Regulatory, legal and tax related risks are also included in this definition of operational risk.

The Allane Mobility Group follows a decentralized approach to the management of operational risks, with specially trained coordinators receiving their nomination from the individual departments. The Risk Controlling department is responsible for measuring and monitoring operational risks.

The Allane Mobility Group is exposed to operational risks from legal disputes. In particular, this includes legal disputes arising from revocations of leasing contracts. In order to prevent revocations, the standard leasing contracts and the general terms and conditions are reviewed on an ongoing basis. There is a department for the processing, handling and monitoring of appeals, which is located in the Legal Division. Further information on current revocations can be found in the economic report under item 5.2 Liabilities.

The success of the Allane Mobility Group's business depends to a high degree on the recognition and reputation of the Sixt brands, trademarks and domain names owned by Sixt SE. As a result of the completed change of ownership, the Allane Mobility Group is entitled to use the Sixt brands and domain usage rights for a limited period of time. In order to counteract potential reputational and strategic business risks, Allane SE has established an internal project team to prepare the brand change within an appropriate timeframe and to ensure awareness of the newly introduced brand through suitable marketing measures.

Process risk is the risk of losses arising from inadequate processes. The respective process owner must ensure proper process execution. These risks are monitored by means of organizational security measures and controls. Measures designed to prevent errors are integrated into both the organizational structure and the process organization of Allane SE and ensure a specified level of safety. As a process-independent unit, the Internal Audit unit regularly reviews the processes and methods used. To this end, it uses a risk-oriented audit approach, both in regard to compliance with statutory or regulatory requirements as well as to the compliance with Group specifications.

A complex and high-performance IT system is essential for the implementation of the leasing and fleet management business. Hardware and software-related system faults or system failures can have a significant impact on operational processes and, as a worst-case scenario, even lead to their total breakdown. If new, replacement or supplementary software is introduced, the high level of complexity of the IT system can create increased demands in terms of compatibility with existing systems when it comes to ensuring the smooth progress of operations.

Alongside these internal operational risks, there is also the risk of targeted external attacks from criminals aiming at the IT infrastructure and corporate data inventory (Hacking, DDoS attacks, etc.). To address these risks accordingly, the Allane Mobility Group maintains its own IT department, IT

resources and IT infrastructure. Their task is permanent monitoring, maintenance, continuous development and protection of the Group's IT systems. In addition, Allane SE has increased the number of employees in the area of information security in the year under review.

The personal skills and knowledge of its employees are an important success factor for the Allane Mobility Group. If there is an increased rate of fluctuation and a corresponding loss of know-how, this could impact on service quality in leasing or fleet management operations. The Allane Mobility Group prevents these risks by increased commitment to basic and advanced training, anchoring personnel development in corporate culture and the use of incentive systems.

The business of the Allane Mobility Group is associated with a variety of different contracts. This is for the most part only possible using standardised agreements, which have to be reflected within the operational management systems. Even minor wording inaccuracies or changes in the legal or contractual framework can therefore have a significant impact on the Company's business. The Allane Mobility Group counteracts the resulting risks by means of contract management with the involvement of legal experts and wide-ranging system controls.

Further regulatory, legal and tax related risks associated with the operation of a financial service institution will be mitigated by a compliance structure in accordance with MaRisk and the corresponding control and prevention mechanisms. Any regulatory, legal or tax-related changes are constantly monitored by the respective departments of Allane SE, communicated to the management and implemented promptly and on time within the framework of projects.

The outsourcing risk primarily related to the outsourced IT services. By means of corresponding outsourcing agreements, the envisaged audit and control rights against the respective outsourcing unit were carried out on an ongoing basis. The IT administration, which had been outsourced in the past, was successfully integrated into the Allane Mobility Group as a part of the IT carve-out project.

Sustainability risks include environmental, social and corporate management aspects. They act as risk drivers on other risk types (such as credit risks or operational risks) and are not considered as a separate risk type, but as a secondary risk. We already take sustainability risks into account in the "established" risk types. Taking into account current social, economic and regulatory developments, we are working on the further integration of sustainability risks into the risk

management and risk controlling processes, e.g. in the form of risk appetite monitoring.

### 3.6 Investment Risk

According to Allane SE, investment risk is the risk of unexpected losses resulting from a decline in the market value of the investments below their carrying amount. In addition, there is a direct earnings impact risk in the case of Allane SE's 100% shareholding in Allane Mobility Consulting GmbH, as a profit and loss transfer agreement has existed between Allane SE and its shareholding since the 2015 financial year. Losses incurred by Allane Mobility Consulting GmbH would have a direct impact on the earnings situation of Allane SE.

The risk management and risk controlling system of Allane Mobility Consulting GmbH is largely outsourced to Allane SE due to the existing outsourcing agreement. The risk methods and procedures to be applied at Allane SE are also used for Allane Mobility Consulting GmbH. In this respect, Allane Mobility Consulting GmbH is closely integrated into the risk management and risk monitoring processes of Allane SE. Thus, negative risk and earnings developments at Allane Mobility Consulting GmbH can be identified at an early stage and suitable countermeasures can be initiated.

## 4. Assessment of the overall risk profile by the Managing Board

Allane SE has installed a Group-wide internal control and risk management system for the purpose of proactive identification and active management of any developments at an early stage which could lead to significant losses or jeopardise the continued existence of the Company or the Group. The system was further sharpened in the 2022 financial year. As part of the Group's established risk management system, all identified risks are regularly analysed, documented and evaluated for their probability of occurrence and potential impact. The Managing Board and the Supervisory Board are informed about the results, so that the necessary countermeasures can be taken if the need arises.

In the course of the change in ownership, the Allane Mobility Group is also integrated into the internal control and risk management system of the German Santander subgroup. This ensures in particular the adequacy of the risk management and risk controlling processes.

The Allane Mobility Group is required to ensure that they are invested at all times with adequate funds to shoulder the risk they have entered into (principle of risk bearing capacity). The corresponding risk bearing capacity statement is therefore key component of the quarterly risk reporting system of Allane SE. According to this statement, the unexpected loss from those risks deemed to be material is compared with the risk cover amount available at a confidence level of 99.95%. Risk capacity is given, if the material risk can be continually covered by a corresponding risk cover amount. As of 31 December 2022, Allane SE has a risk potential for counterparty default, market price (residual value and interest rate risk), liquidity and operational risk as well as equity investment risk in the amount of EUR 172 million.

The material risk types are distributed as at 31 December 2022 as follows:

Risk type in EUR million	Risk share in the total risk	
	2022	2021
Residual value risk	76.9	72.3
Counterparty default risk	34.9	45.6
Interest rate risk	20.5	5.2
Operational risk	10.5	11.7
Investment risk	9.1	2.1
Liquidity risk	0.1	0.1
Business strategic risk <sup>1</sup>	20.2	13.7
<b>Gesamtrisiko</b>	<b>172.2</b>	<b>150.7</b>

<sup>1</sup> For the 2021 business year, the sum of the „Other risk“ is shown here

The main changes compared to the previous year's reporting date relate to the risk types of counterparty default risk, interest rate risk as well as business strategic risk. The key changes from with the prior-year's reporting date relate to the risk types of counterparty default risk, interest rate risk, and business strategy risks. The change in counterparty risk is mainly due methodological switch to a present-value exposure approach that excludes residual values. The increase in interest rate risk is a reflection of current interest rate volatility. Subsequently, other risks were reclassified to business strategy risks.

The residual value risk model was changed to the Group standard as part of the further development of the risk controlling approaches. In doing so, the new model generates a loss distribution by means of the Monte-Carlo simulation on the basis of losses realized in the past during the re-marketing process of returned vehicles.

Counterparty default risks are quantified using a CVaR approach based on the Gordy model. Operational risk is calculated on the basis of both an economic approach as well as the regulatory basic indicator approach. The higher value of these two approaches is decisive in the consideration of the risk-bearing capacity calculation. Interest rate risks are simulated using a historical loss distribution based on interest rate changes since the 2008 financial year. The quantification of investment risk is also carried out on the basis of a scenario calculation. Liquidity risks are determined on the basis of a historical loss distribution. Liquidity risks are measured using the liquidity value-at-risk, which calculates the monetary impact of changes in refinancing costs. A lump sum is formed for the other relevant risks.

The internal capital (risk coverage potential) according to the net asset value approach amounts to EUR 329.1 million. This results in a coverage of the material risks of around 172% (including management buffer). During the entire reporting period, the risk-bearing capacity was ensured at all times, both at the overall risk level and at the risk type level. Limit overruns were not identified.

Based on the material risks, Allane SE performs quarterly stress tests. The main objective of a stress test is to measure the consumption of capital in a stress scenario and thereby quantify the risk. To this end, stress tests represent unusual and extreme, but plausible events. Due to their forward-looking nature, the result of these stress tests are also used as early warning indicators and are used for proactive risk management. The following types of stress tests were taken into account in the risk-bearing capacity calculation as at 31 December 2022:

- Risk-specific stress tests (sensitivity analysis)
- Inverse stress tests
- Comprehensive stress tests

The single scenarios are derived from hypothetical and historical events and are adapted to the current economic development. The stress tests carried out in the 2022 financial year showed that the risk-bearing capacity of the Allane Mobility Group was ensured during the reporting period.

In addition to the presentation of the risk-bearing capacity calculation, various risk appetite metrics are calculated to depict the dimensions of solvency, earnings volatility, concentrations, liquidity and non-financial risks. These metrics are used for early risk detection. These metrics are used for early risk identification. The risk appetite metrics are monitored on an ongoing basis by various risk committees.

With the internal control and risk management organisation described above, the Allane Mobility Group considers itself adequately positioned to monitor and manage the Allane Mobility Group in light of the weakening corona crisis and the pending energy crisis. The company's risk situation has remained stable since the beginning of the pandemic in March 2020.

To ensure liquidity, the Allane Mobility Group makes use of existing credit lines and refinancing from the Group. Based on the short- and medium-term liquidity forecast - also in stress situations - the Allane Mobility Group closely monitors the utilisation of the financing instruments on an ongoing basis and derives any necessary measures. In addition, a liquidity contingency plan has been rolled out.

Due, above all, to the long-term contracts and customer diversification, in particular in terms of industry and size (from large corporations to private customers), as well as the market opportunities, especially in the context of digitisation and innovation and two strong partners within the ownership structure, the Allane Mobility Group believes that the overall risk as well as the risk profile of the Allane Mobility Group will be negatively affected temporarily, but otherwise at a comparable level to the previous year. At present no risks have been identified, which, alone or in their entirety, could endanger the Group's or the Company's continued existence.

## 5. Opportunities report

Opportunities are understood to be possibilities arising from events, developments or actions that allow a company to secure and/or outperform the scheduled targets. It is the operative business field's responsibility to identify and utilise opportunities as part of the corporate strategy.

The studies referred to in the following are in each case the most recent studies relevant to the opportunities report that can be obtained with reasonable effort.

### 5.1 Market opportunities

#### Opportunities from general economic developments

The Allane Mobility Group is highly dependent on general economic conditions in Europe and in particular in Germany. Improving economic conditions can result in a higher corporate investment willingness for fleet vehicles and fleet management services and stronger investment propensity

from private and commercial customers for new and used vehicles. This in turn could have a positive effect on the demand for offers and services provided by Allane.

The Group operates its business primarily in Germany. According to Destatis, the German gross domestic product (GDP) increased by 1.9% in 2022 in price-adjusted terms. For consumers, prices increased by an average of 7.9% in 2022 compared to the previous year, according to Destatis; for 2023, the German Council of Economic Experts assumes a price inflation rate of 7.4%. According to the German Association of the Automotive Industry (VDA), a total of 2.7 million new passenger cars were registered in 2022, which corresponds to an increase of about 1% compared to the previous year. The Kiel Institute for the World Economy (IfW) expects GDP to rise by 2.2% in 2023. This could also stimulate demand for new passenger cars.

In its plans for financial year 2023, the Allane Mobility Group takes due account of economic analysts' assessments for the business cycle, as the report on outlook outlines. In the event that the economy should develop better than these projections, it could also result in stronger demand for the products and services offered by the Allane Mobility Group.

#### Sources

Destatis, Press release No. 020, 13 January 2023;  
VDA, German car market 2022: Slightly over previous year, 4 January 2023;  
German Council of Economic Experts, Annual Report 2022/23, December 2022;  
IfW Kiel, Economic Outlook World, No. 97, December 2022.

### Opportunities from a positive leasing business cycle

After the UK, the German leasing market is the second biggest in Europe and has since 2013 been characterised by a stable upward trend. This trend was interrupted for the first time in 2020: Thus, the German Association of Leasing Companies (Bundesverband Deutscher Leasing-Unternehmen e.V. – BDL) recorded a 9.5% year-on-year decline in new lease investments in the first year of the COVID-19 pandemic.

In 2022, the leasing industry recorded slight growth in new business of 1.0% (excl. hire purchase) and 4.0% (incl. hire purchase), according to preliminary forecasts by the BDL. The development mainly results from a catch-up effect in the fourth quarter of 2022, which had benefited from a weakening of supply chain dynamics and the increased delivery of products, especially passenger cars.

The German Council of Economic Experts forecasts a modest increase in equipment investment of 2.1% for 2023 (2022: 1.6%). In its annual report, it assumes that production

will expand in 2023. The reasons for this are the manufacturing sector's high order backlog and gradually easing supply bottle-necks. However, in view of worsening production conditions, increased uncertainty and the overall economic slowdown, the Council of Economic Experts assumes that equipment investment will still be far below its pre-pandemic level.

According to Allane's assessment, an economic recovery can have a positive effect on investment sentiment and thus also on the leasing business.

#### Sources

German Council of Economic Experts, Annual Report 2022/23, December 2022  
BDL, The German Leasing market 2020; 18 June 2021  
BDL, Leasing in Germany and Europe, [bdl.leasingverband.de](http://bdl.leasingverband.de), accessed on 13 February 2023;  
BDL, First forecast for the business trend in the leasing industry in 2022, 7 February 2023.

### Opportunities from market changes

Experts are agreed that the mobility market and customer needs will continue to change strongly over the coming years. This shift is often explained by such trends as using instead of owning, flexibilisation, individualisation, car subscription, new mobility, urbanisation, autonomous driving, digitisation, interlinking, sustainability, alternative power-trains, electro-mobility and customer focus. Some of these trends, especially flexibilisation, digitalisation and electro-mobility, could be further accelerated by the aftermath of the COVID 19 pandemic, according to experts. In particular, the development of electro-mobility could be positively influenced by the recent further significant increase in fuel prices and debates about possible subsidies. For more information, see subsection „Opportunities through innovation“.

Leasing providers such as Allane SE can benefit from current and future developments by developing or refining appropriate products and services for e-mobility.

According to Dataforce, vehicle leasing is 'indispensable' for commercial fleets in Germany. According to this, around half of the cars and vans were leased in 2021. In the view of the BDL, numerous reasons speak for leasing for companies, as well as for the self-employed and freelancers. These include, in particular, planning security, liquidity protection, tax advantages and favourable conditions, as well as modern technology and the associated higher environmental friendliness.

Leasing has also become further established in the private sector. According to LeasingMarkt.de, the share of private

leasing in 2022 was at a record high of around 55%, 1.7 percentage points higher than in the previous year.

The Allane Mobility Group can benefit from the market change described above in particular with its leasing offering on [sixt-neuwagen.de](https://sixt-neuwagen.de), because the online platform allows private customers, among other things, to configure and digitally order leased cars – both with combustion engines and with alternative drives. In addition, the "Allease" platform developed by Allane itself offers opportunities in the captive leasing business. The tool enables manufacturers to market leasing offers for vehicles to customers via their own dealer network.

#### Sources

Leasingmarkt.de, Leasing Rear-view mirror 2022;  
McKinsey, Can the automotive industry scale fast enough?, 12 May 2022.  
Dataforce, Leasing: still the measure of all things?, 29 November 2021;  
Dataforce, Insight Leasing - Study 2022, November 2022  
BDL, Always drive the latest model by leasing, [bdl.leasingverband.de](https://bdl.leasingverband.de), accessed on 7 December 2021.

## 5.2 Competitive opportunities

### Growth through brand independence

As a manufacturer-independent leasing company, the Allane Mobility Group enjoys significant competitive advantages over manufacturer-affiliated leasing companies. In addition, the company has a great deal of expertise in estimating the useful life of vehicles and in marketing used cars. Furthermore, they operate business models that are already geared to future customer requirements, for example through brand-independent full-service leasing and direct marketing.

In a study, Deloitte estimates that car manufacturers will change their previous brand strategy and will integrate cross-brand solutions into their offer by the year 2035 in order to be able to address a larger target customer group and better serve the changing mobility requirements. This underlines the increasing importance of brand independence in automotive sales.

Due to the developments described above, the Allane Mobility Group can take advantage of further growth opportunities in both the corporate and private customer business.

#### Sources

Deloitte, Future of Automotive Sales and Aftersales, June 2020.

### Accelerated growth through acquisitions

The Allane Mobility Group pursues the objective of driving forward its foreign expansion primarily through organic

growth. In addition, there is also a possibility of accelerating the Group's growth through acquisitions at favourable conditions of other providers or leasing portfolios. To this end, Allane is permanently reviewing relevant market opportunities. When examining potential take-over candidates, the Managing Board and Supervisory Board apply strict criteria regarding earnings situation, risk profile and enterprise culture as well as compatibility with Allane Mobility Group's business model.

### Growth through internationalisation

The Allane Mobility Group steadily monitors the expansion of its international presence to unearth new growth potential.

As part of its *FASTLANE 27* strategy, the company plans to grow increasingly through internationalisation in the future. To this end, Allane plans to further expand its cooperation with Hyundai in the captive leasing business segment in 2023 and to extend its cooperation with KIA, which is still in the test phase at the time of publication of this report.

### Growth through complementary services

Over the last few years, the trend continued among customers to utilize additional services next to their leasing financing. According to Dataforce, more and more fleet customers switch from finance to full-service leasing. Thus, the full-service share of fleets in Germany with more than five passenger cars increased from 47 to 55% between 2016 and 2020. According to the BDL, the trend toward full-service leasing opens up 'great opportunities' for leasing companies. Thus, they can differentiate themselves from traditional financing, because the latter in particular keeps labour-intensive areas of fleet management inside the company. Moreover, companies wanted to continue working with partners that offer services and packages as a „one-stop shop“ in addition to financing.

Within the scope of full-service-leasing, the Allane Mobility Group offers its fleet customers an all-in package and assumes all administrative work associated with the fleet. On top of this, Allane is developing incentive models that will allow corporations to improve their appeal on the labour market and to reward committed employees.

Figures from Dataforce show that particularly mid-sized fleet with 10 to 49 vehicles have seen a continuous increase in the usage of service leasing agreements. Accordingly, 43% of these leasing fleets use exclusively service leasing contracts for their vehicles. With large leasing fleets, this

share goes up to 61%, with workshops (95%) and tyre services (56%) being utilized most frequently.

Against this background, the Allane Mobility Group seeks to increase its share of complementary services in individual fleet business contracts step by step and so raise the profitability of the contract portfolio. This is done because the quantity and quality of services constitute a key differentiating feature on this market. With its decades of know-how and close network of cooperation partners, Allane considers itself to be in a good position to benefit from a general upturn in the demand for services.

The Retail Leasing business field is also witnessing the increasing importance of additional service contracts for customers. Thus, according to Dataforce, almost every second private leasing agreement contains service components. McKinsey is of the opinion that these services will gain in significance over the coming years.

On its online platform [sixt-neuwagen.de](https://www.sixt-neuwagen.de), the Allane Mobility Group offers private and commercial customers service packages for damage management, inspection as well as wear and tear, among other things. McKinsey expects that the significance of such bundled and modular services will increase substantially over the coming years.

The declared aim of the Allane Mobility Group is to enhance the service portfolio continuously, as an increased service ratio offers in particular the opportunity to improve profitability in the contract portfolio.

#### Sources

Dataforce, German fleet owners like to be pampered, 9 August 2021;  
Dataforce, Leasing and Vehicle Procurement 2021, [dataforce.de](https://www.dataforce.de), 24 November 2021;  
Dataforce, VMF Private Leasing – Results Report, January 2020;  
BDL, Always drive the latest model by leasing, [bdl.leasingverband.de](https://www.bdl.leasingverband.de), Stand: 7 December 2021;  
McKinsey, Subscribed to Future Auto Finance yet?, November 2020.

### Marketing campaigns and cooperation agreements as growth drivers

In the Retail Leasing business field, Allane uses marketing campaigns to raise the name and awareness of the online platforms [sixt-neuwagen.de](https://www.sixt-neuwagen.de) and [autohaus24.de](https://www.autohaus24.de) and increase the number of contracts concluded. Marketing events can be held both in cooperation with a marketing partner or fully independently using the own brand name.

### Growth through remarketing

Remarketing vehicles holds significant opportunities for leasing providers to attain a leading position on the used

vehicle market. In Germany, this market grew continuously until the pre-crisis year 2019, but recorded declines of 1.1% and 3.4% in 2020 and 2021 respectively. Even though the number of registrations of new vehicles fell by 15.8% to 5.6 million units in 2022, according to the German Association of Motor Trades and Repairs (Zentralverband Deutsches Kraftfahrzeuggewerbe - ZDK), the current situation in the used car market offers an opportunity for Allane in that prices have risen significantly. According to the ADAC, a used car in 2022 cost on average 19% more than in the previous year. For 2023, the DAT expects 6.2 million owner registrations.

Fleet leasing and fleet management providers could benefit from this development as they are already the biggest resellers within Europe and therefore enjoy a high degree of customer trust. They are also able to offer their clients not only purchase, leasing and rentals but also a wide network of repair and maintenance services. Moreover, the providers also stand the chance to maximise the re-sale value of their vehicles by marketing them across numerous countries.

Remarketing vehicles is an established element in Allane's business model and is especially conducted via the Group-owned online B2B auction platform as well as the local used car stations. As part of the group strategy, the Company started to connect more and more international dealers to the platform in 2018 to intensify the marketing of used leasing vehicles outside Germany and thereby reduce dependence on the German used vehicle market. The overriding aim of this measure was to improve the Allane Mobility Group's risk-return profile through pro-active risk management. Allane currently operates three of its own locations in Germany for the remarketing of vehicles.

#### Sources

Statista, Turnover on the Used Car Market in Germany from 2000 to 2020, [statista.de](https://www.statista.de), accessed on 8 February 2023;  
DAT, This is how the car market will be in 2023, 7. December 2022  
ZDK, Year-End-Rallye in the vehicle market, 4 January 2023  
ADAC, High used car prices: How to get a cheap car, 20 January 2023  
KBA, Annual balance 2020, Status: 13 February 2023;  
KBA, Annual balance 2021, Status: 13 February 2023.

### Growth through digitalisation

In 2021, 22% of the customers surveyed bought a vehicle online, in 2020 it was 9%. According to MHP, this development shows „a clear trend towards the increasing attractiveness of buying vehicles online“.

This change in user behavior can have a positive impact on the business model of the Allane Mobility Group, as the group operates various online platforms with [sixt-](https://www.sixt-neuwagen.de)

neuwagen.de, autohaus24.de as well as „Allease“, which are geared towards the needs described above.

A study by the business consultancy Capgemini found that the future of mobility will be very much determined by the so-called Generation Z. This generational group was born between 1995 and 2015, has a very strong affinity to technology and is very demanding. Thus, Generation Z is not only expecting mobility service providers to offer them simple and flexible solutions plus constant availability, but also personalised services as well as a ‘seamless’ online experience with access to all products and services from on platform of their choosing.

According to MHP, personal advice continues to play a significant role for car customers. Thus, 57% of the customers surveyed rate personal advice when buying online as "important" or „very important“. This means that the importance has remained high compared to the MHP study from 2020. The majority of those who have already bought a vehicle online (52%) would also prefer to buy a car online in the future. Accordingly, MHP assumes that the respondents were satisfied with the online purchase.

Although according to MHP there is usually a clear tendency from the customer's point of view where the phases of the customer journey should take place, no absolute allocation to off- or online is possible. Therefore, the expectations of all customers in each phase can only be covered by offering online and offline touchpoints.

With its digital platforms sixt-neuwagen.de, autohaus24.de and „Allease“ as well as through various retail outlets (autohaus24), the Allane Mobility Group has both online and offline touchpoints ready to optimally adapt the customer experience to the various needs. In addition, the Company offers individual digital customer services, such as the workshop search on the Allane website. Allane regularly conducts customer surveys in its business with private as well as with commercial customers. Allane takes these findings to derive suitable measures for optimising its customer services.

#### Sources

Capgemini, From Financial Services Provider to Mobility Powerhouse, September 2020;

MHP, Online Car Sales 2023, February 2023.

## 5.3 Opportunities from innovations

### Individualised online and mobile solutions

It is the view of Allane that digitisation will expand customer solutions across all business fields. Fleet Leasing and Fleet Management will see that, on top of personal assistance, companies are attaching increasing importance to aspects such as automation, efficiency and process safety. In this context, a trend towards outsourcing fleet management services can be observed, as companies are focusing on their core business and at the same time want to make sure that their fleet is optimally managed. Thus, the aspects of transparency, individuality and comfort are increasingly coming into focus in all business fields.

