ANNUAL FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

31 DECEMBER 2023

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Combined Management Report

Group Profile

a. Business Model

We are Europe's leading buyer and seller of used cars. Our digital products are based on a unique vertically integrated platform. With almost 600,000 used cars sold in 2023 we are a leading European partner for buying and selling used cars.

Revenue from used cars, including the business-to-business (B2B), amounts to around EUR 600 billion in Europe. The online share of this market is still at a very early stage of development. We are convinced that this represents a huge market opportunity for us.

Our leading market position in the European used car market is due to our broad purchasing channels, which allowed us to purchase an average of almost 2,000 used cars per working day in 2023. Through our consumer brands such as "wirkaufendeinauto.de", we offer consumers an online platform to sell their used cars to AUTO1 in nine European countries. In addition, fleet operators and commercial dealers can market their vehicles using our remarketing solutions.

We sell cars via two complementary revenue channels: Under our B2B brand "AUTO1", we operate Europe's largest wholesale platform for the sale of used cars. We sell these cars via online auctions to more than 92,000 commercial dealers in Europe. Under our "Autohero" brand, we have created a service for consumers to buy used cars online. We offer our used cars to end customers at fixed prices in nine European countries.

Our business is based on a vertically integrated, proprietary technology platform specifically developed for the purchase, sale, inventory management, financing and delivery of used cars in Europe, which is regularly maintained and expanded.

b. Objectives and Strategies

We are convinced that the following competitive strengths are the key drivers of our success and set us apart from our competitors:

- our leading market position with a high volume and great diversity in purchasing and sales and
- the growing awareness of our brand in Europe and the unique customer experience in both buying and selling.

In order to remain successful, we have identified the following key factors in our strategy:

- Improving the customer experience in car sales via "Wirkaufendeinauto" by expanding our branch network;
- Improving the dealer experience in the remarketing business by investing in the product for further profitable growth;
- Continuous expansion of the merchant platform and increase in market share;
- Expansion of our new merchant financing product through rapid growth of the loan portfolio;
- Become Europe's leading retailer for used cars with our "Autohero" brand; and
- Expansion of our Autohero Consumer Finance product into additional countries targeting a rating for the German loan portfolio in 2024.

c. Group Structure

AUTO1 Group SE is the parent company of AUTO1 Group, which comprises 67 directly or indirectly controlled and fully consolidated subsidiaries as at the balance sheet date. The scope of consolidation includes three financing companies, AUTO1 Funding B.V. (Netherlands), Autohero Funding 1 B.V. (Netherlands) and AUTO1 Car Funding S.à r.l. (Luxembourg). For further information, please refer to Note 15 in the consolidated financial statements.

The Group's direct and indirect subsidiaries carry out all of our business activities in Europe.

The Group's financial liabilities are raised via our financing companies as part of three asset-backed securitisation ("ABS") programmes.

As at the balance sheet date, we have issued debt securities amounting to EUR 475 million as part of the inventory ABS facility, which were collateralised by the used vehicle inventory and did not allow any further recourse to the Group. In order to facilitate our pan-European business activities and financing, all vehicles are purchased via our subsidiaries AUTO1 European Cars B.V. (Netherlands) and Auto1 Car Trade S.r.l. (Italy) or Auto1 Car Export S.r.l. (Italy).

Furthermore, in order to facilitate the further development of the instalment purchase product for Autohero customers in Germany and Austria, we have refinanced the instalment purchase receivables since the 2022 financial year. As at the balance sheet date, we have refinanced receivables from instalment purchases amounting to EUR 269 million (of which after taking allowances into account EUR 234 million were non-current receivables) by issuing debt instruments under the consumer loan ABS facility in the amount of EUR 231 million.

Starting in October 2023, we offer "AUTO1 Financing", a fast, convenient and fully digital dealer financing programme within the AUTO1.com platform to selected partner dealers in Germany, France, Spain and Austria. As at the balance sheet date, receivables from the programme amounted to EUR 37 million. To refinance this programme, the senior notes under the merchant financing ABS facility were utilised in the amount of EUR 39 million. The higher utilisation is already being used for merchant financing in the following month.

The shares of AUTO1 Group SE have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 4 February 2021. The proceeds from the IPO enabled us to raise substantial amounts of cash and significantly strengthen our equity base. Even taking into account the liquidity outflows in the years 2021 to 2023, the Group has cash and cash equivalents amounting to EUR 548 million as at the balance sheet date.

d. Segments

The Group is organised into two segments: "Merchant" and "Retail". The segments offer products for different customer groups and are separated as they require different technologies (use of different sales platforms) and marketing strategies in some areas. Both segments source vehicles from the Group's two purchasing channels. The purchasing channels comprise purchases from private individuals (C2B channel) and purchases from commercial dealers as part of remarketing (remarketing channel).

Merchant

In the Merchant segment, used cars are sold to commercial car dealers via the AUTO1.com dealer brand. Merchant revenue also includes auction fees, fees for logistics services and all other fees associated with the provision of vehicles to dealers. In addition, since October 2023, selected dealers in four countries can use the AUTO1 financing product, through which AUTO1 generates interest income.

Revenue from the "Merchant" business is differentiated depending on the procurement of the vehicles. All cars purchased from private individuals via the Group's network are classified as "C2B". Cars purchased from commercial fleet operators or dealers and not via the branch network are classified as "Remarketing". In both areas, there are no business activities that result in independent revenue, so C2B and remarketing are merely different procurement channels. Sales are made to the same customer base via an identical sales channel.

Retail

The Retail segment focuses on the sale of used cars to private customers under the Autohero brand. It also includes income from financing and other products and services for the purchase of used cars. Vehicles for the "Retail" business are mostly purchased via C2B, but also via remarketing.

e. Management Systems

The key financial and non-financial performance indicators used to manage business activities are the units of vehicles sold, gross profit (i.e. revenue less cost of materials) and adjusted EBITDA, whereby gross profit is calculated on a segment basis and adjusted EBITDA on a Group basis. Compared to the previous year, revenue is not a significant key performance indicator for the Management Board of AUTO1 Group, as it is of secondary importance as a profitability indicator in financial reporting. These key performance indicators reflect the Group's clear growth target and are used together with the non-financial key performance indicators to measure success and performance.

Besides financial performance indicators, the AUTO1 Group also uses non-financial performance indicators to manage the business at the segment level:

- Number of cars sold
- GPU (gross profit per unit)

Adjusted EBITDA does not include the following non-operating effects: (i) share-based payments, (ii) expenses for strategic projects, (iii) expenses for the establishment of a capital structure and (iv) other non-operating expenses/income. Other non-operating expenses include expenses for consulting costs in connection with financing, expenses for defined legal disputes relating to non-operating activities and other non-operating expenses, such as severance payments.

f. Research and Development

We see AUTO1 first and foremost as a technology company with the aim of continuously improving our tech platform and making it as convenient as possible for dealers and private customers to use. To overcome the associated challenges, such as the design of websites and apps as well as the automation of processes, the forecasting of supply and demand and the challenges of customer support, AUTO1 invests primarily in qualified staff. More than 600 tech employees (approx. 71% of them are software engineers) work at 17 locations on cross-platform innovations and ensuring smooth processes.

We believe that investments in this area will give us a decisive competitive advantage. Dealers, customers and external partners are connected to a centralised IT network when using our products. By using a microservice architecture, cloud technologies and the integration of data collection and analysis by our data science team, we are able to manage all functional areas of AUTO1 from our tech platform. These functional areas are for example:

- Digital inspection of cars
- Pricing algorithm
- Order and financing processing
- Real-time auction platform, inventory management and operational performance indicators
- Invoice and payment processing
- Logistics and fleet management
- Marketing and CRM

In 2023, technology costs amounted to KEUR 48,995, including salaries for several hundred IT developers and software engineers as well as IT expenses. AUTO1 Group meets the requirements of IAS 38 and capitalises the development costs for selected projects as internally generated intangible assets.