The Allane Mobility Group puts great emphasis on the development of modern online and mobile services. In the business with corporate customers, leasing and administration processes are to be optimized especially in the form of reporting and apps. In its business with private and commercial customers, the leasing process should be facilitated above all through the use of an online configurator and digital ordering steps. Allane continues to develop the existing tools at regular intervals and is continuously examining opportunities to introduce further online and mobile solutions.

### Growth market electric mobility

Worldwide electric mobility is gaining traction. Factors for this are, among other things, the accelerated climate change, a stronger environmental awareness, new mobility requirements, a bigger choice of vehicles, falling production and acquisition costs, better charging infrastructure, new battery technologies as well as higher performance and mileage range. Of particular importance in Europe are also such factors as legislative regulations, CO2 stipulations as well as governmental subsidy programmes.

Experts are agreed that over the coming years the worldwide market for electric mobility will grow substantially and that Europe will take up a trailblazer role in the electrification of powertrains. The management consultancy McKinsey reckons that in 2030 Europe will lead the transformation with a 75% market share for e-cars in all newly registered passenger cars. It will be ahead of China, the largest e-car market in absolute terms that will have a 70% share, and the USA with a 65% share. Accordingly, by 2030 a total of more than 70 million vehicles on the roads of the European Union could thus already have an electric drive. The consultancy firm PwC reckons that the share of e-vehicles and plug-in hybrids for new vehicle sales in Europe will climb strongly to



36% by 2025 (2021: 16%). For 2030, PwC projects a share of 66% and for 2035 a share of 91%.

In Germany, the acceptance of electric mobility is high, although the vehicle population does not yet reflect this to the same extent. However, vehicles with electric drives are recording significant growth in new registrations. According to the Federal Motor Transport Authority (KBA), the share of new passenger car registrations with electric drive in 2022 was 31.4% of all new passenger car registrations. This corresponds to an increase of 5.4 percentage points compared to the previous year.

According to LeasingMarkt.de, electric mobility is also becoming increasingly relevant in the leasing sector: In 2022, almost one third of lessees will have opted for an electric car. This corresponds to an increase of 4.5 percentage points compared to the previous year.

According to Dataforce, interest in alternative drive systems is also growing steadily among fleets in the German fleet market. Plug-in hybrids and pure electric cars (BEVs) reached a share of 34% of the fleet market in 2022. BEVs achieved the greatest growth with an increase of 16.6% compared to the previous year and will assume greater importance in the future.

McKinsey assumes that global demand for electric vehicles will increase sixfold between 2021 and 2030, with annual sales expected to rise from 6.5 million to around 40 million units during this period.

Allane promotes electromobility, for instance, through cooperations with manufacturers and electric power suppliers as well as consulting services, for example with a view to improving the pollutant emissions balance. Technological advances in electric vehicles, manufacturer's initiatives to promote this drive type - for example in setting up a nationwide charging infrastructure - government subsidies as well as increasing corporate interest in optimising their fleets for ecological considerations open up additional opportunities for the Allane Mobility Group.

#### Sources

McKinsey, Three quarters of new cars in Europe will be electric in 2030, 6 September 2021;  
Leasingmarkt.de, Leasing Rear-view mirror 2022;  
PwC, Digital Auto Report 2021 – Volume 1, August 2021;  
KBA, Press Release No. 03/2023, 16 January 2023;  
Dataforce, Dataforce Balance 2022: Thanks to a strong final spurt and pull-forward effects, the German passenger car market finished positive after all, 20 January 2023.

## 5.4 Assessment of the overall opportunities profile by the Managing Board

Allane SE considers itself well positioned to take advantage of the growth opportunities described above. The recovery of the global economy expected by experts in the course of the 2023 financial year is likely to have a positive impact on the leasing economy, as companies' willingness to invest is influenced in particular by the overall economic situation. This may also have a positive impact on the business development of the Allane Mobility Group.

In terms of competitive opportunities, the Allane Mobility Group has a competitive business model that can address the changing mobility needs of customers due to its brand independence and its early positioning in the online direct sales of new leased vehicles. The company reserves the right to accelerate its growth also through targeted acquisitions. Further opportunities arise from the organisation's focus on future national and international growth. In addition, Allane can expand its position as a full-service provider by introducing further complementary services. Marketing campaigns and sales cooperations also play an important role and can help to raise awareness of Allane, expand the contract portfolio and generate additional revenues, for example in the area of services. With its online auction platform and the expansion of its used car locations, the company is also in a position to benefit from the continuous growth of the used car market.

The expansion of the digital product and service portfolio enables the Allane Mobility Group to exploit the growth potential in the area of digitalisation. The digitalisation of the business model should also contribute to process and cost optimisation and thus have a positive impact on productivity and earnings development. In addition, the development towards electromobility opens up additional opportunities for Allane.

The overall opportunity profile of Allane SE can also be assessed as good with regard to the new major shareholder, Hyundai Capital Bank Europe GmbH. The partnership puts the Allane Mobility Group in a position to continue to successfully pursue its strategy and to jointly exploit new growth opportunities in the future. In addition, Allane intends to be able to further optimise its refinancing structure from the integration into the group of the two international and financially strong groups Santander and Hyundai.

## B.7 – Non-financial declaration in accordance with sections 289b to e and 315b and c of the HGB

Pursuant to section 289b (2) and section 315b (2) of the HGB, Allane SE is exempt from the obligation to add a non-financial declaration to the management report on the situation of the Group and the Company, as it is included in the non-financial consolidated declaration of Banco Santander S.A., which is contained in the management report on the situation of the Group and the Company for the financial year 2022 of Banco Santander S.A. Banco Santander S.A. is

the controlling shareholder of Santander Consumer Bank AG, which in turn is the majority shareholder of Hyundai Capital Bank Europe GmbH. Information on the sustainability of Allane SE can also be found in the chapter 'Sustainability' of the Allane SE Annual Report 2022 and is made generally available on the internet at [ir.allane-mobility-group.com](http://ir.allane-mobility-group.com) in the »Financial Reports« section.

## B.8 – Dependent company report

HCBE is the largest shareholder of Allane SE with 92.07% of the ordinary shares and voting rights. Thus, Allane SE had a relationship of dependence within the meaning of section 17 of the AktG with Hyundai Capital Bank Europe GmbH, Frankfurt am Main, and its affiliated companies in the 2022 financial year.

Due to the indirect majority shareholding of Banco Santander S.A., Santander, Spain, in Allane SE, there was thus a relationship of dependence of Allane SE within the meaning of section 17 of the AktG with Banco Santander S.A., Santander, Spain, and its affiliated companies in the 2022 financial year.

Hyundai Motor Company, Seoul, Korea, holds a majority stake of 59.70% in Hyundai Capital Services Inc, Seoul, Korea. Hyundai Capital Services Inc., Seoul, Korea, on the other hand, does not hold a majority stake in HCBE with 49.00% of the shares. Due to the joint venture structure and the

equal composition of the Supervisory Board of HCBE with members of Hyundai and Santander, there was nevertheless a relationship of dependence within the meaning of section 17 of the AktG with Hyundai Motor Company, Seoul, Korea, and its affiliated companies in the 2022 financial year.

Therefore, pursuant to Article 9 (1) lit. c) (ii) SE Regulation, section 49 (1) SEAG in conjunction with section 312 of the (AktG), a report is prepared containing the following concluding declaration by the Managing Board: "According to the facts and circumstances known to the Managing Board at the time legal transactions subject to disclosure requirements were conducted, Allane SE received appropriate consideration in each case. Actions subject to disclosure requirements taken or actions omitted did not exist in the period under review."

## B.9 – Additional information for Allane SE (pursuant to the HGB)

### Fundamentals and business performance

Allane SE has its registered offices in Pullach and is the parent company of the Allane Mobility Group. It assumes central management tasks and is responsible for the strategic and financial management of the Group. At the same time, Allane SE is also the operative company for the leasing business within Germany. In this function Allane SE is essentially responsible for results of operations, net assets and financial position as well as the opportunities and risks of the Allane Mobility Group. The above explanations in the economic report on the Allane Mobility Group and the Leasing business unit also apply to Allane SE, unless otherwise stated below.

The annual financial statements of Allane SE are prepared in accordance with the provisions of the German Commercial Code (HGB) in conjunction with the Ordinance on Accounting for Banks and Financial Services Institutions (RechKredV) and, in addition, in accordance with the provisions of the German Stock Corporation Act (AktG) and form the basis for the appropriation of the net retained profits for the financial year to be resolved by the Annual General Meeting.

The above explanations refer to the Allane Mobility Group and are the subject of the capital market communication of Allane SE. The following explanations comply with the requirements of the German Commercial Code for the management report of Allane SE. They are not directly relevant for the capital market communication relating to the consolidated financial statements according to IFRS.

The most significant financial performance indicator for Allane SE is the pay-out ratio (pay-out of Allane SE in relation to the consolidated profit of the Allane Mobility Group according to the International Financial Reporting Standards [IFRS]).

Differences between the accounting and valuation methods according to the HGB in conjunction with RechKredV and IFRS arise primarily in the following circumstances: Vehicles held for sale that have been returned from the leasing contract are not reported in inventories as under IFRS, but in other assets. Liabilities from advance payments received from full-service contracts are not reported under contract liabilities as under IFRS, but under other liabilities. The liabilities from the ABS transaction are not reported under current and non-current financial liabilities as under IFRS, but under other liabilities. Furthermore, the discount as well as costs in connection with the issuance of the bonds are not

deducted from the carrying amount of the bonds, but are reported in prepaid expenses. Certain leases classified as finance leases under IFRS 16 will be reported under other receivables and assets in the IFRS financial statements, while they will continue to be reported under leased assets in the HGB financial statements. For these contracts, the lease payment in the IFRS consolidated financial statements is divided into repayment of receivables and interest income. In the HGB financial statements of Allane SE, the leasing instalments for these contracts are reported under leasing income. Furthermore, depreciation on the leased assets is reported in the HGB financial statements. In accordance with IFRS 16, rights of use are reported under property, plant and equipment and lease liabilities under financial liabilities in the consolidated financial statements for the rental agreements for office space and land. This results in depreciation on the rights of use in the IFRS consolidated financial statements, whereby the rental interest payments are divided into the repayment of the lease liabilities and interest expenses. In the HGB financial statements of Allane SE, only the rental payments are reported under other administrative expenses. The goodwill arising in the 2020 financial year from the acquisition of significant parts of the business operations of SL Car Sales GmbH, Garching, is amortised over ten years under HGB, whereas under IFRS there is no scheduled amortisation, but an annual impairment test is carried out.

The general economic and industry-related conditions of Allane SE are essentially the same as those of the Allane Mobility Group and are described in the economic report of the combined management report.

### Net assets, financial position and result of operation

As shown in the combined management report for the significant financial performance indicators according to IFRS, the 2022 fiscal year remained below the expectations set out in the previous year's management report in terms of the contract portfolio. The operating revenue, on the other hand, met the forecast. In the past fiscal year, the contract portfolio was already adjusted in July 2022. The result from ordinary activities exceeded expectations in the 2022 fiscal year.

Despite the growing inflation rate, the rising interest rate level and the uncertainties arising from the Russia-Ukraine war, Allane SE has a solid basis, as the net assets, financial position and results of operations show.

While the significant financial performance indicators mentioned in the previous paragraph refer to the IFRS financial statements of the Allane Mobility Group, the following explanations refer to the financial statements of Allane SE according to HGB in conjunction with RechKredV.

In the 2022 financial year, Allane SE generated a result (leasing income less leasing expenses) of EUR 225.2 million (2021: EUR 224.0 million) from the operating leasing business. In addition, interest income and expenses resulted in a net charge of EUR 3.4 million (2021: charge of EUR 4.8 million). This was offset primarily by personnel and administrative expenses of EUR 78.1 million (2021: EUR 77.9 million) and expenses from depreciation, amortisation and impairments, particularly on lease assets, of EUR 143.6 million (2021: EUR 147.2 million). Personnel expenses increased compared to the previous year, in particular due to the build-up of personnel resources and general salary adjustments.

Profit from ordinary activities amounted to EUR 5.8 million in 2022 (2021: EUR 1.5 million). The Company shows a net profit for the year of EUR 2.9 million (2021: EUR 2.6 million) and – with the addition of a profit carried forward from the previous year and less the transfer to other revenue reserves – a balance sheet profit of EUR 23.3 million (2021: EUR 23.1 million).

As at 31 December 2022, the main assets of Allane SE consist of leased assets in the amount of EUR 881.7 million (2021: EUR 894.6 million). The decrease is mainly due to the lower number of new contracts and the further scheduled depreciation of the existing leasing assets. As at 31 December 2022, receivables from customers amount to EUR 42.9 million (2021: EUR 38.8 million), this includes trade receivables of EUR 28.2 million (2021: EUR 24.4 million) and other receivables of EUR 14.7 million (2021: EUR 14.4 million). Receivables from banks amount to EUR 1.1 million (2021: EUR 0.5 million). Other assets amount to EUR 227.3 million (2021: EUR 240.1 million), this includes mainly receivables from affiliate companies. This includes receivables from Isar Valley of EUR 54.3 million (2021: EUR 82.2 million). These consist mainly of the sub-loan in the ABS transaction. The decrease is mainly due to the amortisation period of the ABS transactions. Consequently, in the 2022 fiscal year, the leasing assets associated with new contracts were financed primarily through loans from Santander Consumer Bank AG.

The share capital of Allane SE remained unchanged at EUR 20.6 million on the balance sheet date.

A total of EUR 195.3 million (2021: EUR 193.7 million) is reported in equity.

Significant liabilities are other liabilities in the amount of EUR 353.8 million (2021: EUR 550.4 million). In addition to trade payables of EUR 26.3 million (2021: EUR 21.5 million), other liabilities mainly include liabilities to Isar Valley in connection with the ABS transaction of EUR 300.3 million (2021: EUR 496.7 million). The liabilities to Isar Valley have decreased mainly due to the decline in general financing requirements. Furthermore, there are liabilities to banks of EUR 539.7 million (2021: EUR 122.7 million). The increase is mainly due to the repayment of the EUR 250 million bond issued in 2018. The bond was refinanced by long-term loans. Other provisions fell to EUR 24.8 million (2021: EUR 28.8 million). The main reason for this is lower provisions for outstanding invoices. Furthermore, provisions for legal disputes were included in the other provisions and increased to EUR 3.5 million. This is mainly due to legal disputes against Allane SE arising from revocation actions for leasing contracts with regard to the first and second instance. For some of the related open cases, the further course depends on the timing of pending rulings by the BGH and / or EUGH on individual cases of Allane SE. For these open cases, Allane SE has an other financial obligation of EUR 0.9 million, which was not recognised in the provisions.

For the 2022 financial year, the Managing Board of Allane SE is considering proposing a dividend of EUR 0.09 per share for distribution. Subject to approval by the Supervisory Board and the Annual General Meeting on the appropriation of profits, this would result in a distribution of EUR 1.9 million (2021: EUR 1.2 million). This corresponds to a payout ratio of just under 21% (2021: 21%) based on the consolidated net income.

### Opportunities, risks and forecast

As the parent company and operating leasing company, Allane SE has a significant influence on the opportunities and risks of the Allane Mobility Group. In this respect, reference is made to the overall assessment in the report on risks and opportunities of the Allane Mobility Group. Allane SE also has a significant influence on the economic development of the Allane Mobility Group.

Allane SE operates the group-wide risk management system as well as the internal control system and is thus an integral part thereof.

For the 2023 financial year, Allane SE expects a pay-out ratio (pay-out of Allane SE in relation to the consolidated profit of the Allane Mobility Group according to IFRS) in the corridor of 30% to 60% (2022: 21%).

### Investments

As the operative leasing company, Allane SE oversees as part of its normal business activities the investments in lease

assets, intangible assets and property and equipment. As part of its financing function within the Allane Mobility Group, Allane SE will provide consolidated companies with loans and funds in the form of equity if so required. Potential company start-ups or acquisitions could require investments to be made by Allane SE.

## B.10 – Corporate governance declaration in accordance with sections 289f and 315d of the HGB

For Allane SE, good and responsible corporate governance is an important way of securing and enhancing the trust of the capital market in the Company. Responsible management geared to long-term value creation has a high job value for the Company. The fundamental characteristics of good corporate governance are efficient and trustful cooperation between the Managing Board and Supervisory Board, respect for the interests of shareholders and openness in corporate communications both externally and internally. The Supervisory and Managing Board report on important aspects of corporate governance in accordance with the provisions of sections 289f and 315d of the Handelsgesetzbuch (HGB – German Commercial Code). The report is also available on the website of Allane SE under [ir.allane-mobility-group.com](http://ir.allane-mobility-group.com) under 'Corporate Governance'.

### 6. Corporate governance declaration in accordance with sections 289f and 315d of the HGB

The corporate governance declaration is part of the Company's management report. Pursuant to section 317 (2) sentence 6 of the HGB, the disclosures made in accordance with sections 289f and 315d of the HGB are not included in the audit.

#### Compliance with German Corporate Governance Code and declaration of conformity

The recommendations of the Government Commission on the German Corporate Governance Code are an established benchmark for corporate management at German listed companies. The Managing Board and Supervisory Board of Allane SE have therefore dealt in detail with the

requirements of the German Corporate Governance Code and issued the following declaration of conformity on 2 March 2023.

#### Declaration of conformity in accordance with section 161 of the AktG

The Managing Board and the Supervisory Board of the Company issued the last declaration of compliance pursuant to § 161 AktG on 22 February 2022 and an update of the declaration of compliance on 18 May 2022. Since issuing the last Declaration of Conformity on 22 February 2022, which was updated on 18 May 2022, Allane SE (the "**Company**") has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on 16 December 2019 and published in the official section of the Federal Gazette on 20 March 2020. The Company complies with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 16 December 2019 (hereinafter the "**Code 2020**") with the following exceptions and is currently as well as in the future in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 28 April 2022 (hereinafter the "**Code 2022**") published in the official section of the Federal Gazette on 27 June 2022 with the following exceptions:

- The corporate governance statement does not contain any information on the procedure for long-term succession planning with regard to the Managing Board (section B.2 half-sentence 2 of the Code 2022). Due to its involvement in both the Hyundai and Santander Groups, the Company has access to internationally experienced and highly qualified managers, which is why the Company believes that reporting on the approach to long-term succession planning is not conducive to the information

interests of shareholders and investors.

- Currently, and in deviation from clause C.7, sentence 1 of the Code, the Supervisory Board of the Company has only one member, Mr. Norbert van den Eijnden, who in the opinion of the Supervisory Board is independent of the Company and the Managing Board. From the Company's point of view, this does not impair the proper and diligent performance of duties by the Supervisory Board and its members.
- As a member of the Managing Board of Santander Consumer Bank AG, the Chairman of the Supervisory Board is not independent of the Company and the Managing Board, contrary to section C.10, sentence 1 of the Code 2022. The Company believes that this does not impair the effective discharge of duties and responsibilities by the Chairman of the Supervisory Board.
- The Supervisory Board regularly reviews the effectiveness and efficiency of its work and the fulfilment of its tasks, but refrains from reporting in the corporate governance statement whether and how a self-assessment by the Supervisory Board was carried out (section D.12, sentence 2 of the Code 2022). In this regard, the Supervisory Board is of the opinion that the current structure of the Supervisory Board does not have a degree of complexity that would require reporting on the self-assessment by the Supervisory Board in accordance with the recommendation in section D.12 sentence 2 of the Code 2022.
- The report of the Supervisory Board does not contain any information on training and further education measures and measures of induction into office for the members of the Supervisory Board (section D.11, half-sentence 2 of the Code 2022). The Supervisory Board is of the opinion that the reporting on training measures and measures of induction for the members of the Supervisory Board does not constitute material information for shareholders or investors.
- When appointing members to the Managing Board or proposing candidates for election to the Supervisory Board, the Supervisory Board decides on a case-by-case basis to what extent it will take into account the age of candidates. This is because the Supervisory Board is of the opinion that setting a general age limit and thus introducing a general selection restriction would not be in the interest of the Company. A specific age limit for the members of the Managing Board or the members of the Supervisory Board has therefore not been set and is not stated in the corporate governance statement (sections B.5 and C.2 of Code 2022).
- The rules of procedure of the Supervisory Board have not been made available on the company's website (section D.1, half-sentence 2 of the Code 2022). The Company is of the opinion that the Rules of Procedure of the Supervisory Board do not constitute material information for shareholders or investors that should be made available in addition to the information contained in the Corporate Governance Statement.
- The Supervisory Board has not formed a nomination committee in deviation from the recommendation in section D.5 GCGC 2022. Due to the current size of the Supervisory Board, which allows for efficient work of the entire body, the formation of committees - with the exception of the audit committee formed with effect from 16 December 2021 - is currently not considered necessary.
- The peer group used to assess the customary level of Managing Board remuneration (section G.3 sentence 1 half-sentence 2 GCGC 2022) is not disclosed, as in the opinion of the Supervisory Board, no further insight is gained by the shareholders or the stakeholders of the company from the disclosure.
- The variable remuneration of the members of the Managing Board is not predominantly granted on a share-based basis (section G.10 sentence 1 of the Code 2022). The Supervisory Board is of the opinion that the current structure of the variable remuneration creates an incentive that is geared towards the sustainable and long-term development of the Company.
- The remuneration of the Supervisory Board members provided for in the company's Articles of Association only takes into account the higher time expenditure of the Chairman of the Supervisory Board, but neither that of the Deputy Chairman of the Supervisory Board nor that of the Chairman or the members of committees (clause G.17 of the Code 2022). With the exception of the higher time commitment of the chairman of the Supervisory Board, the company considers the performance of other functions within the Supervisory Board to be a regular part of the duties of the members of the Supervisory Board until further notice - subject to the ongoing review of the required time commitment in individual cases. In addition, the members of the company's Supervisory Board who are affiliated with the current majority shareholder have

waived their claims to remuneration.

- The Company provides analysts and shareholders alike with all information relevant to the share price. However, the company is of the opinion that the provision of non-price-sensitive information communicated to financial analysts and comparable addressees (section F.1 of the Code 2022) is not more conducive to the informational interests of shareholders.
- The consolidated financial statements and the annual report of the company are published within the statutory deadlines. Interim reports are published within the deadlines prescribed by stock exchange law. The company is of the opinion that compliance with the shorter publication deadlines recommended in section F.2 of the Code 2022 is not more conducive to the information interests of investors, creditors, employees and the public.

Pullach, March 2023

For the Supervisory Board  
of Allane SE

Jochen Klöpffer  
Chairman

For the Managing Board  
of Allane SE

Donglim Shin  
Chairman

Álvaro Hernández  
Member of the Managing  
Board

### 6.1 Remuneration report/Remuneration system

The applicable remuneration system for the members of the Managing Board pursuant to section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on 29 June 2021, and the resolution adopted by the Annual General Meeting on 29 June 2021 pursuant to section 113 (3) of the German Stock Corporation Act (AktG) on the remuneration of the members of the Supervisory Board, as well as the remuneration report and the auditor's report pursuant to section 162 of the German Stock Corporation Act (AktG), are publicly available on the website of Allane SE ir.Allane-mobility-group.com in the section »Corporate Governance« under »Remuneration report«.

### 6.2 Relevant disclosures on corporate governance practices

The practices used for managing Allane SE and the Allane Mobility Group fully comply with the statutory provisions.

Strategic and operational management of the Group is performed on the basis of planning policies and regular comprehensive reports to the Managing Board. Reporting covers the risk management system, the internal control system as well as the internal audit system.

The risk management system, the functioning and extent of which is documented in the risk manual, specifies several types of reports to support management with the identification, assessment and control of risks. Among other things, the Managing Board and the Supervisory Board receive a comprehensive risk report each year. In addition, the Managing Board is regularly informed about relevant issues by the Company's functional units. The internal control system consists of measures and controls, for example, to ensure compliance with statutory provisions and corporate guidelines. It specifies regular reports by the Company's business units, audit reports and regular working meetings relating to different topics. The internal audit system relates to measures such as planned audits and other audits, the results of which are documented in the respective audit and activity reports to the Managing Board.

### 6.3 Compliance within the Allane Mobility Group

As a financial services company, in accordance with section 1 (1a) no. 10 KWG, Allane SE is subject to the provisions of MaRisk and section 25a (1) sentence 3 no. 3 KWG. This results in requirements for the implementation and design of a compliance function.

The Managing Board of Allane SE has appointed a central compliance officer who, in cooperation with the internal audit department and the legal department of Allane SE, is responsible for coordinating and monitoring all compliance measures and compliance processes within the Allane Mobility Group.