Economic Report

General Economic Conditions

Due to the ongoing consequences of the war in Ukraine, the conflict in Israel and Gaza and an overall increase in global tensions and trouble spots, the global economy performed weaker in the financial year 2023 than in the previous year, and recorded growth of only 3.1%. At 0.5%, growth in the eurozone was well below the global average, while the German economy actually decreased by 0.3% in 2023.[1]

In the course of 2023, the German economy is characterised by persistently high inflation rates, which, however, decline after September 2023 due to the base effect.[2] In addition to persistently high energy costs, the weaker than generally expected economic performance at the beginning of 2023 is mainly due to a 12.4% year-on-year increase in food prices.[3]

a. Industry Environment

2023 presented yet another challenging year for the European automotive market. The return to normalised, but compared to the previous 10 - 15 years, high interest rates to counter inflation was followed by increasing demands for wage adjustments. [4] This, combined with the increase in international conflicts and political tensions, affected the demand for used cars and led to a decline in consumer spending.

On a positive note, prices stabilised over the course of 2023 and the decline in European used car starting in the second half of 2022 continued only slightly.[5]

The online market share of B2C used cars sold across Europe remained below 2.5% in December 2023.[6]

Irrespective of the tense market environment, we are convinced that the used car market is one of the last major markets to be affected by growing digitalisation. The permanent increase in internet and smartphone penetration is driving the shift towards a digital offering for buying and selling used cars. Thanks to our range of products and services as wells as our Europe-wide presence and reach, we are well equipped to meet this demand and realise the promising growth potential.

b. Business Performance

With the sale of 586,085 used cars (2022: 649,709) a strong financial year 2023 was recorded. The Group's focus was on improving profitability. With KEUR 527,888 AUTO1 Group recorded its highest gross profit to date (2022: KEUR 488,212). The gross profit margin per car sold increased by EUR 153 to EUR 899.

Compared to the previous year, revenue decreased by 16% and amounted to KEUR 5,462,835 (2022: KEUR 6,534,119). This was mainly due to a decline in the number of vehicles sold and lower prices on the used car market. The decline in revenue relates in particular to the Merchant segment. In this segment, in 2023 523,019 vehicles were sold (2022: 585,545 vehicles) and revenue decreased by 18.5%. In the prior financial year, AUTO1 Group focussed its trading activities on improving profitability per unit, which is why the number of units sold decreased. Revenue in the Retail segment decreased slightly to KEUR 998,873 (2022: KEUR 1,056,525), with 63,066 vehicles solds (2022: 64,164 vehicles). The cost of materials in the financial year 2023 amounted to KEUR 4,934,947 (2022: KEUR 6,045,907).

AUTO1 Group's adjusted EBITDA improved from KEUR -165,578 to KEUR -43,948 considerably. In addition to the increased gross profit, reduced marketing expenses and lower personnel expenses as a result of lower average number of employees were drivers for the decrease.

AUTO1 Group continues to consistently pursue the goal of further increasing profitability and returning to growth. To this end, the customer base in particular shall be further expanded - also by including a broader product range and profitable gross profits per unit.

[1] See IMF, World Economic Outlook January 2024.
[2] *https://de.statista.com/*; accessed on 27 February 2024.
[3] Press release no. 020 of the Federal Statistical Office of 16 January 2024.
[4] WSI on collective bargaining rounds 2023 (*https://www.wsi.de/de/tarifrunde-2023-aktueller-ueberblick-44289.htm*).
[5] Auto1 Group Car Price Index (*https://www.auto1-group.com/press/pressrelease/auto1-group-price-index-january-2024*).
[6] See Indicata Market Watch, Edition v47, December 2023.

c. Group's Position

1. Financial Performance

Group earnings in financial year 2023 compared to the prior year 2022 were as follows:

	1 Jan. 2023 - 31 Dec. 2023	1 Jan. 2022 - 31 Dec. 2022
Revenue (in KEUR)	**5,462,835**	**6,534,119**
Revenue growth in %	(16.4)	36.8
Gross profit (in KEUR)	**527,888**	**488,212**
Adjusted EBITDA (in KEUR)[1]	**(43,948)**	**(165,578)**
Adjusted EBITDA margin in %	(0.8)	(2.5)
EBITDA (in KEUR)	**(63,187)**	**(182,984)**
EBITDA margin in %[2]	(1.2)	(2.8)
Cars sold (#)	586,085	649,709
Average number of employees[3]	**5,356**	**6,094**

[1] EBITDA adjusted for items reported separately which comprise non-operating effects such as share-based payments and other non-operating costs. See the table below for the reconciliation to adjusted EBITDA.