The success of the Allane Mobility Group is not only driven by its excellent business policy, but also by the harmonisation of business principles with the highest moral and ethical standards, and the trust that customers, suppliers, shareholders and business partners place in. In order to win and keep this trust, it is a precondition that the Managing Board

and the employees of the Company in any situation and continuously comply with the high standards of legislation, ethics and social skills. The Code of Conduct of Allane SE and its affiliated companies, which is mandatory for all employees, contains these behavioural principles for the acting individuals' dealings in relation to third parties and within the Company. The Code of Conduct defines compliance-relevant procedures on the part of management and provides specific instructions for action in the following areas of compliance: corruption and bribery, money laundering, anti-trust law, data protection, insider information and conflicts of interest. In addition, all departments are required to coordinate key legal or regulatory processes and procedures with the legal department, the compliance officer and internal audit. The internal audit department carries out plan audits and project-accompanying audits based on risk-oriented audit planning. Within the scope of these rule audits, business processes are examined not only with regard to economic risk aspects but also with regard to possible compliance risks and compliance with the applicable internal (work instructions, processes) and external regulations. At the same time, the audit department supports the compliance function in monitoring the compliance measures implemented by carrying out ad-hoc checks as required.

The compliance function constantly monitors the main defined compliance areas of Allane SE, initiates the necessary measures and accompanies their implementation. To become aware of potential compliance defaults, Allane SE offers its employees different reporting channels via the superior, the compliance officer or the ombudsman. The compliance officer maintains regular contact with the Managing Board and assists as well as advises it with regard to preventive measures.

#### **6.4 Working practices of Managing Board and Supervisory Board**

As European Stock Corporation (Societas Europaea) Allane SE is governed by the German Aktiengesetz (AktG – German Public Companies Act), the specific European SE regulations and the German SE Implementation Act. Allane SE has a dualistic management system with a clear division of corporate management and its supervision between the Managing Board and Supervisory Board. The Managing Board is therefore strictly separated from the Supervisory Board, which monitors the activities of the Managing Board and decides on its composition. Simultaneous membership in both bodies is not permitted.

##### **6.4.1 Managing Board**

The Managing Board of Allane SE manages the Company on its own responsibility and represents Allane SE in transactions with third parties. It conducts business in accordance with the legal provisions, the Articles of Association and the rules of procedure for the Managing Board.

As the central task of corporate management, the Managing Board defines long-term goals and strategic orientation for the Company and the Group, agrees these with the Supervisory Board and coordinates their implementation. The Managing Board determines the internal corporate organization, decides on key management positions and manages and monitors the Group's business by planning and determining budgets, allocating resources and monitoring and deciding on key individual measures.

The members of the Managing Board are jointly responsible for the entire management. Without affecting the overall responsibility of all members of the Managing Board, the individual members manage the areas assigned to them within the framework of the Managing Board resolutions on their own responsibility. The distribution of tasks among the members of the Managing Board is set out in a written business allocation plan attached to the rules of procedure of the Managing Board.

The Managing Board as a whole makes decisions on all matters of fundamental and material importance as well as in legally or otherwise binding cases. The rules of procedure of the Managing Board provide for a catalogue of measures that require discussion and decision by the Managing Board as a whole.

In 2022, the Managing Board had two members. Mr. Donglim Shin, Chairman of the Managing Board of Allane SE, was responsible for group strategy and corporate development, sales, marketing, operations, purchasing, re-marketing und human resources. Mr. Álvaro Hernández, CFO of Allane SE, was responsible for accounting, controlling, treasury & financing, investor relations, risk management, internal audit, legal, compliance and IT.

##### **6.4.2 Supervisory Board**

The Supervisory Board of Allane SE consists of six members in accordance with article 10 (1) of the Articles of Association. At present, the Supervisory Board has five members.

All members are elected by the Annual General Meeting in accordance with legal provisions and the provisions of the Articles of Association. Apart from the audit committee



formed on 16 December 2021, there were no other committees as at the reporting date.

The Supervisory Board's main tasks include the appointment of Managing Board members and supervision of the Managing Board. As a general rule, the Supervisory Board adopts its resolutions at meetings. On instruction of the Supervisory Board Chairman, resolutions by the Supervisory Board may also be adopted outside of meetings (or by way of a combined resolution) by casting votes verbally or by telephone, in writing (section 126b BGB - German Civil Code) and/or by using other means of telecommunication or electronic media (article 14 (2) of the Articles of Association). Moreover, a resolution may also be validly adopted by aforementioned means without the instruction of the Chairman of the Supervisory Board if no member objects (article 14 (3) of the Articles of Association). Resolutions of the Supervisory Board require a simple majority of votes cast, unless otherwise mandatorily required by law (article 14 (7) of the Articles of Association). The Supervisory Board's report contains further details on the meetings and activities of the Supervisory Board during the 2022 financial year.

The Audit Committee monitors in particular the accounting and the accounting process. Its tasks include the examination of the annual financial statements of the company, the annual financial statements of the subsidiaries and the consolidated financial statements including the respective management reports, the audit reports of the auditors, the proposal of the Managing Board for the appropriation of the balance sheet profit and the dependence report. The audit committee prepares the resolution of the Supervisory Board on the adoption of the annual financial statements and the approval of the consolidated financial statements and discusses the interim reports with the Managing Board prior to their publication. The Audit Committee also deals with sustainability reporting. Furthermore, the audit committee deals with the supervision of the audit, in particular the selection and independence of the auditor, the quality and efficiency of the audit process and the services provided by the auditor. The Audit Committee prepares the resolution of the Supervisory Board on the proposal for the election of the auditor to the Annual General Meeting; this includes, in particular, making a recommendation and obtaining a declaration of independence from the auditor to be proposed to the Annual General Meeting for election. The tasks of the audit committee also include the issuing of the audit mandate to the auditor elected by the general meeting and the conclusion of the mandate and fee agreement as well as the preparation and determination of audit focal points. The audit committee is also responsible for the

ongoing monitoring of the effectiveness of the internal control system, the risk management system, the internal audit system and the compliance system. This also includes dealing with compliance matters under capital market law in the area of responsibility of the Supervisory Board.

The Chairman of the Audit Committee regularly reports to the Supervisory Board on the meetings of the Audit Committee and its activities. The chairman of the audit committee regularly exchanges information with the auditor on the progress of the audit and reports on this to the committee. The audit committee regularly consults with the auditor, also without the Managing Board.

The Audit Committee consists of three members. As at 31 December 2022, the Audit Committee consisted of the following members Jochen Klöpfer, Norbert van den Eijnden and Hyung Seok Lee. Norbert van den Eijnden is the Chairman of the Audit Committee. The members of the audit committee as a whole are familiar with the sector in which the company operates. On the Supervisory Board and its Audit Committee, in particular Jochen Klöpfer, Norbert van den Eijnden and Hyung Seok Lee have expertise in the field of accounting as well as in the field of auditing. The expertise also relates to sustainability reporting and its audit.

Jochen Klöpfer has many years of experience as a member of the Managing Board, Chief Risk Officer and Chief Credit Officer of internationally active companies, as well as expertise in the areas of accounting and auditing due to the Supervisory Board and advisory board functions he has held. Especially Jochen Klöpfer has been a member of the Managing Board and Chief Risk Officer of Santander Consumer Bank AG since 2015. Before that assignment he was Chief Risk Officer of the Austrian Bawag PSK AG and Chief Credit Officer of Deutsche Bank S.p.a., Italy.

Norbert van den Eijnden also has expertise in the fields of accounting and auditing. During his professional career, Norbert van den Eijnden was for over ten years CEO of Alphabet International GmbH, the leasing company of the BMW Group and in this role also Board Member of BMW Financial Services. In addition, Norbert van den Eijnden held for many years Board membership of the listed Athlon Holding N.V. He also was a member of the Supervisory Board and member of the Audit & Risk Committee der Bovemij N.V.

Hyung Seok Lee has many years of experience in management positions and as Chief Financial Officer (CFO) of various international companies, giving him expertise in the fields of accounting and auditing. At present Hyung Seok

Lee is CFO of Hyundai Capital Services, Inc., Korea. Before that he held the position of CFO with the American Hyundai Capital America Est. In addition, Hyung Seok Lee is member of the Supervisory Board and/or member of the Board of Directors of various corporations.

This means that Jochen Klöpper, Norbert van den Eijnden und Hyung Seok Lee are qualified as financial experts within the meaning of section 100 (5) of the AktG and recommendation D.3 of the GCGC. The Managing Board and Supervisory Board work closely together for the benefit of the Allane Mobility Group. The Managing Board informs the Supervisory Board regularly, promptly and comprehensively about all issues relevant to the company and the Group, in particular strategic planning, business development, the risk situation, risk management and compliance, and about the results of internal audits. The Managing Board coordinates the strategic orientation of the company with the Supervisory Board and discusses the implementation of the strategy at regular intervals. Documents required for decision-making, in particular the annual financial statements of Allane SE, the consolidated financial statements as well as the report on the situation of the group and the company, including the auditor's reports, are forwarded to the members of the Supervisory Board with sufficient notice before the respective meeting. The rules of procedure of the Managing Board provide for a catalogue of measures requiring approval, which must be submitted to the Supervisory Board for approval.

## 6.5 Objectives of Supervisory Board and implementation status

The Supervisory Board has resolved objectives regarding its composition and developed a competence profile for the entire Supervisory Board.

Accordingly, the Supervisory Board is to be composed in such a way as to ensure qualified supervision and advice of the Managing Board by the Supervisory Board. Overall, its members should have the knowledge, skills and professional experience required to properly perform the tasks of a supervisory board in a capital market-oriented, internationally active company in the business areas of leasing for private and business customers and fleet management.

### 6.5.1 Profile of competence

Overall, the Supervisory Board shall have the competencies that are considered essential in view of the activities of the

Allane Mobility Group. This includes, in particular, in-depth experience in and knowledge of

- the management of a large or mid-sized international company;
- the leasing and fleet management business;
- the fields of marketing, distribution and digitalization;
- the main markets in which the Allane Mobility Group is active;
- bookkeeping and accounting;
- controlling/risk management;
- the area of governance/compliance and
- on sustainability issues of importance to the Allane Mobility Group.

Furthermore, in view of the requirements of § 100 paragraph 5 AktG, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. The expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in auditing the financial statements. Accounting and auditing shall also include sustainability reporting and auditing. The chairperson of the audit committee shall be an expert in these fields. The members as a whole must be familiar with the sector in which the company operates.

## 6.5.2 Requirements for the composition of the entire board and the individual members

### Competence and diversity

First and foremost, the prerequisites for filling the seats on the Supervisory Board are professional qualifications and personal competence. The Supervisory Board will always give priority to these prerequisites, which are indispensable for the fulfilment of its legal obligations, when proposing the election of Supervisory Board members.

Overall, the Supervisory Board pursues the goal of optimally fulfilling its supervisory and advisory functions through the diversity of its members. The diversity includes in particular internationality as well as different horizons of experience and ways of life. In preparing the election proposals or the proposals for dismissals, it should be assessed in each individual case to what extent different, complementary professional profiles, professional and life experience and an appropriate representation of both sexes benefit the work of the Supervisory Board. In addition, the Supervisory Board

will support the Managing Board in strengthening diversity within the Company.

#### In-depth knowledge of work areas relevant for Company

All members of the Supervisory Board shall have in-depth knowledge and experiences in work areas that are important for the Company and they shall meet the other professional and personal requirements from the applicable regulatory stipulations.

#### Management experience

The Supervisory Board shall have at least two members. These shall be experienced in the management or supervision of a mid-sized to large corporation.

#### Internationality

At least two members of the Supervisory Board shall have business experience in the main sales markets of Allane SE and be able to provide competent assistance in Allane SE's continued internationalisation.

#### Qualifications matrix

The following qualification matrix illustrates the existing competences and the status of implementation with regard to the competence profile as well as the diversity concept described in section 1.6.2 based on the requirements for the members of the Supervisory Board:

#### Qualification Matrix

		Klöpffer	Hanswillemenke	Hyung Seok Lee	Su Ho Kim	van den Eijnden	
Affiliation	Member since	05 August 2020	10 December 2020	29 June 2022	29 June 2022	29 March 2022	
Diversity	Gender	M	M	M	M	M	
	Year of Birth	1970	1968	1972	1976	1959	
	Nationality	Germany	Germany	South Korea	South Korea	Netherlands	
Expertise	Leasing and Fleet Management	✓ <sup>1</sup>	✓	✓	✓	✓	
	Marketing, Vertrieb	✓	✓	✓	✓	✓	
	Corporate and Human Resources Management	✓	✓	✓	✓	✓	
	Internationality	✓	✓	✓	✓	✓	
	Financial Accounting	✓	✓	✓	✓	✓	
	Controlling, Risk Management	✓	✓	✓	✓	✓	
	Governance, Compliance	✓	✓	✓	✓	✓	
	Digitisation	✓	✓	✓	✓	✓	
	Sustainability, ESG	✓	✓	✓	✓	✓	
	Financial expertise <sup>2</sup>	Accounting <sup>3</sup>	✓		✓		✓
		Auditing <sup>4</sup>	✓		✓		✓

<sup>1</sup> ✓ Good and in-depth knowledge beyond the legal minimum requirements for the members of the Supervisory Board

<sup>2</sup> Within the meaning to Article 100 paragraph 5 AktG (Aktengesetz: German Stock Corporation Act)

<sup>3</sup> Including internal control and risk management systems and sustainability reporting and their audit

<sup>4</sup> Including sustainability reporting and its audit

#### Number of independent members/no material conflicts of interests

The Supervisory Board shall have a suitable number of independent members. In the view of the Supervisory Board, this is the case against the background of the ownership structure of the Company if at least two of the six Supervisory Board members according to the Articles of Association are independent within the meaning of the section C.6 of the German Corporate Governance Code. The Supervisory Board will be guided by these requirements in its election proposals.

Moreover, no one shall be proposed for election to the Supervisory Board, whose other activities could mean a potentially material and not just sporadic or intermittent conflict of interests.

The current composition of the Supervisory Board is in accordance with aforelisted targets. In view of their different backgrounds and experiences, the members of the Supervisory Board in their entirety with regard to their different lives and horizons of experience represent the necessary diversity to do optimal justice to their supervisory duty. In particular, the Supervisory Board as a whole has the knowledge,

skills and professional experience required to properly perform the tasks of a Supervisory Board in a capital market-oriented, internationally active company in the business areas of fleet management and leasing for private and business customers. All members of the Supervisory Board demonstrate specialised industry expertise and experiences in the Company's main sales markets due to their previous professional activities and have experience in the management or supervision of a mid-sized to large corporation. With Mr. Norbert von den Eijnden, one independent shareholder representative is represented in the Company's Supervisory Board, the Supervisory Board will follow the guidelines of the German Corporate Governance Code when proposing candidates for the other statutory Supervisory Board positions.

## 6.6 Diversity Concept

### 6.6.1 Managing Board

#### Diversity aspects in the composition of the Managing Board

Overall, the Managing Board should have the competencies that are considered essential in view of the activities of the Allane Mobility Group. In the opinion of the Supervisory Board, these include:

- complementary professional profiles and different professional and educational backgrounds;
- highest personal integrity;
- in-depth practical experience in dialogue with the various stakeholders, including in-depth knowledge of capital market requirements;
- profound experience in IT management and understanding of the increasing digitalisation of the business model;
- many years of experience in value-based strategy development and change management;
- many years of experience in the management of large companies;
- knowledge of accounting and financial management;
- solid knowledge of risk management;
- international experience and
- adequate representation of both sexes and different ages.

As a rule, the service contracts of the members of the Managing Board should end when the standard age limit for statutory pension insurance (currently 67 years of age) is reached.

#### Aims of the diversity concept

In the opinion of the Supervisory Board, complementary professional profiles and different professional and educational backgrounds already result from the duty of proper management. In addition, the different lives and experiences of the individual members of the Managing Board are decisive for analysing current challenges, problems and strategies from different perspectives and thus making a decision for the benefit of the Company.

In view of the increasing digitalisation of the business model and the enormous relevance of modern IT structures for all areas of the Company, profound experience in IT management and a profound understanding of digitalisation are indispensable in order to successfully lead the Company into the future.

Many years of experience in the management of larger companies, strategy development and change management are decisive and indispensable elements of modern top management in the opinion of the Supervisory Board. The Managing Board also requires sound practical experience in dialogue with the various stakeholders, including in-depth knowledge of the requirements of the capital market. In particular, the Supervisory Board is of the opinion that successful corporate management requires consistent communication with the lower management levels by the Managing Board.

The Supervisory Board also strives for an appropriate representation of both genders and different ages on the Managing Board, as it believes that mixed-gender teams achieve the same or better results than teams in which only one gender is represented. However, as the Managing Board currently consists of only two members, the Supervisory Board believes that a strict quota at this point would lead to a significant reduction in the number of suitable candidates on the one hand and on the other would call into question the future cooperation with deserving members of the Managing Board who are familiar with the Company.

#### Manner of implementation

The Supervisory Board takes into account the diversity aspects described above when appointing members to the Managing Board. In addition, the Managing Board and Supervisory Board regularly exchange information on suitable successor candidates and high potentials from the Group in order to ensure the continuous further development of promising talents.

## 6.6.2 Supervisory Board

### Diversity aspects in the composition of the Supervisory Board

The Supervisory Board has drawn up a comprehensive competence profile for its composition and formulated detailed requirements for the composition of the entire Supervisory Board and its individual members.

Accordingly, the Supervisory Board should have the overall competencies that are considered essential in view of the activities of the Allane Mobility Group.

The most important prerequisites for filling the seats on the Supervisory Board are professional qualifications and personal competence. The Supervisory Board will consider these conditions, which are indispensable for the fulfilment of its statutory obligations, when making nominations for election of members of the Supervisory Board.

The Supervisory Board also pays particular attention to different, complementary professional profiles, professional and life experience and an appropriate representation of both sexes.

The Supervisory Board maintains that it does not define an age limit or a rule limit for membership of the Supervisory Board.

### Aims of the diversity concept

Overall, the Supervisory Board pursues the goal of optimally fulfilling its supervisory and advisory functions through the diversity of its members. The diversity includes in particular internationality as well as different horizons of experience and paths of life. In preparing nominations for election or nominations for secondments, the extent to which different, complementary professional profiles, professional and life experience and an appropriate representation of both sexes benefit the work of the Supervisory Board shall be assessed on a case-by-case basis.

In addition, the different lives and experiences of the individual members of the Supervisory Board are decisive in analysing current challenges, problems and strategies from different perspectives and making a decision for the best of the Company. The Supervisory Board pursues the goal of always being in a position to competently advise and monitor the Managing Board and to adequately acknowledge and accompany new developments in the industry.

### Manner of implementation

The Supervisory Board takes into account the diversity aspects described above when proposing candidates of the election of Supervisory Board members. The Supervisory Board also undergoes an annual efficiency review. The audit focuses on the effective performance of the tasks assigned to the Supervisory Board, including the practicability of the procedural rules in the rules of procedure of the Supervisory Board, as well as on the efficiency of the work of the committees. In the future, diversity aspects should also be taken into account to a greater extent.

## Further disclosures on corporate governance

### Notification concerning directors' dealings

In the 2022 financial year, Allane SE has not been notified of any reportable purchase or sale transactions of shares in Allane SE or of financial instruments relating thereto by persons subject to reporting requirements (directors' dealings or managers' transactions). Corresponding notifications are published on the Company's website [ir.allane-mobility-group.com](http://ir.allane-mobility-group.com) under 'Directors Dealings'.

### Determinations pursuant to sections 76 (4) and 111 (5) AktG

In June 2020, the Supervisory Board has set the target figure for the proportion of women on the Supervisory Board and the Managing Board at 0%, and thus no target figure, in accordance with section 111 (5) of the German Stock Corporation Act (AktG) and has decided on an implementation deadline of 30 June 2023.

On 1 July 2021, the Managing Board set the target quotas for the proportion of women at the first and second management levels below the Managing Board at 20% (first management level) and 30% (second management level) in

accordance with section 76 (4) of the German Stock Corporation Act (AktG) and resolved that both targets should be achieved by 30 June 2026.

### Disclosures relating to the auditor

The ordinary Annual General Meeting on 29 June 2022 adopted the proposal of the Supervisory Board to appoint PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich, as auditor for financial year 2022 for Allane SE and the Allane Mobility Group.

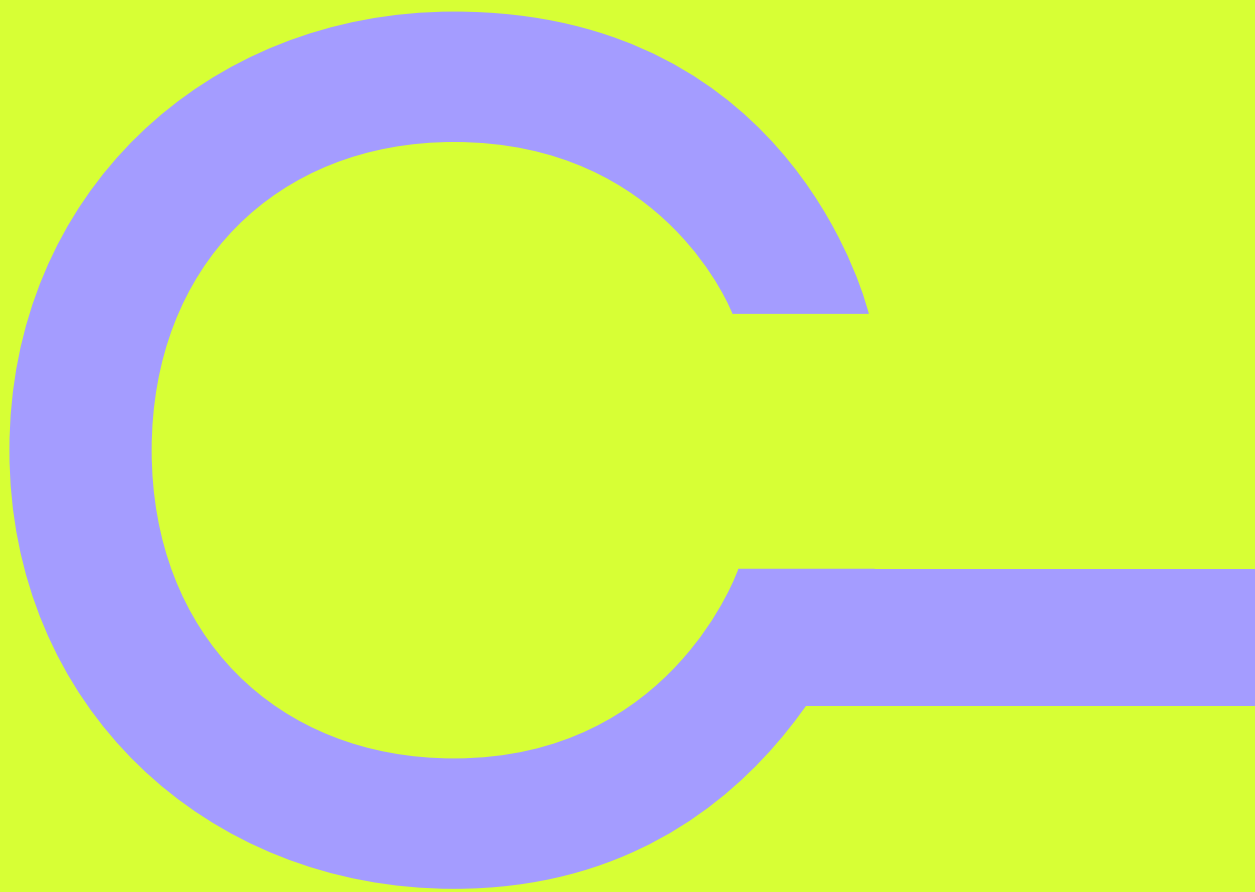
Pullach, 31 March 2023

### Allane SE

### The Managing Board

Donglim Shin

Álvaro Hernández



## Consolidated financial statements

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## C.1 – Consolidated income statement and statement of comprehensive income

of Allane SE, Pullach, for the period from 1 January to 31 December 2022

### Consolidated Income Statement in EUR thou.

	Notes	2022	2021
Revenue	/4.1/	717,018	740,450
Other operating income	/4.2/	7,116	8,018
Fleet expenses and cost of lease assets	/4.3/	449,054	473,091
Personnel expenses	/4.4/	52,834	50,076
a) Wages and salaries		45,068	42,936
b) Social security contributions		7,766	7,140
Net losses arising from the derecognition of financial assets	/4.5/	2,680	3,190
Net impairment losses (-) /gain (+) from financial assets	/4.6/	494	-788
Other operating expenses	/4.7/	34,963	37,310
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>185,098</b>	<b>184,013</b>
Depreciation and amortisation	/4.8/	168,065	171,019
a) Depreciation of lease assets		154,231	161,773
b) Depreciation of property and equipment		4,051	4,177
c) Amortisation of intangible assets		9,784	5,069
<b>Earnings before interest and taxes (EBIT)</b>		<b>17,033</b>	<b>12,994</b>
Net finance costs	/4.9/	-4,214	-6,861
a) Interest income		370	289
b) Interest expense		-4,716	-7,305
c) Other net financial income		132	155
<b>Earnings before taxes (EBT)</b>		<b>12,819</b>	<b>6,133</b>
Income tax expense	/4.10/	3,797	295
<b>Consolidated profit</b>	<b>/4.11/</b>	<b>9,022</b>	<b>5,838</b>
Of which attributable to shareholders of Allane SE		9,022	5,838
Earnings per share – basic and diluted (in Euro)	/4.12/	0,44	0,28

### Consolidated statement of comprehensive income in EUR thou.

	Notes	2022	2021
Consolidated profit	/4.11/	9,022	5,838
Other comprehensive income (not recognised in the income statement)		7,291	1,915
Thereof components that could be reclassified to income statement in the future			
Currency translation gains/losses	/4.22/	667	596
Change of derivative financial instruments in hedge relationship		8,335	1,670
Related deferred taxes		-1,834	-373
Thereof components that will not be reclassified to income statement in the future			
Remeasurement of defined benefit plans	/4.24/	153	27
Related deferred taxes		-30	-5
<b>Total comprehensive income</b>		<b>16,313</b>	<b>7,753</b>
Of which attributable to minority interests		6,501	1,296
Of which attributable to shareholders of Allane SE		9,812	6,458



## C.2 – Consolidated balance sheet

of Allane SE, Pullach, as at 31 December 2022

Assets in EUR thou.	Notes	31 Dec. 2022	31 Dec. 2021
<b>Non-current assets</b>			
Goodwill	/4.13/	4,308	4,300
Intangible assets	/4.14/	19,478	24,168
Property and equipment	/4.15/	29,045	25,148
Lease assets	/4.16/	993,192	995,378
Financial assets		27	26
Other receivables and assets	/4.19/	10,446	1,777
Deferred tax assets	/4.10/	783	814
<b>Total non-current assets</b>		<b>1,057,279</b>	<b>1,051,612</b>
<b>Current assets</b>			
Inventories	/4.17/	39,946	38,488
Trade receivables	/4.18/	82,697	75,222
Receivables from related parties		647	490
Other receivables and assets	/4.19/	31,806	26,679
Income tax receivables		809	673
Bank balances	/4.20/	5,168	1,655
<b>Total current assets</b>		<b>161,074</b>	<b>143,206</b>
<b>Total assets</b>		<b>1,218,353</b>	<b>1,194,818</b>

Equity and liabilities in EUR thou.	Notes	31 Dec. 2022	31 Dec. 2021
<b>Equity</b>			
Subscribed capital	/4.21/	20,612	20,612
Capital reserves		135,045	135,045
Other reserves	/4.22/	72,370	63,795
Minority interests	/4.23/	7,241	740
<b>Total equity</b>		<b>235,268</b>	<b>220,192</b>
<b>Non-current liabilities and provisions</b>			
Provisions for pensions	/4.24/	108	237
Other provisions	/4.25/	226	226
Financial liabilities	/4.26/	529,710	314,651
Other liabilities	/4.29/	15,064	10,525
Deferred tax liabilities	/4.10/	35,573	34,343
<b>Total non-current liabilities and provisions</b>		<b>580,681</b>	<b>359,982</b>
<b>Current liabilities and provisions</b>			
Other provisions	/4.23/	6,900	6,349
Income tax liabilities		2,502	2,303
Financial liabilities	/4.24/	278,128	490,109
Trade payables	/4.28/	69,431	65,674
Contract Liabilities	/4.30/	15,234	15,923
Liabilities to affiliated companies	/4.27/	89	23
Other liabilities	/4.29/	30,119	34,262
<b>Total current liabilities and provisions</b>		<b>402,403</b>	<b>614,645</b>
<b>Total equity and liabilities</b>		<b>1,218,353</b>	<b>1,194,818</b>

## C.3 – Consolidated cash flow statement

of Allane SE, Pullach, for the 2022 financial year

Consolidated cash flow statement  
in EUR thou.

	Notes	2022	2021
<b>Operating activities</b>			
Consolidated profit	/4.11/	9,022	5,838
Income taxes recognised in income statement	/4.10/	4,398	2,731
Income taxes received / paid (net)		-4,336	-1,280
Financial result recognised in income statement <sup>1</sup>	/4.9/	4,215	6,861
Interest received		1,541	214
Interest paid		-6,337	-6,469
Depreciation and amortisation	/4.8/	168,065	171,019
Income from disposal of fixed assets		-40,945	-21,012
Other (non-)cash expenses and income		78	-19,175
<b>Gross cash flow</b>		<b>135,700</b>	<b>138,726</b>
Proceeds from disposal of assets		260,889	290,264
thereof leasing assets		259,444	289,553
thereof fixed assets		1,445	711
Payments for investments in lease assets		-371,949	-315,842
Change in inventories	/4.17/	-1,459	14,040
Change in trade receivables	/4.18/	-7,475	-6,050
Change in trade payables	/4.28/	3,756	17,826
Change in other net assets		-5,334	18,950
<b>Net cash flows from operating activities</b>		<b>14,128</b>	<b>157,913</b>
<b>Investing activities</b>			
Proceeds from disposal of intangible assets and equipment		7	5
Payments for investments in intangible assets and equipment	/4.14/ to /4.15/	-6,735	-16,098
<b>Net cash flows used in investing activities</b>		<b>-6,728</b>	<b>-16,093</b>
<b>Financing activities</b>			
Dividends paid		-1,237	-412
Proceeds from bank loans (incl. ABS-transaction) <sup>2</sup>	/4.26/	470,000	10,360
Payments made for redemption of bonds and bank loans (incl. ABS-transaction) <sup>3</sup>	/4.26/	-501,136	-145,150
Payments made for / proceeds from short-term financial liabilities <sup>4,5,6</sup>	/4.26/	30,500	-7,000
<b>Net cash flows used in financing activities</b>		<b>-1,873</b>	<b>-142,202</b>
<b>Net change in cash and cash equivalents</b>		<b>5,528</b>	<b>-382</b>
Effect of exchange rate changes on cash and cash equivalents		57	35
<b>Cash and cash equivalents at 1 Jan.<sup>7,8</sup></b>		<b>-417</b>	<b>-70</b>
<b>Cash and cash equivalents at 31 Dec.<sup>8</sup></b>	<b>/4.20/</b>	<b>5,168</b>	<b>-417</b>

<sup>1</sup> Excluding income from investments

<sup>2</sup> Proceeds from bank loans (incl. ABS transaction) include proceeds from financing of affiliated companies in the amount of EUR 120,000 thousand (2021: EUR 10,000 thousand).

<sup>3</sup> Payments for redemption of bond and bank loan (incl. ABS transaction) include payments for redemption of financing of affiliated companies in the amount of EUR 80,000 thousand (2021: EUR 50,000 thousand).

<sup>4</sup> This includes include proceeds from financing of affiliated companies in the amount of EUR 470,000 thousand (previous year: EUR 0 thousand).

<sup>5</sup> Short-term borrowings with a maturity period of up to three months and quick turnover

<sup>6</sup> This item was included in the cash flow statement for the first time in the third quarter of 2022. The previous year's figures were reported in the Annual Report 2021 in the amount of EUR 25,000 thousand under proceeds from bank loans (incl. ABS transaction) and in the amount of EUR 32,000 thousand under payments made for redemption of bonds, borrower's note loans and bank loans (incl. ABS transaction).

<sup>7</sup> Cash and cash equivalents as at 1 January 2021 consist of bank balances (EUR 2,374 thousand) and bank overdrafts (EUR -2,444 thousand).

<sup>8</sup> Cash and cash equivalents as at 31 December 2021 / 1 January 2022 consist of bank balances (EUR 1,655 thousand) and bank overdrafts (EUR -2,072 thousand).

## C.4 – Consolidated statement of changes in equity

of Allane SE, Pullach, as at 31 December 2022

Consolidated statement of changes in equity

in EUR thou.	Other reserves						Equity attributable to shareholders of Allane SE	Minority interests	Total equity
	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserve	Other equity				
<b>1.1.2022</b>	<b>20,612</b>	<b>135,045</b>	<b>11,045</b>	<b>2,680</b>	<b>50,070</b>	<b>219,452</b>	<b>740</b>	<b>220,192</b>	
Consolidated profit	-	-	-	-	9,022	9,022	-	9,022	
Other comprehensive income	-	-	-	667	123	790	6,501	7,291	
Dividends paid	-	-	-	-	-1,237	-1,237	-	-1,237	
Transfer to retained earnings	-	-	1,443	-	-1,443	-	-	-	
<b>31.12.2022</b>	<b>20,612</b>	<b>135,045</b>	<b>12,488</b>	<b>3,347</b>	<b>56,535</b>	<b>228,028</b>	<b>7,241</b>	<b>235,268</b>	

	Other reserves						Equity attributable to shareholders of Allane SE	Minority interests	Total equity
	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserve	Other equity				
<b>1.1.2021</b>	<b>20,612</b>	<b>135,045</b>	<b>9,745</b>	<b>2,083</b>	<b>45,922</b>	<b>213,407</b>	<b>-556</b>	<b>212,851</b>	
Consolidated profit	-	-	-	-	5,838	5,838	-	5,838	
Other comprehensive income	-	-	-	596	22	619	1,296	1,915	
Dividends paid	-	-	-	-	-412	-412	-	-412	
Transfer to retained earnings	-	-	1,300	-	-1,300	-	-	-	
<b>31.12.2021</b>	<b>20,612</b>	<b>135,045</b>	<b>11,045</b>	<b>2,680</b>	<b>50,070</b>	<b>219,452</b>	<b>740</b>	<b>220,192</b>	

See also Notes \4.21\ to \4.23\

## C.5 – Notes to the consolidated financial statements

of Allane SE, Pullach for the 2022 financial year

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## 1. General disclosures

### 1.1 Information about the Company

Allane SE domiciled in Dr.-Carl-von-Linde-Straße 2, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court (Amtsgericht), under the docket number 227195 and is the parent company of the Allane Mobility Group. The Annual General Meeting on 29 June 2021 resolved to change the Company's name to "Allane SE". The new company name "Allane SE" was entered in the commercial register on 5 August 2021. The Company has been established for an indefinite period.

In accordance with its Articles of Association, the object and purpose of the Company is (a) the leasing business relating to motor Vehicles and other road and land Vehicles including, in particular, e-bikes and bikes (hereinafter collectively "Vehicles") and Vehicle accessories as a lessor, (b) to otherwise grant use of Vehicles against payment, (c) the administration of Vehicle fleets and Vehicle accessories (Vehicle fleet management), (d) the brokerage of purchase agreements, leasing agreements, agreements regarding the grant of use against payment as well as insurances relating to Vehicles and Vehicle-related goods, (e) the exploitation of, and the trade with, vehicles and spare parts, lubricants, fuels, and process materials as well as vehicle accessories, (f) the performance and brokerage of mobility services and Vehicle-related services; as well as (g) the sale and distribution of online advertising spaces.

The Company is entitled to carry out all transactions and measures that are related to the aforementioned activity areas or that are otherwise suitable to serve the business purpose directly or indirectly.

The Company may establish branches and permanent establishments in Germany and abroad, establish, acquire or participate in other companies in Germany and abroad, as well as establish, acquire or participate in such companies in Germany and abroad and manage such companies. The limits applicable to the business activities of the Company shall also apply to the business activities of subsidiaries and associated companies.

The Company may furthermore pursue its operations fully or partially through subsidiaries or associated companies. The Company is especially entitled to transfer or assign partially or fully its operations to subsidiaries or associated companies. The Company can limit its business activities to one or

specific purpose of the aforementioned objects, and also to the activity of a holding company and/or the administration of other own assets.

At the reporting date, the Company's subscribed capital amounted to EUR 20,611,593.00. It is divided into 20,611,593 ordinary bearer shares. All shares are no-par value bearer shares. All shares have been fully paid up.

The Hyundai Capital Bank Europe GmbH (HCBE) located in Frankfurt am Main holds marginally more than 92% of the ordinary shares and voting rights in Allane SE, making it the biggest shareholder and parent company of Allane SE. HCBE is domiciled in Frankfurt am Main and is a joint venture of Santander Consumer Bank AG, Mönchengladbach, and Hyundai Capital Services Inc., Seoul, Korea. The parent company and ultimate parent of the Group that prepares the consolidated annual financial statements for the largest group of companies is Banco Santander S.A., Santander, Spain. These consolidated annual financial statements are published in the electronic Federal Gazette.

### 1.2 General disclosures of the consolidated financial statements

The consolidated financial statements of Allane SE as at 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the applicable commercial law regulations according to section 315e (1) of the HGB (German Commercial Code).

The consolidated financial statements have been prepared on the historical acquisition and production costs basis. Excluded are certain financial instruments that have been measured at fair value as of reporting date. The appropriate explanations are given in the sections entitled „Reporting and valuation methods“ and „Additional disclosures on financial instruments“.

The consolidated income statement has been prepared using the total cost (nature of expense) method.

The Group currency of Allane SE is Euro (EUR). Unless specified otherwise the amounts presented in the consolidated financial statements are in 'EUR thousand'. Due to rounding it is possible that individual figures in these consolidated financial statements do not add up exactly to the totals shown. For the same reason, the percentage figures

presented may not always exactly reflect the absolute figures to which they relate.

The annual financial statements of Allane SE, the consolidated financial statements and the management report on the Group's and the Company's situation are published in the Company Register (Unternehmensregister).

The following amendments and revisions to the IFRS became effective, where applicable, for the Allane Mobility Group consolidated financial statements as of 1 January 2022:

- Amendments to IFRS 3 – Business combinations, Reference to the conceptual framework;

- Amendments to IAS 37 – Provisions, contingent liabilities and contingent assets, onerous contracts – costs of fulfilling a contract;
- Amendments to IAS 16 – Property, plant and equipment, Proceeds before intended use.

The amendments and interpretations had no or no material impact on the financial position and financial results of the Allane Mobility Group.

The following new and/or amended standards/interpretations have been ratified by IASB but are not yet mandatory. The Company has not applied these regulations prematurely:

Standard/Interpretation	Description	Adoption by European commission	Applicable as at
Amendments to IFRS 17	Insurance contracts	Yes	01 Jan. 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	Yes	01 Jan. 2023
Amendments to IAS 8	Definition of accounting estimates	Yes	01 Jan. 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	Yes	01 Jan. 2023
Amendments to IFRS 17	Initial application of IFRS 17 and IFRS 9—Comparative information	Yes	01 Jan. 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	No	01 Jan. 2024
Amendments to IFRS 16	Requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction	No	01 Jan. 2024
Amendments to IAS 1	Classification of debt with covenants	No	01 Jan. 2024
Amendments to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate/joint venture	No	Deferred indefinitely

After consideration, the mandatory first-time application of IFRS 17 - Insurance Contracts from 1 January 2023 has no impact on the accounting of the Allane Mobility. The decisive factor for this assessment is the right of choice set out in the standard for the accounting treatment of service contracts via IFRS 17 or IFRS 15. After consideration, the Allane Mobility Group opts for the consistent accounting treatment of the aforementioned contracts via IFRS 15.

No material changes are expected from the application of the other published new and/or amended standards and interpretations. There are currently no plans to apply any of the new or amended standards and interpretations prematurely.

## 2. Consolidation

### 2.1 Consolidated companies

The scope of consolidated companies derives from the application of IFRS 10 Consolidated financial statements and IFRS 11 Joint arrangements.

Allane SE acts as an operative leasing company and as parent company of the Allane Mobility Group. Allane SE holds 100% shareholdings in the following subsidiaries that are consolidated in the consolidated financial statements:

- autohaus24 GmbH, Pullach/Germany
- Allane Mobility Consulting GmbH, Pullach/Germany
- Allane Services GmbH & Co. KG, Rostock/Germany
- Allane (Schweiz) AG, Urdorf/Switzerland
- Allane Mobility Consulting AG, Urdorf/Switzerland
- Allane Location Longue Durée SARL, Rueil-Malmaison/Frankreich
- Allane G.m.b.H., Vösendorf/Austria
- Allane Mobility Consulting B.V., Hoofddorp/Netherlands
- One Mobility Management GmbH, Pullach/Germany (founded in 2022 financial year)

#### List of shareholdings

Name	Domicile	Equity	Equity interest	Annual result
Allane Mobility Consulting Österreich GmbH	Vösendorf/Austria	-739,373 EUR	100.0%	-206,390 EUR
Allane Mobility Consulting SARL	Rueil-Malmaison/France	-1,394,502 EUR	100.0%	-349,665 EUR
Allane Service Verwaltungs GmbH	Rostock/Germany	27,063 EUR	100.0%	645 EUR

In accordance with section 264b of the HGB, Allane Services GmbH & Co. KG, Rostock, is exempt from the duty to prepare and publish annual financial statements under the provisions applicable to corporations.

### 2.2 Changes in the scope of consolidation

Since 30 August 2022, the new founded company One Mobility Management GmbH, Pullach/Germany, has been included in the consolidated financial statements as part of a full consolidation. Allane SE holds 100% of the shares in the company. The initial consolidation did not have any significant impact on the Group's net assets, financial position and results of operations.

Additionally, Isar Valley S.A., Luxembourg, in which the Allane Mobility Group holds an equity interest of 0%, is fully consolidated because of control according to IFRS 10. Control exists because the Allane Mobility Group has power over the relevant activities of Isar Valley S.A. due to the structure of Isar Valley S.A. and the operating activities of Isar Valley, Luxembourg are dependent on the Allane Mobility Group. Furthermore, the Allane Mobility Group is exposed to variable returns from these activities, which it can affect.

The Allane Mobility Group furthermore holds interests in the following companies, which due to their low operating activities have not been consolidated because of their insignificance in the aggregate for the presentation of a true and fair view of the net assets, financial position and results of operations as well as the cash flows of Allane Mobility Group. The combined revenue of these companies amounts to less than 1% of consolidated revenue.

### 2.3 Consolidation Methods

The single-entity financial statements included in the consolidated financial statements are uniformly prepared in accordance with the IFRS accounting policies applicable to the Allane Mobility Group as at the balance sheet date 31 December 2022. Where necessary, the single-entity financial statements of the consolidated companies are adjusted to bring them into line with the accounting policies used within the Group.

Subsidiaries are those companies in which the Group has existing rights that give it the ability to direct their main activities. The main activities are the activities that have a material impact on the profitability of the company. Control

thus exists if the Group is exposed to variable returns from the relationship with a company and its power over the relevant activities gives it the opportunity to influence these returns. Generally, the possibility of control is based on a direct or indirect majority of the voting rights by Allane SE. Subsidiaries are consolidated from the date on which the possibility of control exists. They are no longer consolidated when this possibility ceases to exist.

Business combinations are performed in accordance with IFRS 3, which requires business combinations to be accounted for using the acquisition method. Assets and liabilities acquired must generally be recognised at fair value. Any excess of the cost of the business combination over the Group's share of the net fair values of the acquiree's assets, liabilities and contingent liabilities (consideration transferred) is recognised as goodwill and tested for impairment on a regular basis, and at least once a year. The consideration transferred includes mainly the fair value of the assets transferred (e.g. nominal values of means of payment). Acquisition-related costs will be recognized as expenses when they accrue.

The assets and liabilities from a business combination which are recognised at their fair values are depreciated or amortised over their applicable useful lives. If they have an indefinite useful life, any need to recognise impairment losses is determined using the same method as for goodwill.

In the event that significant parts of a company are acquired (asset deal) without an acquisition of shares, IFRS 3 is to be applied as described above, if not only an asset or a group of assets is purchased, but a business operation (business). A business operation consists of resource input and the applicable processes, which can deliver services.

Joint ventures are recognised in accordance with the at-equity method pursuant to the regulations in IFRS 11 as well as IAS 28.

Intra-Group transactions are eliminated in the course of consolidation. Significant receivables, liabilities and provisions between consolidated companies are offset against each other, and inter-company profits and losses are eliminated. Intra-Group income is offset against the corresponding expenses.

## 2.4 Foreign currency translation

The financial statements of consolidated foreign subsidiaries are translated using the functional currency concept. The subsidiaries' functional currency is in each case the local currency, as the subsidiaries operate independently in their respective markets. Assets and liabilities are translated at the closing rate, equity at historic rates. Income statement items are translated at the average rates for the year. The resulting difference as against the closing rate is recognised in the other comprehensive income and accumulated in equity as currency translation differences.

Goodwill arising out of the acquisition of a foreign business operation and any fair value adjustments to the identifiable assets and liabilities will be treated as assets and liabilities of the foreign operation and translated at the closing rate. The resulting differences from translation are recognised in the currency translation reserve.

The exchange rates (= EUR 1) applied for currency translation purposes are shown in the table below:

	Closing rate		Average rate	
	31 Dec. 2022	31 Dec. 2022	2022	2021
Swiss Francs	0.9847	1.0331	1.0017	1.07988



### 3. Reporting and valuation methods

#### 3.1 Income statement

##### Revenue

Towards its customers the Allane Mobility Group acts essentially as lessor for leasing transactions classified as operating leases. At the start of the leasing relationship Allane Mobility Group checks all necessary criteria under IFRS 16 to classify the leasing relationship accordingly. Leasing revenues are recognised pro rata over the term of the respective leasing relation. Revenue is measured at the fair value of the consideration received or receivable and equals the amount to be expected for goods and services provided in the course of ordinary operating activities. Revenue amounts generated at the start of the lease as special lease payment, are deferred and recognised in profit and loss on a straight-line basis over the period of the leasing contract term.

Allane Mobility Group has full-service contracts with customers, which include lump-sum and constant payments for the full services during the contract period. These full-service activities represent, for example, maintenance and tyre change services. Revenue recognition takes place at the point in time when the specific service is provided. Until the time the service performance obligation is satisfied, the customer's payments are recognised as a contractual liability (down-payment received). In the case of full-service maintenance and tyre replacement (due to wear and tear), experience shows that the specific service is only incurred at a later point in time during the term of the contract, as the Allane Mobility Group mainly leases new vehicles. The longer the point in time at which the full service is rendered is postponed, the greater the contractual obligation becomes.

Although the vast majority of the leases are classified as operating leases, the Group also concludes leasing agreements that are classified as finance leases as substantially all risks and rewards incidental to the ownership are transferred to the lessee. Amounts due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases and are subsequently measured applying the effective interest method. Finance lease income is split up into an interest portion and redemption payments on the receivable. Only the interest portion is recognised through profit and loss. The finance income is allocated over the term of the lease on a systematic and rational basis. Lease payments relating to the period are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Vehicle sales are recognised when the vehicle is delivered and economic ownership is transferred (transfer of disposition power), the amount of the revenue and the costs still to be incurred can be determined reliably and an incoming benefit to the buyer is probable.

##### Net finance costs

Interest income and expense presented in net finance costs are recognised on an accrual basis taking into account the outstanding loan amount and the applicable rate of interest. The effective interest method is applied for this.

##### Derivatives and hedging relationship

The Group designates individual financial instruments, including derivatives, as part of cash flow hedges. Hedge relationships are accounted in accordance with IFRS 9.

The eligibility and details of the hedge relationship between hedged item and hedging instrument as well as the relevant risk management objectives and strategies are documented at the start of hedge accounting. In addition, both at the inception of the hedging relationship and over the course of the relationship, it is regularly documented whether the hedging instrument designated in the hedge relationship meets the requirements for hedge effectiveness.

The effective portion of the change in the fair value of derivatives, which are suitable for cash flow hedges and which have been designated as such, is recognised in other comprehensive income under the item „Changes of derivative financial instrument in hedge relationship“. The gain or loss from the ineffective portion is recognised immediately in the net finance costs. Amounts recognised in other comprehensive income are transferred to the income statement during the period in which the hedge underlying transaction is also carried through profit or loss. They are recognised in the same item of income statement that also list the underlying transaction. The section titled „Additional disclosures on financial instruments“ provides details on the fair value of the derivatives used for hedging.

Financial accounting of the hedging relationship ends when the hedging instruments expires, is sold or terminated, or the instrument is no longer suitable for hedging. The full amount of gains or losses recognised in other comprehensive income at this point in time and accumulated in equity remains in equity and is only recognised in the income statement when the expected transaction is also recognised in the income statement. Once the forecasted transaction is no longer expected to occur, the cumulative gain

or loss recognised in equity is directly transferred to the income statement.

Derivatives are measured on initial recognition at fair value and subsequently at the end of each reporting period they are remeasured to their fair value. The fair value of interest rate derivatives is determined by discounting the expected future cash flows over the remaining term of the contract using the current yield curves. The accounting for subsequent changes in fair value depends on whether the derivative has been designated as a hedging instrument.

The Group introduced hedge accounting for certain interest rate derivatives, which are reported under non-current other receivables and assets (previous year: other non-current liabilities). The Group uses these financial instruments to hedge cash flows from variable-rate liabilities under the Asset Backed Securities programme against changes to the underlying interest rate.

The Company determines the economic relationship between the hedged underlying item and the hedging instrument to assess the effectiveness of the hedging, based on the reference interest rate, the term, the variable interest fixing period, the amortisation profile and the due date as well as the notional amount.

The Company assesses the effectiveness of the hedging instrument's compensation for changes in the cash flows of the hedged item by means of the critical terms match method (prospective) and the calculation of ineffectiveness by means of cumulative dollar offset tests under recourse of the hypothetical derivative method (retrospective).

Ineffectiveness can occur mainly in case the market value does not equal zero at the date of designation. In the rare case of unexpected repayments from the asset backed securities programme, the hedging instruments are de-designated accordingly to avoid over-hedging.

#### **Income tax expense**

Income tax expense is the aggregate of current tax expense and deferred taxes.

Current tax expense is calculated on the basis of the taxable income for the year. Taxable profit differs from the profit before taxes (EBT) reported in the Group's income statement because it excludes items of income or expense that are taxable or deductible only in later years or that are never taxable or deductible.

Deferred taxes are the tax charges and tax reliefs expected to result from differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax base.

In accordance with the balance sheet liability method as defined by IAS 12 Income taxes, deferred taxes are recognised for all temporary taxable differences arising from the deviations in the valuation of assets and liabilities as against the corresponding tax base. Deferred tax assets can only be recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates and taxation laws that are expected to apply to the period when the temporary differences reverse or the tax loss carry-forwards are used. Until changes to tax laws are ratified, deferred taxes are measured at current tax rates.

Deferred taxes are recognised in the Group's income statement, except where they relate to items not recognised in the income statement. In this case the deferred taxes are recognised in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset only where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

### **3.2 Assets**

#### **Goodwill**

Goodwill resulting from a business combination is carried at cost less any necessary impairment and is presented separately in the consolidated balance sheet. For the purpose of impairment testing, goodwill is allocated to those cash-generating units (or groups) of the Group that are expected to benefit from the synergies of the business combination.

Those cash-generating units, to which a portion of goodwill has been allocated, must be tested for impairment at least annually. If the recoverable amount of a cash-generating unit is smaller than the carrying amount of the unit, the

impairment costs is allocated first to the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The recoverable amount is the higher value from the value in use and the fair value less costs for selling the asset.

Any impairment of goodwill is recognised directly in the income statement. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

The annual impairment test is based on management's planning of the cash generated unit. The planning assumptions used to determine the value in use are adapted annually to reflect current market conditions and the Company's results of operations. The model used for the impairment test is based on the discounted cash flow method, with a multi-year plan and a growth factor of 1% taken as the basis in deriving a sustainable figure. The discount rates (as weighted average cost of capital, WACCs, pre-tax figures and growth discount) used at the time of the valuation during the year were as follows: 4.7% to 5.3% (2021: between 3.2% and 4.1%). In the 2022 financial year, Allane Mobility Group has set the date of the annual impairment test to 30 September (2021: year-end) and will continue to do so for future reporting periods. The key driver for the change of the execution date is the alignment with the annual budget cycle. The assumptions used for the model are based on external observations. In the opinion of the Allane Mobility Group, there are no reasonably conceivable change in the underlying assumptions, on which the determination of the recoverable amount is based, that would result in the accumulated carrying amount of the cash-generating unit exceeding its recoverable amount.

### Intangible assets

Intangible assets include purchased and internally developed software, as well as any advance payments in respect of intangible assets.

Purchased intangible assets are reported at acquisition cost less accumulated depreciation and impairment losses. Internally generated intangible assets are only capitalised at production cost if the criteria set out in IAS 38 have been met. If the capitalisation criteria have not been met, the expenses are recognised in the income statement in the year in which they are incurred. Intangible assets are amortised on a straight-line basis over a useful life of three to five years. In accordance with IAS 36, intangible assets whose useful lives cannot be determined or are generally indefinite are tested

for impairment on an annual basis and, where necessary, written down to their fair value.

### Property and equipment

Property and equipment are carried at cost less straight-line depreciation and recognised impairment. Depreciation is taken so that the acquisition costs of assets are depreciated on a straight-line basis over their expected useful lives. The expected useful lives, residual values and depreciation methods are re-evaluated at the end of each reporting period and all necessary changes in estimates are applied prospectively.

Depreciation is based on the following useful lives, which apply uniformly throughout the Group.

#### Useful lives

	Period
Operating and office equipment	1 to 21 years

Property and equipment are derecognised either when they are disposed of or when no further economic benefit is to be expected from the continued use of the asset. The resulting gain or loss from the sale or retirement of property or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Impairment of non-current non-financial assets

The Group reviews the carrying amounts of property and equipment and intangible assets as well as the lease assets at each balance sheet date to determine if there are any indications for an impairment of these assets. If any such indications can be detected, the recoverable amount of the asset is estimated to determine the extent of the possible impairment expense.

### Leases

The Allane Mobility Group assesses at the commencement date of the contract whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. The Allane Mobility Group acts both as lessor and as lessee

### Allane Mobility Group as lessor

Leases are classified as finance leases, if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. All other leasing relations are classified as operating leases. Allane Mobility Group also

concludes buy-back agreements with the supplier of the respective vehicle. Considering all the facts and conditions relating to the buy-back agreement and the Allane Mobility Group's specific use of the vehicles during the period from acquisition to final (self-) re-marketing of the vehicles, substantially all the risks and rewards incidental to ownership of the vehicles remains with Allane Mobility Group.

Assets leased out by the Allane Mobility Group as lessor under operating leases are carried in the balance sheet at cost less straight-line depreciation considering their calculated residual values. The duration of the scheduled depreciation corresponds with the lease term. The residual values are based on the buyback value per vehicle type contractually agreed with the suppliers. If no buyback values have been agreed, the residual value is based on the estimated fair value. Estimating the residual values necessitates assumptions regarding the age and mileage of the vehicle at the time of its disposal as well as the expected conditions on the used vehicle market. This results in a market price risk exposure, which is evaluated by the Group periodically by estimating residual values and adjusting depreciation rates. Impairment losses are recognised in individual cases, if the carrying amount, which is based on the originally calculated residual value, exceeds the carrying amount expected prospectively at disposal. In accordance with IFRS 16, leased assets are reported within the non-current assets section.

Lease assets that the Allane Mobility Group has leased out as finance leases are recognised at the present value of the contractually agreed payments as assets under finance lease receivables. Lease payments are apportioned between interest payments and repayments of the leasing receivable, to achieve a constant periodic rate of interest on the receivable. Only the interest portion is recognised through profit or loss.

When a contract includes both lease and non-lease components the Group applies IFRS 15 to allocate the consideration under the contract to each component.

#### **Sale-and-Leaseback**

As a lessor, Allane Mobility Group also offers sale and leaseback transactions. Sale and leaseback transactions are offered exclusively as part of an operating lease. The respective leased out assets in operate lease contracts are depreciated to their contractual residual values on a straight-line basis over the respective lease terms. Impairment losses are recognised in the event that an indication of impairment is given.

The Allane Mobility Group does not act as lessee in a sale and leaseback transaction.

#### **Allane Mobility Group as lessee**

The Allane Mobility Group also acts as contractual lessee in lease agreements relating in particular to rental agreements for buildings. The leases carry a term of up to 23 years, but may also include renewal options. The measurement of extension and termination options was based on the findings at the time of first-time adoption respectively at lease commencement date.

According to IFRS 16 right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. Right-of-use assets are depreciated on a straight-line basis over the lease term. The capitalized Right of use assets, resulting from leasing relationships, have a remaining useful life of 3 to 276 month. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate can not be readily determined, Allane Mobility Group uses its incremental borrowing rate. Except for short-term leases and leases of low value. For these leases, the Allane Mobility Group recognizes the lease payments as operating expenses.

For leases that were concluded before the date of first-time adoption, the Allane Mobility Group decided not to review again whether an agreement is or contains a lease at the time of first-time adoption, but to retain the previous assessment made under IAS 17 and IFRIC 4.

Some leases have variable lease payments linked to an index or (interest-)rate. Any adjustments to the index are recognised as addition during the current reporting period and an estimate of possible index adjustments is not included in the measurement of the lease liability. Agreements including renewal options for which exercise is deemed sufficiently certain, the underlying estimated term of the lease includes the renewal. For leases with a term of twelve months or less, the election option was exercised, and their payments are recognised as an expense in profit or loss on a straight-line basis. Leases without a written agreement and which are of minor importance were classified as short-term leases. Special termination rights on our part were not considered likely to be exercised.

**Inventories**

The item inventories consist to the major part of vehicles intended for sale. These are measured at amortised costs, including incidental costs, and are regularly compared with the estimated net realisable value. If this is lower, an impairment loss is recognised.

**Financial assets, other receivables and assets**

The financial assets consist of originated loans and receivables, equity instruments, purchased debt instruments, cash and cash equivalents, and derivatives. Financial assets are recognised when the Group has a contractual right to receive cash or another financial asset from another party. Purchases and sales of financial assets are generally recognised at the settlement date. Financial assets are initially recognised at fair value plus transaction costs if applicable. Transaction costs incurred for the purchase of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Subsequent measurement is based on the allocation of the financial assets to the categories according to IFRS 9.

The Group classifies its financial assets in the following measurement categories: at fair value, with changes recognised either through profit or loss or through other comprehensive income and at amortised cost.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Trade receivables, financial receivables and loans reported in other assets, as well as cash and cash equivalents are assigned to this measurement category.

Interest income from items in this category is calculated using the effective interest method unless the receivables are short-term and the effect of interest accumulation is immaterial.

Assets that are held for collection of contractual cash flows and for sale, and whose cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income. These are, in particular, debt instruments not held to maturity. Changes in the fair value are recognised in other comprehensive income. Changes in fair value are only recognised in profit or loss when the instrument is disposed of. Interest income from these financial assets is included in the net finance costs using the effective interest rate method. At present, the

Group does not report any debt instruments that are not held to maturity.

Assets, that are not measured at amortised cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Equity instruments and receivables from derivatives reported in other financial assets are assigned to this category. Changes in the fair value are recognised in profit or loss. The gain or loss resulting from the measurement of derivative financial instruments is immediately recognised in profit or loss, unless the derivative is designated and effective as hedging instrument in a hedging relationship (hedge accounting). In this case, the timing of the recognition in the income statement of the measurement results depends on the type of hedging relationship.

Financial assets, with the exception of financial assets at fair value through profit or loss, are assessed at each reporting date on the basis of expected credit losses. The impairment method applied depends on whether there has been a significant increase in credit risks. For trade receivables and finance lease receivables, the Group applies the simplified approach, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivables is recognised for all instruments irrespective of their credit quality.

Some categories of financial assets, such as trade receivables, are tested for impairment on a portfolio basis. The portfolio-based assessment is carried out by grouping together assets with similar risk characteristics, such as customer group, customer creditworthiness and transaction type to determine an impairment provision reflecting the expected probability of default.

When assessing the portfolio-based impairment, the Group uses in addition to management expectations, the historical information on the timing of recoveries and defaults and makes necessary adjustments to reflect current and expected future economic conditions that may affect the defaults.

In the case of financial assets measured at amortised cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the net present value of expected future cash flows determined on the basis of the original effective interest rate of the asset.

An impairment of the affected financial assets is recognised in an impairment account (allowance account). Changes in

the carrying amount of the impairment account are recognised in the income statement.

When the Group considers that there are no realistic prospects of recovering the asset, the relevant amount is written-off.

The Group also derecognises a financial asset if the contractual rights to cash flows from the financial asset expire or the financial asset and practically all the opportunities and risks associated with the financial asset are transferred to a third party.

### 3.3 Equity and liabilities

#### Equity

Equity includes other comprehensive income resulting from exchange rate differences of consolidated entities, for which the functional currency differs from the currency of the Group, reserve for derivative financial instruments in hedging relationship and actuarial gains or losses from the re-measurement of defined benefit pension plans.

#### Provisions for pensions

Provisions for pensions are measured using the projected unit credit method. The measurement is based on actuarial valuations by independent third parties relying on financial and demographic assumptions. The assumptions are reviewed for appropriateness at each balance sheet date.

The amount recognised as provisions for pensions in the consolidated balance sheet is the current net liability of the defined benefit plans of the Group. Service costs are recognised in personnel expenses within the consolidated income statement, while net interest income is recognised as part of the finance costs. Remeasurements of the defined benefit obligation, net of tax are recognised in other equity. These amounts recognised in other equity are not recognised in the income statement in the future.

#### Provisions

Adequate provisions are recognised for potential obligations to third parties if these are attributable to a past event, if utilisation is more likely than not and a reliable estimate can be made of the probable amount of the obligation. Such liabilities are only carried as provisions if their amount is uncertain and payment to settle the obligation is probable. The measurements are made with the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties

inherent in the obligation. Where a provision is measured on the basis of the estimated cash flows for meeting the obligation, these cash flows are discounted if the impact on interest is significant.

#### Financial liabilities

Financial liabilities are measured on initial recognition at their fair value and subsequently – with the exception of derivative financial instruments and contingent consideration resulting from a business combination, which are measured at fair value – according to the effective interest method at amortised costs less directly attributable transaction costs, where applicable. Leasing payments for liabilities to the lessor are divided up into an interest portion and a redemption portion. Only the interest portion is recognised as expense within the net finance costs.

### 3.4 Estimation uncertainties and discretionary decisions

In preparing the consolidated financial statements, it is often necessary to make estimates and assumptions that affect both the items reported in the consolidated balance sheet and the consolidated income statement, as well as in the disclosures contained in the notes to the consolidated financial statements. The amounts actually realised may differ from the reported amounts. Changes are recognised in the income statement on the date at which an improved knowledge is gained.

The estimates and assumptions made are outlined in the disclosures on the individual items. The areas in which amounts are most significantly affected are the following:

Goodwill is measured on the basis of expected developments and estimated parameters, property and equipment is measured on the basis of the estimated useful lives of the assets. Lease assets are measured based on the estimated useful lives of the vehicles and taking into account the expected residual value of the vehicle, lease assets intended for sale are measured on the estimation of the expected net realisable value. For classifying it is lease contracts the Allane Mobility Group as a lessor, concludes that, for contracts with existing buy-back agreements with the supplier of the respective vehicle, taking into account all relevant circumstances and conditions, despite a residual value guarantee, substantially all the risk and rewards incidental to ownership of the underlying vehicles remains with the Allane Mobility Group.

Valuation allowances are charged on receivables based on an assessment of the expected credit risks, which are based on management expectations and historical default rates. Derivatives are valued using a calculation model based on yield curves obtained from a market data platform. The need for provisions is determined using the best estimate of the most probable settlement amount of the present obligation at the balance sheet date. Provisions for pensions are based on actuarial valuations derived from financial and demographic assumptions.

The regularly reviewed and recognised risk provisioning for lease assets essentially represents provision for future marketing at the end of the individual lease term of the existing leasing contract portfolio as of the relevant reporting date and has therefore not yet been realised as of the relevant reporting date. For measuring the risk provisioning, Managing Board applies a model that uses external industry expertise to predict future developments.

Due to the lasting economic effects of the Russia-Ukraine war, the future development of used car prices can still hardly be reliably estimated. The current very positive price trend for used cars is also reflected in the expected residual values that the Allane Mobility Group receives from an external service provider and was therefore used as a basis for the valuation of the residual values. However, it is not possible to say with certainty at present whether this positive price trend will actually continue for the next years.

Trade receivables consist of lease instalments due immediately or in the short term (operate lease) and receivables due immediately or in the short term from full service, fleet management and vehicle sales. Furthermore, to a significant lower extent, finance lease receivables exist, which are substantially current receivables as well. The Allane Mobility Group expects that any payment difficulties and defaults due to the high level of interest rates and inflation as well as the Russia-Ukraine war, which is still ongoing after one year will only be felt in the medium to long term, if at all. Due to the short-term nature of our receivables portfolio, the Allane Mobility Group do not weight these scenarios when calculating the expected credit loss. As part of our early warning, monitoring and control measures, we have not yet identified any significant direct impact of the Russia-Ukraine war on our receivables portfolio. The receivables of our partners are being continuously monitored and, if necessary, we are taking short-term measures to keep our risk position low. An appropriate credit assessment process is in place for new business in the future.

In preparing the consolidated financial statements, the Allane Mobility Group has assessed the potential impact of climate change and related future regulatory requirements and taken them into account accordingly. During the preparation of the consolidated financial statements, potential effects on non-current assets, provisions and future cash flows were taken into account in significant estimates and assessments and included as far as possible. Impairment tests of goodwill and intangible assets with indefinite useful lives were performed on the premise of potential effects on planning and thus in deriving future cash flows. Furthermore, based on these developments, the need for event-driven impairment tests or adjustments to useful lives of other non-current non-financial assets is assessed.

Based on the points presented here, there are no material effects on the consolidated financial statements of the Allane Mobility Group.

## 4. Explanations and disclosures on individual items of the consolidated financial statements

### 4.1 Income statement

\4.1\ Revenue is broken down as follows:

#### Revenue

in EUR thou.	Germany		Abroad		Total		Change in %
	2022	2021	2022	2021	2022	2021	
<b>Leasing Business Unit</b>							
Leasing revenue (finance rate)	161,321	175,339	26,945	24,087	188,266	199,427	-5.6
Other revenue from leasing business	122,925	117,009	17,240	16,344	140,165	133,353	5.1
Sales revenue	249,227	275,618	18,353	16,711	267,579	292,329	-8.5
<b>Total</b>	<b>533,473</b>	<b>567,967</b>	<b>62,538</b>	<b>57,141</b>	<b>596,011</b>	<b>625,108</b>	<b>-4.7</b>
<b>Fleet Management Business Unit</b>							
Fleet management revenue	43,488	37,090	13,465	16,156	56,953	53,246	7.0
Sales revenue	64,054	62,095	-	-	64,054	62,095	3.2
<b>Total</b>	<b>107,543</b>	<b>99,185</b>	<b>13,465</b>	<b>16,156</b>	<b>121,007</b>	<b>115,341</b>	<b>4.9</b>
<b>Group total</b>	<b>641,015</b>	<b>667,152</b>	<b>76,003</b>	<b>73,298</b>	<b>717,018</b>	<b>740,450</b>	<b>-3.2</b>

The Group is divided into the two segments, Leasing and Fleet Management. These business units form the basis of segment reporting. The main activities are broken down as follows:

#### Segments

Leasing	Vehicle leasing including additional services for companies as well as for private individuals and sale of lease assets
Fleetmanagement	Fleet management services and sale of used customer vehicles

Leasing revenue (finance rate), other revenue from leasing business and fleet management revenue are together described as 'operating revenue'. Sales revenue are not included in this item.

In the Leasing business unit, operating revenue comprises income from contractually agreed lease instalments, as well as revenue relating to service components such as repairs, fuel, tires, etc., as well as revenue from the settlement of accident claims and franchise fees.

The leasing segment in general sells its vehicles directly and therefore reports all proceeds from the sale of used vehicles under sales revenue.

In the Fleet Management business unit fleet management revenue comprises revenue relating to service components, contractual service fees and revenue from settlement of accident claims. Additionally, the Fleet Management segment reports revenue from the sale of used vehicles bought from customers.

Revenues of the Allane Mobility Group include compensation payments from third parties totalling EUR 4,415 thousand (2021: EUR 6,247 thousand).

\4.2\ **Other operating income** in the amount of 7,116 EUR thousand (2021: 8,018 EUR thousand) include income of EUR 1,399 thousand (2021: EUR 1,093 thousand) from currency translation. The corresponding expenses from currency translation are included within other operating expenses. This item also includes income from cost allocations to third parties in the amount of EUR 327 thousand (2021: EUR 165 thousand), income from the reversal of provisions in the amount of EUR 193 thousand (2021: EUR 219 thousand) and income from own work capitalized in the amount of EUR 2,214 thousand (2021: EUR 3,358 thousand).

\4.3\ **Fleet expenses and cost of lease assets** are broken down as follows:



## Fleet expenses and cost of lease assets

in EUR thou.	2022	2021	Change in %
Selling expenses <sup>1</sup>	290,577	331,629	-12.4
Fuel	53,571	41,898	27.9
Repair, maintenance and reconditioning	69,162	60,929	13.5
Insurance	8,297	9,375	-11.5
External rent expenses	5,215	5,208	0.1
Vehicle licenses and deregistration	5,947	4,392	35.4
Transportation	2,913	4,323	-32.6
Taxes and dues	2,831	3,107	-8.9
Radio license fees	1,488	1,519	-2.1
Vehicle return expenses	2,776	3,234	-14.2
Other expenses	6,278	7,477	-16.0
<b>Group total</b>	<b>449,054</b>	<b>473,091</b>	<b>-5.1</b>

<sup>1</sup> Including impairment losses on leased assets held for sale of EUR 0.8 million (2021: Impairment gains EUR 1.2 million)

\4.4\ **Personal expenses** raised from EUR 50,076 thousand the year before to EUR 52,834 thousand in the year under review, due to the increase in personnel resources of the Group and general wages and salary adjustments compared to the previous year. Social security contributions mainly include the employer contributions to statutory insurance schemes and the expenses for the defined contribution as well as defined benefit pension plans. These mainly relate to pension insurance amounts of EUR 37 thousand (2021: EUR 2,947 thousand) primarily result from the statutory German pension insurance. Expenses for defined benefit plans are included in the amount of EUR 113 thousand (2021: EUR 104 thousand).

## Personnel expenses

in EUR thou.	2022	2021	Change in %
Wages and salaries	45,068	42,936	5.0
Social security contributions	7,766	7,140	8.8
<b>Group total</b>	<b>52,834</b>	<b>50,076</b>	<b>5.5</b>

Average number of employees during the year:

## Employees in the Group

	2022	2021
Female employees	332	323
Male employees	406	392
<b>Group total</b>	<b>738</b>	<b>715</b>

The Leasing business unit employed 657 (2021: 630) members of staff and the Fleet Management business unit 81 (2021: 85) members of staff.

\4.5\ **Net Losses arising from the derecognition of financial assets recognised in profit or loss:** During the 2022 financial year, the following income and expenses were recognized in profit and loss in relation to impaired financial assets measured at amortised costs.

## Net losses arising from the derecognition of financial assets

in EUR thou.	2022	2021	Change in %
Income from derecognized receivables	803	1,014	-20.8
Expenses from derecognized receivables	-3,483	-4,204	-17.2
<b>Group total</b>	<b>-2,680</b>	<b>-3,190</b>	<b>-16.0</b>

\4.6\ **Net impairment losses/gains from financial assets recognised in profit and loss:**

During the 2022 financial year, the following gains/losses were recognized in profit or loss in relation to impaired financial assets measured at amortised costs.

## Net impairment losses (-)/gains (+) from financial assets

in EUR thou.	2022	2021	Change in %
Reversal of previous impairment losses on trade receivables	1,491	810	84.1
Impairment losses on trade receivables	-40	-50	-18.6
Impairment losses on receivables from affiliate companies	-956	-1,548	-38.2
<b>Group total</b>	<b>494</b>	<b>-788</b>	<b>-162.8</b>

\4.7\ The following table contains a breakdown of other **operating expenses**:

Other operating expenses in EUR thou.	2022	2021	Change in %
Rental expenses for business premises	1,426	1,725	-17.3
Other selling and marketing expenses	3,323	4,164	-20.2
Audit, legal, advisory costs, and investor relations expenses	9,570	14,379	-33.4
Other personnel services	2,864	2,142	33.7
IT expenses	11,948	10,763	11.0
Expenses for foreign currency translation	1,362	959	42.0
Miscellaneous expenses	4,470	3,178	40.7
<b>Group total</b>	<b>34,963</b>	<b>37,310</b>	<b>-6.3</b>

Rental expenses for business premises include expenses for short-term leases in the amount of EUR 151 thousand (2021: EUR 352 thousand). Total payments made for leasing contracts in the 2022 financial year amounted to EUR 2,783 thousand (2021: EUR 9,491 thousand).

The consolidated financial statements of Allane SE recognise as operating expense in the amount of EUR 522 thousand the fees for the auditor of the consolidated financial statements 2022 and consist entirely of fees for audits. The consolidated financial statements of Allane SE in the 2021 financial year recognised as operating expense in the amount of EUR 420 thousand the fees for the auditors of the consolidated financial statements.

IT expenses increased year-on-year to EUR 11,948 thousand. The continued high level is mainly due to the IT expenses associated with the carve-out. The IT services previously provided by Sixt GmbH & Co. Autovermietung KG will be provided by the company itself or by external service providers since ending of 2022 financial year. In addition, expenses were incurred in connection with the operation and modernisation of the IT infrastructure, applications and software. The decrease in legal and advisory costs to EUR 9,570 thousand results mainly from the reduced amount of litigations against the Company.

\4.8\ **Expenses for depreciation and amortisation** in the financial year are explained in more details below:

Depreciation and amortisation in EUR thou.	2022	2021	Change in %
Lease assets	154,231	161,773	-4.7
Property and equipment	4,051	4,177	-3.0
Intangible assets	9,784	5,069	93.0
<b>Group total</b>	<b>168,065</b>	<b>171,019</b>	<b>-1.7</b>

The depreciation of lease assets has decreased below prior year's level to EUR 154,231 thousand (2021: EUR 161,773 thousand), mainly due to the lower level of leased assets in the 2022 financial year and lower impairment losses due to higher expected residual values at the end of the lease term. Amortisation of intangible assets increased significantly, mainly due to impairment test carried out in the 2022 financial year and the associated impairment of the assets.

\4.9\ **Net Finance costs** have improved year-on-year from EUR -6,861 thousand to EUR -4,214 thousand, mainly due to a more favourable refinancing of the bonds repaid at the beginning of the 2022 financial year through loans from the affiliated company Santander Consumer Bank AG. The following table contains a breakdown of the net finance cost:

Net finance costs in EUR thou.	2022	2021
Other interest and similar income	359	230
Other interest and similar income from related parties	11	58
Interest and similar expenses	-3,114	-7,049
Interest and similar expenses for related parties	-1,602	-256
Other net financial result	131	156
<b>Group total</b>	<b>-4,214</b>	<b>-6,861</b>

Interest expenses for lease liabilities amounted to EUR 336 thousand in the 2022 financial year (previous year: EUR 296 thousand).

The other net financial result consists of the expense from realisation as well as the ineffective part of the derivatives in hedging relationships and expenses from participations.

\4.10\ **Income tax expense** comprises the following:

Income tax expense in EUR thou.	2022	2021	Change in %
Current income tax for the reporting period	4,398	2,731	61.0
Deferred taxes	- 601	-2,436	75.3
<b>Group total</b>	<b>3,797</b>	<b>295</b>	<b>&gt;100</b>

The current income tax expense for the financial year 2022 of EUR 4,398 thousand (2021: EUR 2,731 thousand) includes tax expense from previous years in the amount of EUR 44 thousand (2021: EUR 81 thousand).

The following tax reconciliation explains the relationship between the expected and effective tax expense reported. The expected tax expense results from the application of an income tax rate of 26.2% (2021: 26.3%) to consolidated profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax at 15% (2021: 15%) a solidarity surcharge of 5.5% (2021: 5.5%) as well as trade tax at 10.4% (2021: 10.5%).

Reconciliation of taxes  
in EUR thou.

	2022	2021
Consolidated profit before taxes in accordance with IFRS	12,819	6,133
Expected income tax expense	3,363	1,613
Effect of different tax rates outside Germany	- 44	- 52
Changes in permanent differences	255	386
Changes in impairments	31	- 319
Non-deductible operating expenses	103	183
Tax-exempt income	-	-
Income taxes from other periods (current and deferred)	44	81
Change in tax rates	-	- 45
Other effects	45	- 1,553
<b>Reported tax expense</b>	<b>3,797</b>	<b>295</b>

As at 31 December 2022, deferred tax without impact on the income statement amounted to EUR 2,111 thousand (2021: EUR 241 thousand). The change compared to the previous year amounts to EUR 1,870 thousand (2021: 205 thousand).

Deferred tax recognised in the income statement has developed as follows:

Deferred taxes in EUR thou.	2022	2021
From temporary differences	- 628	- 2,658
From loss carryforwards	27	221
<b>Group total</b>	<b>- 601</b>	<b>- 2,436</b>

The following overview outlines the sources of the deferred tax assets and liabilities:

Deferred taxes

in EUR thou.	Deferred tax assets		Deferred tax liabilities	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Lease assets	515	366	35,249	32,653
Receivables	81	66	1,050	398
Other assets	91	76	4,001	6,639
Other liabilities	7,988	7,069	4,002	2,225
Tax loss carry-forwards	837	810	-	-
	<b>9,512</b>	<b>8,387</b>	<b>44,302</b>	<b>41,915</b>
Offsetting	- 8,729	- 7,573	- 8,729	- 7,573
<b>Group total</b>	<b>783</b>	<b>814</b>	<b>35,573</b>	<b>34,342</b>

Deferred tax assets and deferred tax liabilities are offset, if the Group has a legally enforceable right to set off the current income tax assets against current income tax liabilities

and they relate to income taxes levied by the same tax authority.

On the unused corporate tax losses carried-forward of EUR 10,969 thousand (2021: EUR 12,158 thousand) no deferred tax assets were recognised in respect of EUR 7,535 thousand (2021: EUR 8,910 thousand) and on the unused trade tax losses carried-forward of EUR 7,886 thousand (2021: EUR 8,063 thousand) no deferred tax assets were recognised for EUR 4,816 thousand (2021: EUR 4,816 thousand). The loss carry-forwards for which deferred tax assets have been recognised are expected to be used during the five-year planning period. The losses may be carried forward indefinitely.

The development of deferred tax liabilities on lease assets has resulted from the increasing difference between the IFRS carrying amount and the tax base value.

There were no deductible temporary differences in the financial year for which no deferred taxes were recognised (2021: 0 EUR thousand).

The temporary differences taxable upon realization in connection with interests held in the Group's subsidiaries and for which no deferred tax liabilities were recognised in the reporting periods presented amount to EUR 1,082 thousand (2021: EUR 1,356 thousand).

\4.11\The **Consolidated profit** amounts to EUR 9,022 thousand (2021: EUR 5,838 thousand). As in the previous year minority interests are not to be considered.

In the previous year a dividend of EUR 0.06 per ordinary share was paid. This corresponds to a total distribution to shareholders in the amount of EUR 1,237 thousand, recognised in the financial year.

The dividend proposal for the financial year 2022 is a dividend of EUR 0.09 per ordinary share. This corresponds to an estimated total distribution of EUR 1,885 thousand for the year under review. The proposed dividend is dependent upon a corresponding resolution being passed by the Annual General Meeting and was not recognised as a liability in the consolidated financial statements. The exact dividend proposal is subject to the approval of the supervisory board and will be published with the agenda for the 2023 Annual General Meeting, taking into account any expectations of the supervisory authorities in this respect.

\4.12\ **Earnings per share** are as follows:

#### Earnings per share

		2022	2021
Consolidated profit	in EUR thou.	9,022	5,838
Profit attributable to shareholders of Allane SE	in EUR thou.	9,022	5,838
Weighted average number of shares		20,611,593	20,611,593
Earnings per share – basic and diluted	in EUR	0.44	0.28

The basic earnings per share is determined by dividing the parent's share of earnings after taxes to the weighted average number of shares during the current financial year. Diluted earnings per share is calculated on the basis of conversion of all dilutive instruments into ordinary shares.

There were no financial instruments outstanding over the financial year that could cause dilutive effects. Therefore, the diluted earnings per share correspond in the amount to the basic earnings per share.

## 4.2 Balance Sheet

### Assets

\4.13\ bis \4.16\ The changes in the **Group's non-current assets** (without financial assets) are shown below:

Consolidated statement of changes in non-current assets

in EUR thou.	1 Jan. 2022	Foreign exchange differences	Acquisition and production costs			31 Dec. 2022
			Additions	Disposals	Transfers	
<b>Goodwill</b>	<b>4,300</b>	<b>8</b>	-	-	-	<b>4,308</b>
Purchased software	9,507	-	91	-	-	9,598
Internally developed software	25,861	-	-	5,968	3,262	23,155
Internally developed software in progress	700	-	5,225	164	-3,262	2,499
Payments on account of software	222	-	-	222	-	-
<b>Intangible assets</b>	<b>36,290</b>	<b>-</b>	<b>5,317</b>	<b>6,355</b>	<b>-</b>	<b>35,252</b>
Right of use assets	24,144	67	6,279	-	-	30,490
Operating and office equipment	11,377	19	1,418	515	682	12,981
<b>Property and equipment</b>	<b>35,521</b>	<b>86</b>	<b>7,697</b>	<b>515</b>	<b>682</b>	<b>43,471</b>
<b>Lease assets</b>	<b>1,195,030</b>	<b>2,958</b>	<b>372,708</b>	<b>370,617</b>	<b>-682</b>	<b>1,198,639</b>
<b>Total</b>	<b>1,271,141</b>	<b>3,052</b>	<b>385,722</b>	<b>377,487</b>	<b>-</b>	<b>1,281,669</b>

Consolidated statement of changes in non-current assets

in EUR thou.	1 Jan. 2021	Foreign exchange differences	Acquisition and production costs			31 Dec. 2021
			Additions	Disposals	Transfers	
<b>Goodwill</b>	<b>4,293</b>	<b>7</b>	-	-	-	<b>4,300</b>
Purchased software	3,705	-	5,802	-	-	9,507
Internally developed software	17,466	-	-	484	8,879	25,861
Internally developed software in progress	5,076	-	4,503	-	-8,879	700
Payments on account of software	-	-	222	-	-	222
<b>Intangible assets</b>	<b>26,247</b>	<b>-</b>	<b>10,527</b>	<b>484</b>	<b>-</b>	<b>36,290</b>
Right of use assets	13,978	59	10,166	59	-	24,144
Operating and office equipment	7,192	11	5,571	2,019	622	11,377
<b>Property and equipment</b>	<b>21,169</b>	<b>71</b>	<b>15,737</b>	<b>2,078</b>	<b>622</b>	<b>35,521</b>
<b>Lease assets</b>	<b>1,307,667</b>	<b>2,508</b>	<b>315,842</b>	<b>430,365</b>	<b>-622</b>	<b>1,195,030</b>
<b>Total</b>	<b>1,359,376</b>	<b>2,586</b>	<b>342,106</b>	<b>432,927</b>	<b>-</b>	<b>1,271,141</b>

## Consolidated statement of changes in non-current assets

in TEUR	1 Jan. 2022	Foreign exchange differences	Depreciation/Amortisation Depr./Amortisation in the financial year			31 Dec. 2022	Carrying amounts	
			Disposals	Transfers	31.12.2022		31 Dec. 2021	
<b>Goodwill<sup>1</sup></b>	-	-	-	-	-	-	<b>4,308</b>	<b>4,300</b>
Purchased software <sup>2</sup>	3,783	-	1,259	-	-	5,042	4,556	5,724
Internally developed software <sup>2</sup>	8,340	-	8,360	5,968	-	10,732	12,423	17,521
Internally developed software in progress <sup>2</sup>	-	-	164	164	-	-	2,499	700
Payments on account of software <sup>2</sup>	-	-	-	-	-	-	-	-
<b>Intangible assets<sup>2</sup></b>	<b>12,123</b>	-	<b>9,784</b>	<b>6,132</b>	-	<b>15,774</b>	<b>19,478</b>	<b>24,168</b>
Right of use assets <sup>3</sup>	6,440	20	2,653	-	-	9,113	21,377	17,704
Operating and office equipment <sup>3</sup>	3,932	10	1,398	220	193	5,313	7,668	7,444
<b>Property and equipment<sup>3</sup></b>	<b>10,372</b>	<b>30</b>	<b>4,051</b>	<b>220</b>	<b>193</b>	<b>14,426</b>	<b>29,045</b>	<b>25,148</b>
<b>Lease assets<sup>4</sup></b>	<b>199,652</b>	<b>782</b>	<b>154,231</b>	<b>149,025</b>	<b>-193</b>	<b>205,447</b>	<b>993,192</b>	<b>995,378</b>
<b>Total</b>	<b>222,147</b>	<b>812</b>	<b>168,065</b>	<b>155,377</b>	<b>-</b>	<b>235,647</b>	<b>1,046,022</b>	<b>1,048,994</b>

<sup>1</sup> Depreciation includes impairments in the amount of EUR 0 thousand (2021: EUR 0 thousand)

<sup>2</sup> Depreciation includes impairments in the amount of EUR 2,839 thousand (2021: EUR 175 thousand)

<sup>3</sup> Depreciation includes impairments in the amount of EUR 0 (2021: EUR 0 thousand)

<sup>4</sup> Depreciation includes impairments in the amount of EUR 461 thousand (2021: EUR 730 thousand)

## Consolidated statement of changes in non-current assets

in TEUR	1 Jan. 2021	Foreign exchange differences	Depreciation/Amortisation Depr./Amortisation in the financial year			31 Dec. 2021	Carrying amounts	
			Disposals	Transfers	31 Dec. 2021		31 Dec. 2020	
<b>Goodwill<sup>1</sup></b>	-	-	-	-	-	-	<b>4,300</b>	<b>4,293</b>
Purchased software <sup>2</sup>	3,470	-	313	-	-	3,783	5,724	235
Internally developed software <sup>2</sup>	4,067	-	4,756	484	-	8,340	17,521	13,398
Internally developed software in progress <sup>2</sup>	-	-	-	-	-	-	700	5,076
Payments on account of software <sup>2</sup>	-	-	-	-	-	-	222	-
<b>Intangible assets<sup>2</sup></b>	<b>7,538</b>	-	<b>5,069</b>	<b>484</b>	-	<b>12,123</b>	<b>24,168</b>	<b>18,709</b>
Right of use assets <sup>3</sup>	3,802	16	2,622	-	-	6,440	17,704	10,175
Operating and office equipment <sup>3</sup>	2,993	6	1,555	819	196	3,932	7,444	4,199
<b>Property and equipment<sup>3</sup></b>	<b>6,795</b>	<b>22</b>	<b>4,177</b>	<b>819</b>	<b>196</b>	<b>10,372</b>	<b>25,148</b>	<b>14,374</b>
<b>Lease assets<sup>4</sup></b>	<b>215,132</b>	<b>660</b>	<b>161,773</b>	<b>177,716</b>	<b>-196</b>	<b>199,652</b>	<b>995,378</b>	<b>1,092,535</b>
<b>Total</b>	<b>229,465</b>	<b>682</b>	<b>171,019</b>	<b>179,019</b>	<b>-</b>	<b>222,147</b>	<b>1,048,994</b>	<b>1,129,911</b>

**Non-current und current assets**

\4.13\ **Goodwill** amounting to EUR 4,308 thousand (2021: EUR 4,300 thousand) resulted from consolidation of the companies autohaus24 GmbH, Pullach, Allane Mobility Consulting AG, Urdorf, both acquired in 2016, and the company Flottenmeister GmbH, Pullach, included in the 2019 financial year, which was merged with Allane Mobility Consulting GmbH in the 2020 financial year. In the 2020 financial year, material parts of the business operations of SL Car Sales GmbH, Garching, were acquired as well as assets and contracts affiliated with this business operation. As in the year before, no impairment losses were recognised for them in the financial year. The increase in goodwill is due to exchange rate differences in the amount of EUR 8 thousand.

There was no impairment of goodwill in the 2022 financial year (2021: EUR 0 thousand).

\4.14\ **Intangible assets** include internally developed software amounting to EUR 12,423 thousand (2021: EUR 17,521 thousand) and purchased software amounting to EUR 4,556 thousand (2021: EUR 5,724 thousand). It also includes advance payments in respect of internally developed software amounting to EUR 2,499 thousand (2021: EUR 700 thousand).

The depreciation and amortisation of EUR 9,784 thousand (2021: EUR 5,069 thousand) in the 2022 financial year included impairment of EUR 2,839 thousand (2021: EUR 175 thousand) due to software that was no longer in use.

\4.15\ The item **Property and equipment** includes operating and office equipment (mainly Company cars, IT systems, fixtures and fitting and office equipment) in the amount of EUR 7,668 thousand (2021: EUR 7,444 thousand), as well as right-of-use assets (mainly properties) in the amount of EUR 21,377 thousand (2021: EUR 17,704 thousand). In the 2022 financial year, the existing rental agreement for the re-marketing locations Eching (extended prematurely by 12 years) and Egelsbach (extended prematurely by 10 years), which essentially led to an increase in right-of-use assets.

The depreciation and amortisation of EUR 4,051 thousand (2021: EUR 4,177 thousand) in the 2022 financial year included no impairment of the property and equipment.

\4.16\ **Lease assets** decreased to EUR 993.2 million (2021: EUR 995.4 million). The Group as lessor primarily leases out vehicles of various brands, mainly under full-service lease

agreements. The outstanding lease payments from operating lease contracts are spread over the following years:

**Operating Leases**

in EUR thou.	31.12.2022	31.12.2021
2022		155,774
2023	151,978	91,433
2024	92,260	39,655
2025	48,470	11,570
2026	16,716	1,246
2027	1,728	33
2028 and later	37	0
	<b>311,189</b>	<b>299,711</b>

The amounts stated contain only the lease instalments without service components. The fixed-term agreements usually contain agreements on the vehicles' mileage. The resulting contingent lease payments recognised as income in the current financial year amounted to EUR –2.0 million (2021: EUR –3.5 million). In addition to these, the Group estimated calculated residual values covered by buyback agreements in the amount of EUR 128.7 million (2021: EUR 163.2 million) and further calculated residual values not covered by third parties in the amount of EUR 622.9 million (2021: EUR 612.8 million). In 2022 financial year there were depreciation on lease assets in the amount of EUR 154.2 million (2021: EUR 161.8 million), herein impairment losses of EUR 0.5 million (2021: EUR 0.7 million) were recognised on lease assets.

As of the reporting date 31 December 2022 lease assets of EUR 40.0 million (2021: EUR 33.7 million) are pledged as collateral to banks. Furthermore, lease assets was assigned as a security as part of the ABS-program in the amount of EUR 285.0 million (2021: EUR 463.4 million).

As at 31 December 2022, Allane Mobility Group, as lessor, had entered into a small portion of its lease assets amounting to EUR 9.7 million under operate sale and leaseback agreements.

\4.17\ **Inventories** consist mainly of lease assets intended for sale in the amount of EUR 39,946 thousand (2021: EUR 38,488 thousand).

\4.18\ **Trade receivables** result almost exclusively from services invoiced in the course of leasing and fleet management business and from vehicle deliveries. Valuation allowances were recognised for expected credit losses.

\4.19\ **Other receivables and assets** can be broken down as:

#### Other receivables and assets

in EUR thou.	31 Dec. 2022	31 Dec. 2021
Financial other receivables and assets		
Finance lease receivables	1,877	1,542
Interest rate swap	9,254	788
Miscellaneous assets	11,357	12,159
Non-financial other receivables and assets		
Other tax receivables	6,431	783
Insurance claims	8,860	8,396
Deferred expense	4,474	4,787
<b>Group total</b>	<b>42,251</b>	<b>28,455</b>
thereof current	31,806	26,679
thereof non-current	10,446	1,777

The finance lease receivables result from lease agreements with customers that are classified as finance leases. The interest rate implicit in the leases is fixed at the inception of the lease for the entire term. The agreements partly contain put options on the part of the Group as lessor. The valuation allowance on finance lease receivables amounted to EUR 0,0 million (2021: EUR 0,0 million) in total.

The outstanding lease payments from finance lease contracts are spread over the following years as follows:

#### Finance leases

in EUR thou.	31.12.2022	31.12.2021
2022		716
2023	967	617
2024	982	314
2025	183	35
2026	16	11
2027	2	0
2028 and later	0	0
	<b>2,149</b>	<b>1,693</b>

Miscellaneous assets mainly include volume bonus receivables from suppliers and service providers.

Deferred expenses consist mainly of advance payments made for future licenses and other services, advance payments for product-related insurance and vehicle taxes, and bonus payments made to customers relating to the entire period of the lease.

\4.20\ **Bank balances** of EUR 5,168 thousands (2021: EUR 1,655 thousands) include short-term deposits at banks with

terms of up to one month. As there were no overdrafts as at 31 December 2022, the bank balance corresponds to the cash and cash equivalents according to the consolidated cash flow statement. On 31 December 2021 the position reduced about current bank liabilities, including in the financial liabilities, in the amount of EUR 2,072 thousand corresponding the total liquid funds in the cash flow statement.

#### Liabilities

##### Equity and liabilities

The Allane Mobility Group's equity increased year-on-year to a total of EUR 235,268 thousand (2021: EUR 220,192 thousands). Therein, the subscribed capital of Allane SE amounted unchanged to EUR 20,612 thousand.

#### \4.21\ **Subscribed capital of Allane SE**

##### Share capital

	No-par value shares	Nominal value in EUR 31.12.2022	No-par value shares	Nominal value in EUR 31.12.2021
Ordinary shares	20,611,593	20,611,593	20,611,593	20,611,593
<b>Total</b>	<b>20,611,593</b>	<b>20,611,593</b>	<b>20,611,593</b>	<b>20,611,593</b>

The share capital is fully paid up. The subscribed capital of Allane SE as of 31 December 2022 amounts to a total of EUR 20,611,593.00 and is divided into 20,611,593 ordinary bearer shares. The shares of the Company are no-par value shares with a pro-rata amount of subscribed capital of EUR 1.00 per share. The shares are fully paid in. The rights and obligations of the shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular sections 12, 53a et seq., 118 et seq. and 186 AktG.

##### Conditional capital

In accordance with section 4 (4) of the Articles of Association, by resolution of the Annual General Meeting of 1 June 2016, the Company's share capital is conditionally increased by up to a total of EUR 4,122,318.00 (Conditional Capital 2016). The Conditional Capital 2016 serves the purpose of granting shares to the holders and/or creditors of convertible bonds as well as the holders of option rights from option bonds. Further details follow from the aforementioned article of the Articles of Association.

In addition, the Company's share capital has been conditionally increased by a total of up to EUR 1,000,000.00



(Conditional Capital 2017) in accordance with section 4 (5) of the Articles of Association by resolution of the Annual General Meeting on 29 June 2017. Conditional Capital 2017 is used to service the stock option programme 2017 and will only be effected to the extent that subscription rights are issued under the stock option programme 2017 and the holders of the subscription rights make use of their exercise rights. Further details follow from the aforementioned article of the Articles of Association.

#### \4.22\ Retained earnings

Retained earnings in EUR thou.	2022	2021
Balance as at 1 Jan.	11,045	9,745
Transfer to retained earnings	1,443	1,300
<b>Balance as at 31 Dec.</b>	<b>12,488</b>	<b>11,045</b>

#### \4.22\ Currency translation reserve

Currency translation reserve in EUR thou.	2022	2021
Balance as at 1 Jan.	2,680	2,083
Differences arising from the translation of the financial statements of foreign subsidiaries	667	596
<b>Balance as at 31 Dec.</b>	<b>3,347</b>	<b>2,680</b>

#### \4.22\ Other Equity

Other equity in EUR thou.	2022	2021
Balance as at 1 Jan.	50,070	45,922
Consolidated profit	9,022	5,838
Dividends paid	-1,237	-412
Other comprehensive income	123	22
Transfer to retained earnings	-1,443	-1,300
<b>Balance as at 31 Dec.</b>	<b>56,535</b>	<b>50,070</b>

Other equity mainly includes the consolidated unappropriated profit and the revaluation reserve from the initial transition to IFRS accounting.

\4.23\ **Minority interests** relate to the subscribed capital of Isar Valley S.A., Luxembourg, in which Allane Mobility Group holds no capital interest. Minority interest has increased in the year under review from EUR 740 thousand to EUR 7,241 thousand due to the effective portion of the hedging relationship recognised in the other comprehensive income.

#### Liabilities and provisions

\4.24\ **Provisions for pensions** amount to EUR 108 thousand (2021: EUR 237 thousand).

Pension schemes in the Allane Mobility Group contain mainly defined contribution pension plans under statutory pension insurance. In Switzerland each employer is required by law to provide post-employment benefits schemes against the economic risks of retirement, death and invalidity to entitled employees. Therefore, Allane offers its Swiss employees funded defined benefit plans, which are managed by an external pension fund. The pension fund is responsible for the investment policy and asset management, as well as for all changes in the plan conditions and the determination of contributions to finance the benefits. In case of underfunding the pension fund can raise additional contributions from employers and employees.

The valuation of the provisions for pensions relies on actuarial reports.

The reports use the following actuarial assumptions:

Actuarial assumptions in %	2022	2021
Discount rate	2.3	0.3
Assumed salary increase	1.5	0.5
Assumed pension increase	-	-
Mortality table	BVG 2020 GT	BVG 2020 GT

The following table shows the development of the defined benefit pension plan:

## Development of defined benefit pension plans

in EUR thou.	Defined benefit obligations (DBO)		Fair value of plan assets		Net balance of defined benefit obligations	
	2022	2021	2022	2021	2022	2021
Balance as at 1 Jan.	1,418	1,040	1,254	807	164	232
Additions for previous years	-	-	-	-	-	-
Current service costs	113	104	-	-	113	104
Past service cost and plan compensation	-3	-	-	-	-3	-
Net interest costs of defined benefit obligations	4	2	4	1	0	0
<b>Expenses recognised in the consolidated income statement</b>	<b>114</b>	<b>106</b>	<b>4</b>	<b>1</b>	<b>109</b>	<b>104</b>
Gain/loss on plan assets	-	-	-106	97	106	-97
Actuarial gains/losses	-183	-0	-	-	-183	-0
Experience gains/losses	1	90	-	-	1	90
Changes in demographic assumptions	3	-70	-	-	3	-70
Changes in financial assumptions	-187	-20	-	-	-187	-20
<b>Remeasurement for defined benefit obligations recognised in other comprehensive income</b>	<b>-183</b>	<b>-0</b>	<b>-106</b>	<b>97</b>	<b>-77</b>	<b>-98</b>
Employer contributions	-	-	95	82	-95	-82
Plan participants' contributions	95	82	95	82	-	-
Benefits paid	-29	129	-29	129	-	-
Foreign currency translation effects	70	62	63	55	7	8
<b>Other reconciling items</b>	<b>135</b>	<b>274</b>	<b>223</b>	<b>348</b>	<b>-88</b>	<b>-75</b>
<b>Balance as at 31 Dec.</b>	<b>1,484</b>	<b>1,418</b>	<b>1,375</b>	<b>1,254</b>	<b>108</b>	<b>164</b>

The weighted average duration of the defined benefit obligation was around 14 years (2021: 16 years). Employer contributions expected to be paid for defined benefit obligations in the 2022 financial year amount to EUR 97 thousand.

The pension scheme is provided through an external pension fund, which manages the plan assets.

As at balance sheet date, the plan assets are attributable to other assets without quoted market prices.

**Sensitivity analysis**

The sensitivity analysis assumes in each case a parallel shift of half a percentage point.

This would result in the changes of values of the reported defined benefit obligations presented in the following table:

## Sensitivity analysis of defined benefit obligations

in EUR thou.	Changes in the defined benefit obligations	2022	2021
Discount rate	+0.25 percentage points <sup>1</sup>	-21	-50
Discount rate	-0.25 percentage points <sup>1</sup>	26	59
Assumed salary increase	+0.5 percentage points	5	6
Assumed salary increase	-0.5 percentage points	-8	-11
Assumed pension increase	+0.25 percentage points <sup>1</sup>	14	37
Assumed pension increase	-0.25 percentage points <sup>1</sup>	-13	-35
Life expectancy	-1 year	-9	-17
Life expectancy	+1 year	10	19

<sup>1</sup> In the 2021 financial year, a change in the defined benefit obligations of +/- 0.5 percentage points was applied for the calculation of the sensitivity.

\4.25\ The obligations reported in the financial year under **other provisions** are expected to be settled in the amount of EUR 6,900 thousand within one year and in the amount of EUR 226 thousand between one and five years. Other current provisions mainly comprise provisions for personnel-related matters, provisions for litigation arising from revocations of lease agreements in the first and second instance, and provisions for warranties. The increase is mainly attributable to provisions for legal disputes arising from revocations of lease contracts.

## Other provisions

in EUR thou.	Personnel	Miscellaneous	Total
Balance as at 1 Jan.	2,922	3,653	6,575
Additions	3,142	508	3,650
Reversals	-193	-	-193
Utilised	-2,316	-596	-2,912
Foreign exchange differences	5	-	5
<b>Balance as at 31 Dec.</b>	<b>3,561</b>	<b>3,564</b>	<b>7,126</b>
thereof non-current	-	226	226
thereof current	3,561	3,339	6,900

\4.26\ **Financial liabilities** comprise liabilities to banks, liabilities from asset backed securities programme as well as in the previous year bonds finance lease liabilities for refinancing the lease assets.

## Financial liabilities

in EUR thou.	Residual term of up to 1 year		Residual term of 1 to 5 years		Residual term of more than 5 years	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Bonds	-	249,691	-	-	-	-
Liabilities to banks	273,930	235,264	510,015	298,955	-	-
Lease liabilities	2,274	2,394	6,844	6,182	12,851	9,515
Other liabilities	1,924	2,759	-	-	-	-
<b>Group total</b>	<b>278,128</b>	<b>490,109</b>	<b>516,859</b>	<b>305,136</b>	<b>12,851</b>	<b>9,515</b>

Refinancing was done especially through credit lines granted by Santander Consumer Bank AG and an asset-backed securities programme.

Liabilities to banks, reported as at 31 December 2022, with a residual term of one to five years, result from credit lines granted by the Santander Consumer Bank AG in the amount of EUR 400 million. Additionally, there is an asset-backed securities programme, which the Allane Mobility Group has

set up to refinance leasing contracts. The programme comprises a financing volume of EUR 500 million. Under the programme variable interest rate liabilities are taken out, which are redeemable based on the amortisation schedule of the lease contract portfolio.

The loans are recognised initially at fair value, less directly attributable transaction costs. Subsequent measurement is carried out at amortised cost using the effective interest method. To mitigate interest rate risks the company concluded interest rate swap agreements over the amortisation period of the related lease contract portfolio.

In the 2022 financial year, liabilities to banks with a remaining term of up to one year include equal amounts of short-

term borrowings at variable interest rates within the framework of the credit lines available to the Allane Mobility Group and the current portion of the liabilities from the asset-backed securities programme.

The liabilities to banks have been secured by transferring ownership of assets.

Other liabilities include mainly financing with other financing partners and accrued interests.

The reconciliation of current and non-current financial liabilities is outlined below:

#### Reconciliation of financial liabilities in EUR thou.

	2022	2021
<b>Balance as at 1 Jan.</b>	<b>804,760</b>	<b>935,893</b>
Net change in cash flows <sup>1</sup>	-5,432	-148,259
Other non-cash movements	10,582	17,498
thereof interest expenses	4,249	7,352
thereof lease liabilities	6,333	10,146
Change in bank overdrafts (cash and cash equivalents)	-2,072	-372
<b>Balance as at 31 Dec.</b>	<b>807,838</b>	<b>804,760</b>

<sup>1</sup>The cash changes include interest income in the amount of EUR 1,541 thousand from expired interest rate derivatives in connection with ABS transactions

\4.27\ The **liabilities to related parties** relate mainly to the current transactions with affiliates companies of the Allane SE, which are not included in the consolidated financial statements of Allane SE.

\4.28\ **Trade payables** comprise current liabilities arising from deliveries to the Group, mainly from the purchase of vehicles for the lease fleet, and other purchases in the course of operating activities.

\4.29\ **Other liabilities** are broken down as follows:

Other liabilities in EUR thou.	31.12.2022	31.12.2021
Financial other liabilities		
Interest rate swap	-	-
Payroll liabilities	361	296
Miscellaneous liabilities	11,122	14,410
Non-financial other liabilities		
Deferred income	32,689	26,017
Tax liabilities	1,011	4,064
<b>Group total</b>	<b>45,183</b>	<b>44,787</b>
thereof current	30,119	34,262
thereof non-current	15,064	10,525

The remaining other liabilities include, among other things, liabilities from customer deposits amounting to EUR 7,076 thousand (2021: EUR 9,947 thousand). Deferred income relates mostly to the deferral of income from advance payments by lessees. Deferred income from one-time lease payment is short-term in the amount of EUR 17,987 thousand (2021: EUR 15,705 thousand) with a remaining term of up to one year, and an amount of EUR 14,702 thousand (2021: EUR 10,313 thousand) is long-term with a remaining term between one and five year.

\4.30\ **Contract liabilities** include down payments for full-service contracts, which involve a flat- and constant-rate settlement with the customer until the actual full service performance has been duly provided. Revenue is realised at the point in time when the specific service is provided. The further the point in time at which the full service is actually provided is postponed, the greater the contractual obligation becomes. The amount of EUR 7,127 thousand included in contract liabilities as of 31 December 2021 was recognized as revenue in the 2022 financial year.

### 4.3 Additional Disclosures on Financial Instruments

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each single category of financial instrument. The fair value of

financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value hierarchy according to IFRS 13.

#### Financial instruments

in EUR thou.	IFRS 9 measurement category <sup>1</sup>	Measurement basis for fair value	Carrying amount		Fair value	
			31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
<b>Non-current assets</b>						
Financial assets	FVTPL	Level 3	27	26	27	26
Finance lease receivables	IFRS 16		1,096	897	1,094	932
Interest rate derivatives	FVTPL	Level 2	9,254	788	9,254	788
Other receivables	AC		96	92		
<b>Total</b>			<b>10,473</b>	<b>1,803</b>	<b>10,375</b>	<b>1,747</b>
<b>Current assets</b>						
Finance lease receivables	IFRS 16		781	645	781	675
Trade receivables	AC		82,697	75,222		
Receivables from related parties	AC		647	490		
Other receivables	AC		11,261	12,068		
<b>Total</b>			<b>95,386</b>	<b>88,425</b>	<b>781</b>	<b>675</b>
<b>Non-current liabilities</b>						
Liabilities to banks	AC	Level 2	510,015	298,955	473,647	296,377
Lease liabilities	IFRS 16		19,696	15,696		
Other financial liabilities	AC		362	213	-	-
<b>Total</b>			<b>530,073</b>	<b>314,864</b>	<b>473,647</b>	<b>296,377</b>
<b>Current liabilities</b>						
Bonds	FLAC	Level 2	-	249,691	-	252,708
Liabilities to banks	AC	Level 2	273,930	235,264	276,402	235,968
Lease liabilities	IFRS 16		2,274	2,394		
Liabilities to related parties	AC	Level 2	89	23		
Currency derivatives	FVTPL	Level 2	218	60	218	60
Other financial liabilities	AC		1,924	2,759		
Trade payables	AC		69,431	65,674		
Financial other liabilities	AC		26,137	30,357		
<b>Total</b>			<b>374,003</b>	<b>586,224</b>	<b>276,619</b>	<b>488,736</b>

<sup>1</sup> FVTPL - Fair value through profit or loss, AC - At amortised cost

The financial instruments in above table are classified into three levels depending on the measurement basis:

- Level 1 – Measurements are based on prices quoted in active markets
- Level 2 – Measurements are based on parameters other than quoted prices that are observable either directly as prices or are indirectly derived from prices
- Level 3 – Measurements are based on models that use parameters that are not based on observable market data, but rather on assumptions

There have been no transfers between the individual measurement levels.

Due to factors that change in the course of time, the reported fair values can only be regarded as indicative of the values actually realisable on the market. The fair values of the financial instruments were calculated on the basis of market data available at the balance sheet date and the methods and assumptions described below.

For all current financial instruments it was assumed that the carrying amount (amortised cost) is a reasonable approximation of fair value unless not specified otherwise in the table.

The fair values of the finance lease receivables reported as assets and the bonds, finance lease liabilities, liabilities to banks and liabilities to related parties reported as liabilities were calculated as the present values of the future expected cash flows. Standard market interest rates of between 4.1% p.a. and 5.5% p.a. (2021: between 0.2% p.a. and 1.2% p.a.) based on the respective maturities were used for discounting.

Finance lease receivables and lease liabilities are measured in accordance with IFRS 16.

In the year under review, financial assets are allocated to the FVTPL (Fair Value Through Profit and Loss) measurement category and are valued on the basis of the net assets value. The net gain recognised in profit or loss resulted from the fair value measurement amounts to EUR 0 thousand (2021:

EUR 0 thousand). At present there is no intention to dispose these equity instruments.

Net gains from financial assets on the AC measurement category (measured at amortised cost) amount to EUR 803 thousand (2021: EUR 1,014 thousand) and relate to income from payments received on receivables previously written off.

As in the previous year, there were no net gains or losses in the financial year on financial liabilities measured at amortised cost (AC measurement category).

Total interest income from financial assets not measured at fair value through profit or loss amounts to EUR 370 thousand (2021: EUR 289 thousand). This includes interest income from finance lease in the amount of EUR 139 thousand (2021: EUR 117 thousand). Total interest expense on financial liabilities not measured at fair value through profit or loss amounts to EUR 4,716 thousand (2021: EUR 7,305 thousand). This includes interest expense from payments of interest derivatives in a hedging relationship in the amount of EUR 255 thousand (2021: EUR 778 thousand).

The interest rate and currency derivatives are subsequently measured at fair value (level 2 measurement). As at balance sheet date, assets from interest rate derivatives amounted to EUR 9,254 thousand (2021: EUR 788 thousand), of which EUR 0 thousand (2021: EUR 1 thousand) is not included in any cash flow hedge accounting relationship. There are no financial liabilities from interest rate derivatives (2021: EUR 0 thousand). All in all, a volume of EUR 245 million (2021: EUR 414 million) is hedged with interest rate derivatives carrying fixed interest rates between -0.6% p.a. and 0.0% p.a. (2021: between -0.6% p.a. and 0.0% p.a.) and remaining term of up to two years (2021: three years). Of these, EUR 249 million (2021: EUR 412,0 million) are in a cash flow hedge relationship according to IFRS 9. The variable interest rate is based on the 1-month Euribor.

As at 31 December 2022, the Company held interest rate derivatives to hedge interest payment flows (interest rate risk). The following table presents the impact of the hedging instruments on the amount, timing and uncertainty of future cash flows and the effects of the recognition of hedging instruments on the financial statements.

## Profile of timing

in EUR thou.	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027
Nominal amount of the hedging instrument	248,897	111,421	27,499	2,042	54	-
Average of fixed interest rate	-0.478%	-0.482%	-0.448%	-0.405%	-0.360%	0.000%

## Amounts of designated hedging instruments in balance sheet and hedging ineffectiveness

in EUR thou.	31.12.2022		Balance sheet line item	Financial year 2022		
	Nominal amount	Carrying amount Asset		Changes in value recognized in other comprehensive income	Income from ineffectiveness in the income statement	Profit or loss line item for ineffectiveness
			Non-current other receivables and assets			
	248,897	9,254		8,335	131	Net finance costs

## Sensitivity analysis

The sensitivity analysis assumes a parallel shift in the yield curves of +100/-100 basis points for variable-rate financial liabilities. Taking into account the existing interest rate derivatives this would result in changes in equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and does not include any tax effects.

The sensitivity analysis for the **reported interest rate** derivatives assumes a parallel shift in the yield curves of +100/-100 basis points. This would result in a change in the reported fair values (other non-current assets/other non-current

liabilities) of EUR 2,510 thousand / EUR -2,574 thousand (2020: EUR 5,990 thousand / EUR -6,138 thousand).

The sensitivity for the reported currency derivatives assumes a change in the EUR exchange rate of +10/-10 percentage points. The reported values (other current assets/other current liabilities) would then change by EUR 4,312 thousand / EUR -4,786 thousand (2021: EUR 3,032 thousand / EUR -3,574 thousand).

All in all, given aforelisted changes to valuations from interest rate and currency exchange risks, this would result in a change in equity, profit and loss and other comprehensive income in the amounts shown in the following table:

## Sensitivity of interest and exchange rate risks

in EUR thou.	Effect on profit and loss Change in exchange rates and yield curves		Effect on other comprehensive income Change in exchange rates and yield curves		Effect on equity Change in exchange rates and yield curves	
<b>31 Dec. 2022</b>	<b>4,312</b>	<b>-4,786</b>	<b>2,509</b>	<b>-2,573</b>	<b>6,822</b>	<b>-7,359</b>
31 Dec. 2021	3,121	-3,759	5,901	-5,952	9,023	-9,712

## Financial risk management and hedging

The Allane Mobility Group is exposed to the following financial risks, which are addressed through the risk management system that has been implemented.

Allane SE has an internal control and risk management system throughout the Group designed to identify at an early stage all developments that can lead to significant losses or

endanger the existence of the Company or of the Group. Efficient tools ensure that risks are centrally and decentrally identified, evaluated and managed swiftly. The risk management system covers all activities for the systematic handling of potential risks, starting with risk identification and documentation, analysis and assessment through to the management and monitoring of material risks. It is defined by a formal process that firmly integrates all relevant Group



divisions and segments. The risk management system installed thereby registers the relevant individual risks.

The internal audit department monitors and evaluates the efficiency of the risk management system.

Moreover, risk management is handled in accordance with the principle of segregation of duties and monitoring. Financial risks are thereby identified, evaluated and secured in collaboration with the operating units. Management has prepared a written risk management manual and has defined guidelines for certain areas such as interest rate risks, counterparty default risks, residual value risks and liquidity risks.

#### **Interest rate risk**

Interest rate risk arises from the Group's operating activities. Changes in prevailing interest rates impact the profitability of the Group's leasing business, as the interest rates underlying the lease instalments are set for the term of the lease at the beginning of the lease agreement. In its dealings with corporate customers, the Group generally tries to counter such interest rate risk by including interest escalation clauses in individual framework agreements that apply to all new leasing contracts concluded under such framework agreements. In addition, the interest rate risk is kept to a minimum by borrowing funds with matching maturities.

The Allane Mobility Group is also exposed to risk arising from variable interest rate liabilities. The Group is exposed to the interest rate risk resulting from lease contracts being based on fixed interest rates and external financing partly being based on floating interest rates. Differences between fixed interest rates under lease contracts and floating interest rates paid for borrowed funds create a risk of wider spreads between financial revenues and financial costs which, if negative, may lead to losses on the Group's lease contracts.

While the Allane Mobility Group enters into derivative contracts to hedge its interest rate exposure, there can be no guarantee that such hedge will be effective or that losses will be completely avoided.

Increased costs of borrowings may have a material impact on the Group's cost base, which the Group may not be able to pass on to the same degree to the Group's customers.

It needs to be considered that the financing behaviour of financial institutions may change significantly due to ongoing structural changes in the credit industry, for example higher

equity requirements or changes in the weighting of risks. Depending on the development of Allane Mobility Group's own creditworthiness, external financing might become more costly. This is particularly important as the Allane Mobility Group also enters into variable interest rate liabilities. In addition this also relevant for the extension and renewal of financing.

#### **Market price risk**

The market price risk describes the danger of a loss caused by changes to market prices. For Allane SE it is especially the residual values of leasing vehicles that are subject to the market price risk.

To counteract the market price risk involved in the disposal of vehicles within the Allane Mobility Group the residual values of the vehicles included in the calculation of the leasing contract are hedged partly by buyback agreements with dealers or manufacturers depending on market conditions.

In marketing used leased vehicles, the Allane Mobility Group is dependent on developments in the used car market, particularly in Germany. The vehicles to be sold directly by the Allane Mobility Group on the used car market are subjected to regular appraisals based on the Group's own experience and market observations. These vehicles are marketed in a multi-stage process. The most advantageous recycling channel for the Allane Mobility Group is evaluated for each vehicle. The Allane Mobility Group primarily uses online auction platforms and its own used vehicle sites. To a limited extent, buy-back agreements, which are optional for the Allane Mobility Group, are contractually agreed with dealers or manufacturers in order to partially hedge the residual value of the vehicles on which the lease agreements are based. As a rule, however, the opportunities arising from own marketing outweigh the risks.

The Managing Board is keeping a close eye on the political discussion regarding new emission stipulations for diesel-powered vehicles and potential driving bans for diesel-powered vehicles in selected cities. In this context, the residual value risk could increase for the Allane Mobility Group, whilst the sales proceeds could fall below expectation.

The Board of Management is also monitoring the general political discussion on new emission requirements in accordance with the Euro 7 standard, as well as government subsidy measures for electric drive technology and their impact on future business. Due to the introduction of newer drive technologies, there is a higher potential for uncertainty in the context of determining residual vehicle values.

**Counterparty default risk**

The counterparty default risk arises if lessees and fleet management customers fail to meet their payment obligations fully or partly during the contract term or if vehicle suppliers cannot fulfil their buyback agreements towards Allane SE, resulting in payment defaults.

To reduce the counterparty default risk, credit assessments are carried out in accordance with internal guidelines prior to the contract conclusion. Furthermore, creditworthiness of customers is regularly monitored during the lease period. This precautionary measure helps to avoid and/or mitigate future risks arising from the customer relationship.

The Allane Mobility Group therefore also pays high attention to the economic stability of its vehicles dealers. The vehicles dealers are subject to regular and strict creditworthiness reviews. Should contractual partners not be able to meet their repurchase commitments, Allane Mobility Group would be forced to sell the vehicles directly in the used car market.

Deposits with banks consist only to a small extent of deposits available on demand. The ratings of the banks are monitored on an ongoing basis. The default risk is estimated to be negligible on the basis of the awarded external ratings.

The risk measurement and control systems as well as the organisation of the credit risk management of Allane SE comply with the minimum requirements for risk management of banks and financial institutions (MaRisk) as defined by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority).

For expected default risks a valuation allowance is recognised. The relevant receivable is written-off when the recovery is no longer expected.

Overall, there are no significant risk concentrations.

**Analysis of trade receivables**

The trade receivables are classified in the following table:

## Analysis of trade receivables by risk class 2022

in EUR thou.	Gross receivables	Impairments	Net receivables 31 Dec. 2022
very low	38,349	2	38,347
low	43,219	219	43,000
highly increased	3,899	2,549	1,350
<b>Total</b>	<b>85,467</b>	<b>2,770</b>	<b>82,697</b>

## Analysis of trade receivables by risk class 2021

in EUR thou.	Gross receivables	Impairments	Net receivables 31 Dec. 2021
very low	35,831	67	35,764
low	36,290	437	35,853
highly increased	4,866	3,094	1,772
<b>Total</b>	<b>76,988</b>	<b>3,599</b>	<b>73,389</b>

Trade receivables predominantly comprise receivables from Leasing and Fleet Management end-customers of the Allane Mobility Group and receivables from suppliers relating to the sale of used vehicles as part of their buyback commitments, or commercial and private buyers as part of the sale on the open market.

The maximum default amount is the reported carrying amount of the net receivable less collected collaterals (e.g. customer-security deposits in the amount of EUR 7,076 thousand). No credit derivatives or similar hedging instruments were used to cover credit risk in the period under review. Part of the receivables are secured through customer deposits.

The Group applies the simplified approach for impairment described in IFRS 9, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivable is recognised for all instruments irrespective of their credit quality. To measure the expected credit losses, parameters such as customer group, credit quality, transaction type and maturity are used. For individual combinations of the aforementioned parameters different rates in accordance with the management expectations are applied to determine the impairment allowances. Due to the use of the

simplified approach the changes in the allowance account are solely displayed as net amount. In the event of concrete indications of default, for example the insolvency of the debtor, the relevant receivables are fully derecognised regardless of valuation allowances, which may have been made.

In the financial year the allowance account for trade receivables developed as follows:

#### Change in the allowance account for trade receivables 2022

in EUR thou.	Balance as at 1 Jan. 2022	Change	Balance as at 31 Dec. 2022
Impairments	3,599	-829	2,770

#### Change in the allowance account for trade receivables 2021

in EUR thou.	Balance as at 1 Jan. 2021	Change	Balance as at 31 Dec. 2021
Impairments	4,314	-716	3,599

In both financial years, 2022 and 2021, adjusted receivables were derecognized after exceeding aging thresholds or receiving final notice of default, whereby the allowance for trade receivables decreased

#### Liquidity risk

Liquidity risk is the risk that existing liquidity reserves are not sufficient to meet the Group's financial obligations as they fall due. The Group's approach to managing liquidity is to ensure by liquidity planning that the Group always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions.

In the future, the refinancing of the Allane Mobility Group will be essentially dependent on self-financing through operative cash flows or the ability to borrow external funds on the debt capital markets. With regard to debt financing opportunities, it needs to be considered that the financing behaviour of the financial institutions may change significantly due to the ongoing structural changes which can be observed in the credit industry, for example as a result of higher capital requirements in the credit business or changes in the weighting of risks.

Depending on the development of Allane Mobility Group's own credit standing, external financing might therefore not or only under unfavorable conditions be obtained. In this context, it should be noted that the Allane Mobility Group currently has not assigned any external rating agency with a credit rating. However as common in the leasing industry asset-based financing opportunities (e. g. forfeiting or securitisation of leasing receivables) will be available to Allane Mobility Group. The Allane Mobility Group made use of this for the first time in 2016 and set-up an asset backed securities (ABS) programme in mid-2016.

The Asset Backed Securities (ABS) program has been extended until the end of 2021 and will be amortized on an ongoing basis until the middle of the 2027 financial year.

#### Analysis of the repayment amounts of financial liabilities and liabilities to related parties

The following table includes the repayment amounts (including assumed future interest payable) at their respective maturities.

## Repayment amounts by maturity 2022

in EUR thou.	Bonds	Liabilities to banks	Lease liabilities	Other financial liabilities	Total
2023	-	287,117	2,731	-	289,848
2024	-	211,621	2,549	-	214,170
2025	-	99,713	2,010	-	101,723
2026	-	96,035	1,815	-	97,850
2027 and later	-	122,896	16,778	-	139,674
<b>31 Dec. 2022</b>	-	<b>817,381</b>	<b>25,883</b>	-	<b>843,265</b>

## Repayment amounts by maturity 2021

in EUR thou.	Bonds	Liabilities to banks	Lease liabilities	Other financial liabilities	Total
2022	252,815	236,329	2,664	-	491,807
2023	-	158,758	2,363	-	161,121
2024	-	114,526	2,091	-	116,617
2025	-	25,580	1,492	-	27,072
2026 and later	-	2,048	12,271	-	14,319
<b>31 Dec. 2021</b>	<b>252,815</b>	<b>537,241</b>	<b>20,881</b>	-	<b>810,937</b>

The financial liabilities maturing in 2023 will largely be repaid by the usage of bank credit lines.

Analysis of the repayment amounts of interest rate and currency derivatives:

## Repayment amounts by maturity 2022

in EUR thou.	Interest rate derivatives	Currency derivatives	Total
2023	6,313	-218	6,095
2024	2,521	-	2,521
2025	399	-	399
2026	20	-	20
2027 and later	1	-	1
<b>31 Dec. 2022</b>	<b>9,254</b>	<b>-218</b>	<b>9,036</b>

## Repayment amounts by maturity 2021

in EUR thou.	Interest rate derivatives	Currency derivatives	Total
2022	-226	-60	-285
2023	560	-	560
2024	370	-	370
2025	79	-	79
2026 and later	4	-	4
<b>31 Dec. 2021</b>	<b>788</b>	<b>-60</b>	<b>728</b>

### **Exchange rate and country risk**

Exchange rate risk is of only minor significance in the Allane Mobility Group, as the vast majority of receivables and liabilities are due in the local currency of the country in which the respective Group company is based. There are almost no country risks at present.

### **Capital management**

The Allane Mobility Group manages the Group's capital with the goal of creating a financial profile that supports the Group's growth targets, while providing the necessary financial flexibility and diversification. Thereby it is ensured that all Group companies can operate on the basis of the going concern assumption.

The basis of the Group's financial profile is the equity provided by Allane SE's equity investors. As at the balance sheet date, the Group's equity ratio was 19.3% (2021: 18.4%). Other key elements of the Group's financial profile are the financial instruments reported in non-current and current financial liabilities (bank loans as well as liabilities from the asset backed securities program and finance lease liabilities). The proportion of total assets accounted for by these non-current and current liabilities amounted to 66.3% (2021: 67.4%).

## 5. Other disclosures

### 5.1 Segment reporting

By Business Unit in EUR million	Leasing		Fleet Management		Consolidation		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	596.0	625.1	121.0	115.3	-	-	717.0	740.4
Internal revenue	0.2	0.1	-	-	-0.2	-0.1	-	-
Total revenue	596.2	625.2	121.0	115.3	-0.2	-0.1	717.0	740.4
Fleet expenses and cost of lease assets <sup>1</sup>	338.0	369.1	111.2	104.1	-0.2	-0.1	449.1	473.1
EBITDA <sup>2</sup>	184.4	183.4	0.7	0.7	-	-	185.1	184.0
Depreciation and amortisation	168.0	171.0	0.1	0.1	-	-	168.1	171.0
EBIT <sup>3</sup>	16.4	12.4	0.6	0.6	-	-	17.0	13.0
Interest income	0.4	0.4	0.0	0.0	-0.1	-0.1	0.4	0.3
Interest expense	-4.7	-7.3	-0.1	-0.1	0.1	0.1	-4.7	-7.3
Other net financial income	0.1	0.2	-	-	-	-	0.1	0.2
Net finance costs	-4.2	-6.7	-0.1	-0.1	-	-	-4.2	-6.9
EBT <sup>4</sup>	12.3	5.7	0.6	0.5	-	-	12.8	6.1
Investments	385.0	342.1	0.0	0.0	-	-	385.0	342.1
Assets	1,199.9	1,172.0	38.8	34.3	-21.9	-12.9	1,216.8	1,193.3
Liabilities	930.0	918.6	36.6	32.1	-21.7	-12.7	945.0	938.0
Employees <sup>5</sup>	657	630	81	85	-	-	738	715

<sup>1</sup> In the leasing segment write-downs on lease assets intended for sale are included in the amount of EUR 0.8 million (2021: write-ups of EUR 1.2 million)

<sup>2</sup> Corresponds to earnings before interest, taxes, depreciation and amortisation (EBITDA)

<sup>3</sup> Corresponds to earnings before interest and taxes (EBIT)

<sup>4</sup> Corresponds to earnings before taxes (EBT)

<sup>5</sup> Annual average

By region in EUR million	Germany		International		Reconciliation		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	641.0	667.2	76.0	73.3	-	-	717.0	740.4
Investments	332.9	297.5	52.0	44.6	-	-	385.0	342.1
Assets	1,217.3	1,235.6	445.2	614.3	-445.7	-656.6	1,216.8	1,193.3

The Allane Mobility Group is active in the business areas Leasing and Fleet Management. Resources are allocated and the Group's performance is assessed by the Managing Board on the basis of these segments (management approach). The key parameter for the assessment of the performance by the Managing Board are the earnings before taxes (EBT) of the segments.

The geographic information analyses the Group's revenue, the Group's investments and the Group's assets by Group Company's country of domicile.

Segment reporting is based on the accounting and valuation principles in the consolidated financial statements. receivables, liabilities, income and expenses between the segments are eliminated in the reconciliation to the Group figures. Group assets and liabilities do not recognise any tax positions.

### 5.2 Contingent liabilities and other financial obligations

#### Contingent liabilities

At the end of the financial year there were contingencies from guarantees or similar obligations in the amount of EUR 11.4 million (2021: EUR 11.2 million).

#### Other financial obligations

Purchase commitments resulting from concluded agreements at the respective balance sheet date concerning vehicle deliveries for the lease fleet in the coming year amount to around EUR 402.4 million (2021: EUR 250.2 million).

#### Contingencies

In the context of legal disputes against Allane SE from revocation actions for leasing contracts with regard to the first and second instance, the further course of some of the open

cases depends on the timing of outstanding decisions of the Federal Court of Justice (BGH) and/or the European Court of Justice (EuGH) on few pending cases of Allane SE. For those open cases a contingent liability exists for Allane SE in the amount of EUR 0.9 million.

### 5.3 Related party disclosures

The related party transactions includes transactions between Allane Mobility Group and Hyundai Capital Bank Europe GmbH as well as its related party Banco Santander S.A., Spain including its direct and indirect subsidiaries, associated companies and joint ventures and Hyundai Motor Company, Seoul, Korea including its direct and indirect subsidiaries, associated companies and joint ventures.

The parent company of Allane SE is Hyundai Capital Bank Europe GmbH. Allane Mobility Consulting Österreich GmbH and Allane Mobility Consulting SARL are indirect, non-consolidated subsidiaries of Allane SE. Allane Service Verwaltungs GmbH is a direct, non-consolidated subsidiary of Allane SE. The further related parties are group-entities of Banco Santander S.A., Spain as well as group-entities of Hyundai Motor Company, Seoul, Korea.

The significant transactions and balances arising from such relationships with related parties of Hyundai Capital Bank Europe GmbH and its affiliated companies Banco Santander S.A., Spain, including its direct and indirect subsidiaries, associates and joint ventures, and Hyundai Motor Company, Seoul, Korea, including its direct and indirect subsidiaries, associates and joint ventures, are presented below.

in EUR million	Services rendered		Services used		Receivables from related parties		Liabilities to related parties	
	2022	2021	2022	2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Hyundai AutoEver Europe GmbH, Offenbach am Main	-	-	-	2.0	-	-	-	-
Hyundai AutoEver Corp., Seoul, Korea	-	-	0.3	0.3	-	-	0.2	-
Hyundai Motor Deutschland GmbH, Offenbach am Main	0.7	<sup>1</sup>	3.0	-	0.2	-	0.1	-
Hyundai Motor Europe Technical Center GmbH, Rüsselsheim	<sup>1</sup>	<sup>1</sup>	-	-	-	<sup>1</sup>	<sup>1</sup>	-
Genesis Motor Deutschland GmbH, Offenbach am Main	-	-	0.5	<sup>1</sup>	-	-	-	-
Hyundai Capital Bank Europe GmbH, Frankfurt am Main	-	<sup>1</sup>	<sup>1</sup>	-	-	<sup>1</sup>	0.2	-
Hyundai Motor France SAS, La Garenne-Colombes, Frankreich	-	<sup>1</sup>	-	-	<sup>1</sup>	<sup>1</sup>	-	-
KIA Motors Deutschland GmbH, Frankfurt am Main	<sup>1</sup>	-	-	-	-	-	-	-
Santander Consumer Bank AG, Mönchengladbach	-	<sup>1</sup>	2.2	0.4	1.3	-	510.3	100.0
Santander Consumer Leasing GmbH, Mönchengladbach	0.7	<sup>1</sup>	-	-	<sup>1</sup>	-	-	-
Banco Santander International SA, Genf, Schweiz	-	<sup>1</sup>	-	-	<sup>1</sup>	<sup>1</sup>	-	-
Santander Global Technology and Operations, S.L., Madrid, Spanien	-	-	0.4	0.5	-	-	-	-

<sup>1</sup> Amount rounded less than EUR 0.1 million

Allane SE entered into a credit facility agreement with Santander Consumer Bank AG. Of this credit facility, loans in the amount of EUR 510 million had been drawn down as of the reporting date (2021: EUR 100 million). The loans have a term of up to five years. There is a change of control clause, which gives Santander Consumer Bank AG the right to call in the loans and interest payable immediately if a change of

control occurs. Furthermore, on 29 December 2021, a committed facility agreement for EUR 250 million was entered into with Santander Consumer Bank AG, Germany, to finance the repayment of a bond. On 2 February 2022, this agreement was terminated with effect from 4 February 2022.

As at 31 December 2022, there was an IT license agreement with Santander Global Technology and Operations, S.L., Madrid, Spain for a period of three years with a remaining contractual term of 1.5 years.

All outstanding receivables from and payables to related parties, which are reported separately, were settled on the

basis of contractual agreements. In 2022 expenses for impairment of receivables from related parties amounting to EUR 1.8 million were recognized (previous year: EUR 1.5 million).

The business relationships shown are in each case conducted on an arm's length basis.



## The Supervisory Board and Managing Board of Allane SE

### Supervisory Board

#### Jochen Klöpfer

Chairman  
Chief Risk Officer of Santander Consumer Bank AG  
Mönchengladbach, Germany

#### Thomas Hanswillemeke

Member of the Supervisory Board  
Member of the Managing Board Santander Consumer Bank AG, Germany  
and Member of the Managing Board of the Santander Consumer Holding GmbH,  
Mönchengladbach, Germany

#### Hyung Seok Lee

Member of the Supervisory Board (since 29 June 2022)  
Chief Financial Officer (CFO) of the Hyundai Capital Service, Inc., Seoul,  
Republic of Korea

#### Su Ho Kim

Member of the Supervisory Board (since 29 June 2022)  
Senior Vice President and Head of Strategy, Business Development and  
Digital Unit of the Hyundai Capital Service, Inc., Seoul, Republic of Korea

#### Norbert van den Eijnden

Member of the Supervisory Board (since 29 June 2022)  
Freelance consultant  
Maarsse, Netherlands

#### Hyunjo Kim

Deputy Chairman (until 31 May 2022)  
Chairwoman of the Fubon Hyundai Life and the Korea Credit Bureau  
Seoul, Republic of Korea

#### Chiwhan Yoon

Member of the Supervisory Board (until 31 May 2022)  
Head of Global Business Planning Department / Vice President at Hyundai  
Capital Services, Inc.  
Seoul, Republic of Korea

#### Dr. Julian zu Putlitz

Member of the Supervisory Board (until 29 June 2022)  
Chief Financial Officer (CFO) of IFCO Systems Group  
Pullach im Isartal, Germany

### Membership of Supervisory Boards and other comparable supervisory bodies of business enterprises

Chairman of the Supervisory Board of Hyundai Capital Bank Europe GmbH,  
Frankfurt am Main, Germany  
Member of the Administrative Board West of Schufa Holding AG

Member of the Supervisory Board of Santander Consumer Operations Services GmbH, Mönchengladbach, Germany  
Member of the Supervisory Board of Hyundai Capital Bank Europe GmbH, Frankfurt am Main, Germany  
Chairman of the Advisory Board of VCFS Germany GmbH, Cologne, Germany

Member of the Supervisory Board of Hyundai Capital France SAS, Lille, France  
Member of the Supervisory Board of Hyundai Capital Bank Europe GmbH, Frankfurt am Main, Germany  
Member of the Supervisory Board of Hyundai Capital America Corporation, Irvine/California, USA  
Member of the Supervisory Board of Banco Hyundai Capital Brazil S.A., São Paulo, Brazil

Member of the Board of Directors (non-executive) of Korea Credit Data Corporation, Seoul, Republic of Korea  
Member of the Risk Control Committee as well as the Venture Investment Review Board of Hyundai Capital Service, Inc., Seoul, Republic of Korea

Member of the Supervisory Board of Bovemij NV,  
Chairman of the Chairman Foundation Duurzame Vecht

Member of the Supervisory Board of Hyundai Capital Bank Europe GmbH, Frankfurt am Main, Germany

### Membership of Supervisory Boards and other comparable supervisory bodies of business enterprises

#### Donglim Shin

Chairman  
Munich

#### Álvaro Hernández

Munich

### Total remuneration of the Supervisory Board and Managing Board of Allane SE

The Supervisory Board has determined the remuneration for 2021 and 2022 on an individual basis as follows:

#### Remuneration

in Euro	Donglim Shin		Álvaro Hernández	
	2022 actual	2021 actual <sup>1</sup>	2022 actual	2021 actual <sup>2</sup>
Basic remuneration	387,715	290,971	300,000	100,000
Taxable pecuniary benefits and other fringe benefits	101,202	79,428	107,465	34,530
<b>Total fixed remuneration</b>	<b>488,917</b>	<b>370,399</b>	<b>407,465</b>	<b>134,530</b>
Multi-year variable remuneration <sup>3</sup>	71,755	94,570	99,600	37,600
<b>Total remuneration</b>	<b>560,671</b>	<b>464,969</b>	<b>507,065</b>	<b>172,130</b>

<sup>1</sup> since 1 July 2021

<sup>2</sup> since 1 September 2021 General representative and since 1 December 2021 Member of the Board

<sup>3</sup> will be paid out on a stretched basis to 2024 in the case of Donglim Shin

The total remuneration of the Managing Board in the 2022 financial year amounts to EUR 1,067,737 (2021: EUR 1,439,756). In the 2021 financial year, this included remuneration of the former Managing Board members in the amount of EUR 802,657.

Supervisory Board remuneration (current) in the 2022 financial year was EUR 50 thousand (2021: EUR 40 thousand)

The group has no pension obligations towards members of the Supervisory Board and Managing Board.

#### 5.4 Proposal for allocation of unappropriated profit

Allane SE reported an unappropriated profit for the 2022 financial year in accordance with German commercial law of EUR 23,272 thousand (2021: EUR 23,066 thousand). For financial year 2022 the Managing Board and the Supervisory Board consider proposing a dividend up to EUR 0.09 per share to the shareholders on the shareholders' meeting. If the proposal will be accepted with the maximum amount, would this result to an unappropriated profit presented as follows:

Proposal for allocation of the unappropriated profit in EUR thou.

	2022	2021
Payment of a dividend of EUR 0.09 (2021: EUR 0.06) per ordinary share entitled to a dividend	1,855	1,237
Carryforward to new account	21,417	21,829

As of 31 December 2022, there were 20,611,593 ordinary shares entitled to dividends. In the event that the dividend

proposal of EUR 0.09 per share is accepted, this would result in a dividend payment of EUR 1,885 thousand. As a consequence, this would bring the payout ratio about 21% of the consolidated profit for the 2022 financial year. The previously communicated target range of 30 to 60% remains unchanged regardless of the payout ratio for the 2022 financial year. The concrete proposal for the appropriation of profits is subject to the approval of the Supervisory Board and will be published with the agenda for the 2023 Annual General Meeting.

The proposal by the Managing Board and the Supervisory Board on the appropriation of the unappropriated profit for financial year 2021 was resolved unchanged by the Annual General Meeting on 29 June 2022.

#### 5.5 Substantial events after the reporting date

There were no other events of particular significance for the net assets, financial position and results of operations of the Group and the Company occurred after the close of the 2022 financial year.

**5.6 Declaration of conformity in accordance with section 161 of the AktG**

The declaration by the Managing Board and the Supervisory Board required by section 161 of the Aktiengesetz (AktG – German Public Companies Act) stating that the recommendations of the Government Commission on the German Corporate Governance Code are complied with and which recommendations have not been applied was issued in the financial year and made permanently accessible to shareholders on Allane SE's.

Pullach, 31 March 2023

**Allane SE**

**The Managing Board**

Donglim Shin

Alvaro Hernández

**5.7 Authorization of the consolidated financial statements in accordance with IAS 10.17**

These consolidated financial statements are authorised by the Managing Board for submission to the Supervisory Board on 31 March 2023.



## Further information

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## D.1 – Responsibility Statement

of Allane SE, Pullach, for financial year 2022

### **in accordance with sections 297 (2) sentence 4 and 315 (1) sentence 5 of the HGB (German Commercial Code)**

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report on the Group's and the Company's situation includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Pullach, 31 March 2023

**Allane SE**

**The Managing Board**

Donglim Shin

Álvaro Hernández

## D.2 – Independent auditor’s report

The following independent auditors’ report („Bestätigungsvermerk“) was issued in accordance with section 322 of the HGB (German Commercial Code) on the IFRS Financial Statements 2021, which were prepared in the German language. The translation of the independent auditors’ report („Bestätigungsvermerk“) is as follows:

The following copy of the auditor’s report also includes an “Assurance Report in Accordance with § 317 Abs. 3b HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes” (“Separate report on ESEF conformity”). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

„To Allane SE, Pullach

### Report on the audit of the consolidated financial statements and of the group management report

#### Audit Opinions

We have audited the consolidated financial statements of Allane SE, Pullach i. Isartal, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Allane SE, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted

by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and

- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

## Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

### 1) Measurement of lease assets

Our presentation of this key audit matter has been structured as follows:

- a) Matter and issue
- b) Audit approach and findings
- c) Reference to further information

Hereinafter we present the key audit matter:

#### 1) Measurement of lease assets

- a) In the consolidated financial statements of Allane SE, assets amounting to EUR 993.2 million (81.4 % of total assets) are reported under the line item "Lease assets" of the balance sheet as of December 31, 2022. Lease assets are carried at cost and depreciated over the term of the lease to the expected residual value at the end of the lease. The expected residual value is calculated on the basis of external market value forecasts and the Company's own historical marketing results. The expected residual values are monitored on an ongoing basis. If the residual value decreases, the lease asset is tested for impairment, a recoverable amount is calculated and, if necessary, the asset is written down. Write-downs in respect of lease assets amounting to EUR 0.5 million were recognized in the financial year on the basis of this valuation. The measurement of the lease assets is, firstly, of great significance for the assets, liabilities, and financial performance of the Company in terms of amount and, secondly, involves a high degree of scope for judgment on the part of the executive directors, since the use of models and assumptions creates a high degree of uncertainty due to the estimates required for the meas-

urement exercise. Against this background, this matter was of particular significance during our audit.

- b) Our audit included assessing the appropriateness of the controls within the Company's internal control system established to test lease assets for impairment and tested whether the controls functioned effectively. In doing so, we considered the organizational structures and processes, the IT systems and the measurement model. Furthermore, we reviewed the performance of and assessed the appropriateness of the impairment tests. We assessed the parameters used for the impairment test, including the values for the marketing results, to ensure that they were up to date and compared them with sectorspecific market expectations, and assessed the documents and explanations provided by the executive directors in this regard. We critically evaluated and assessed the assumptions made by the executive directors to determine whether they lay within a reasonable range. Based on our audit procedures, we were able to satisfy ourselves that the impairment tests performed to assess the lease assets were carried out appropriately and that the parameters used and assumptions made are within what we consider to be a reasonable range.
- c) The Company's disclosures relating to the measurement of lease assets are contained in section 3.2 of the notes to the consolidated financial statements.

#### Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the group management report.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### **Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### **5.8 Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.



- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

#### **Other legal and regulatory requirements**

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

#### **Reasonable Assurance Conclusion**

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the electronic file `al-lane_se_KA_LB-2022-12-31-de.zip` and prepared for publication purposes complies in all material respects with the

requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

#### **Basis for the Reasonable Assurance Conclusion**

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

#### **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

#### **Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

#### **Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 29 June 2022. We were engaged by the supervisory board on 12 February 2023. We have been the group auditor of the Allane SE, Pullach i. Isartal, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

#### **Reference to an other matter - use of the auditor’s report**

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

#### **GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Michael Henneberger.

Munich, 3 April 2023

#### **PricewaterhouseCoopers GmbH**

Wirtschaftsprüfungsgesellschaft

Michael Henneberger  
Wirtschaftsprüfer

Sabrina Riedl  
Wirtschaftsprüferin

## D.3 – Balance sheet

of Allane SE, Pullach, as at 31 December 2022 (HGB/RechKredV)

Assets

in EUR thou.

		31.12.2022	31.12.2021
<b>1. Receivables from banks</b>			
a) Daily due	1,093		516
		<b>1,093</b>	<b>516</b>
<b>2. Receivables from customers</b>		<b>42,886</b>	<b>38,808</b>
Of which: From financial institutions EUR - thousand (previous year: EUR - thousand)			
<b>3. Shareholdings in affiliated companies</b>		<b>361</b>	<b>336</b>
<b>4. Lease assets</b>		<b>881,717</b>	<b>894,639</b>
<b>5. Intangible assets</b>			
a) Proprietary intellectual property rights and similar rights and assets	14,922		18,221
b) Purchased concessions, intellectual property rights and similar rights and assets as well as licenses relating to such rights and assets	4,541		5,932
c) Goodwill	1,484		1,682
		<b>20,948</b>	<b>25,835</b>
<b>6. Equipment</b>		<b>6,707</b>	<b>6,510</b>
<b>7. Other assets</b>		<b>227,273</b>	<b>240,148</b>
<b>8. Prepaid expenses</b>		<b>3,871</b>	<b>4,470</b>
		<b>1,184,855</b>	<b>1,211,262</b>

Equity and liabilities  
in EUR thou.

		31.12.2022	31.12.2021
<b>1. Liabilities to banks</b>			
a) Daily due	-		2,072
with agreed term or notice period	539,720		120,589
		<b>539,720</b>	<b>122,661</b>
<b>2. Liabilities to customers</b>			
other liabilities			
a) Daily due	1,303		1,776
b) with agreed term or notice period	3,854		4,179
		<b>5,157</b>	<b>5,955</b>
<b>3. Securitised liabilities</b>			
issued Bonds		0	249,980
<b>4. Other liabilities</b>		<b>353,768</b>	<b>550,388</b>
<b>5. Deferred income</b>		<b>32,413</b>	<b>25,814</b>
<b>6. Deferred tax liabilities</b>		<b>31,464</b>	<b>32,260</b>
<b>7. Provisions</b>			
a) Tax provision	2,193		972
b) Other provisions	24,821		18,959
		<b>27,014</b>	<b>30,536</b>
<b>8. Equity</b>			
a) Subscribed capital	20,612		20,612
b) Capital reserve	139,068		139,068
c) Retained earnings			
Other retained earnings	12,366		10,923
d) Unappropriated profit	23,272		23,066
		<b>195,317</b>	<b>193,668</b>
		<b>1,184,855</b>	<b>1,211,262</b>

## D.4 – Income statement

of Allane SE, Pullach, for the period from 1 January to 31 December 2022 (HGB/RechKredV)

in EUR thou.			2022	2021
1. Leasing revenue		535,140		574,493
2. Leasing expenses		309,980		350,422
			<b>225,160</b>	<b>224,070</b>
3. Interest income from lending and money-market transactions		2,752		4,769
4. Interest expense		6,163	38,808	9,602
			<b>-3,411</b>	<b>-4,834</b>
5. Income from profit pooling and from partial or full profit transfer agreements			640	310
6. Commission income			1,729	1,130
7. Other operating income			9,687	9,536
8. General operating expenses				
a) Personnel expenses				
aa) Wages and salaries	30,616			29,773
ab) Social security contributions, pension expenses and other employee benefits thereof pension expenses: EUR - thou. (2017: EUR - thou.)	4,976			4,536
b) Other administrative expenses		42,473		43,627
			<b>78,066</b>	<b>77,936</b>
9. Depreciation and valuation allowances				
a) On lease assets		132,503		141,050
b) On intangible assets and fixed assets		11,118		6,565
			<b>143,621</b>	<b>147,615</b>
10. Other operating expenses			1,133	369
11. Write-downs and valuation allowances on receivables and certain securities and allocations to provisions in lending business		7,337		4,520
12. Income from write-ups on receivables and certain securities and from the release of provisions in the lending business		2,117		1,759
			<b>5,220</b>	<b>2,761</b>
<b>13. Result from ordinary activities</b>			<b>5,765</b>	<b>1,533</b>
14. Taxes on income			2,879	-1,068
15. Income from assumption of losses			-	-
16. Profits transferred pursuant to a profit pooling and to partial or full profit transfer agreements				
<b>15. Net income</b>			<b>2,886</b>	<b>2,601</b>
16. Retained profit brought forward			21,829	21,765
17. Transfers to other retained earnings			-1,443	-1,300
<b>18. Unappropriated profit</b>			<b>23,272</b>	<b>23,066</b>

## D.5 – Financial calendar

### Financial calendar of Allane SE

Publication of the Annual Report 2022	28 April 2023
Publication of the quarterly statement as at 31 March 2023	11 May 2023
Annual General Meeting for financial year 2023 in Munich	30 June 2023
Publication of the half-year financial report as at 30 June 2023	24 August 2023
Publication of the quarterly statement as at 30 September 2023	9 November 2023

Dates and event locations subject to change

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