[2] Defined as EBITDA divided by revenue.

[3] Number of employees by headcount.

The following table presents the reconciliation from EBITDA to adjusted EBITDA:

KEUR	1 Jan. 2023 - 31 Dec. 2023	1 Jan. 2022 - 31 Dec. 2022
EBITDA	**(63,187)**	**(182,984)**
Share-based payment	13,067	8,029
Other non-operating expenses	6,172	9,377
Adjusted EBITDA	**(43,948)**	**(165,578)**

Revenue Performance

During the reporting year, AUTO1 Group's revenue decreased by -16.4% due to a lower number of vehicles traded overall and lower prices on the used car market to KEUR 5,462,835 (2022: KEUR 6,534,119). Revenue in the amount of KEUR 4,463,962 (2022: KEUR 5,477,595) was attributable to the Merchant segment and KEUR 998,873 (2022: KEUR 1,056,525) to the Retail segment.

In the Merchant business, revenue declined by 18.5% compared to the previous year. The number of cars sold in the Merchant segment decreased by 62,526 to 523,019. This decline in volume is in line with the Group's focus on improving profitability per unit. At the same time, the average selling price per unit decreased by 9% to EUR 8,535. The decline in used car prices, which had risen sharply in previous years, contributed to the decline in revenue in the Merchant segment.

Compared to the previous year, the Retail business recorded a slight decline in revenue from KEUR 1,056,525 to KEUR 998,873. This is due to a lower average selling price, which decreased by EUR 627 to EUR 15,839. With our attractive product range, we maintained the number of vehicles sold in the past financial year at the previous year's level (64,164 units) at 63,066 units.

Gross Profit Development

The cost of materials decreased disproportionately to revenue by 18.4% or by KEUR 1,110,960 to KEUR 4,934,947. Of which KEUR 4,044,811 was attributable to the Merchant segment and KEUR 890,136 to the Retail segment. The cost of materials includes the cost of vehicles sold, external transport costs (costs of transportation to the customer) as expenses for purchased services and expenses for other services related to the operational processing of vehicle purchases and sales.

As a result, gross profit developed very positively and increased in the financial year 2023 by KEUR 39,676 to KEUR 527,888. The Merchant segment generated a slightly growing gross profit of KEUR 419,151 (2022: KEUR 418,000). The Retail segment's contribution to gross profit increased significantly from KEUR 70,211 in the previous year to KEUR 108,736 and is to be further expanded in the future. This illustrates the positive development of our online platform for the sale of used cars to private customers.

Business Development by Segment

Merchant

	1 Jan. 2023 - 31 Dec. 2023	1 Jan. 2022 - 31 Dec. 2022
Revenue (in KEUR)	**4,463,962**	**5,477,595**
*thereof C2B**	*3,830,601*	*4,599,187*
*thereof Remarketing**	*633,361*	*878,407*
Revenue growth in %	*(18.5)*	*30.5*
Gross profit (in KEUR)	**419,151**	**418,000**
Sold cars (#)	**523,019**	**585,545**
thereof C2B	*457,885*	*497,254*
thereof Remarketing	*65,134*	*88,291*
GPU (in EUR)	**801**	**714**

* Analysis of revenue by procurement channel.

Retail

	1 Jan. 2023 - 31 Dec. 2023	1 Jan. 2022 - 31 Dec. 2022
Revenue (in KEUR)	**998,873**	**1,056,525**
Revenue growth in %	*(5.5)*	*82.5*
Gross profit (in KEUR)	**108,736**	**70,211**
Sold cars (#)	**63,066**	**64,164**
GPU (in EUR)*	**1,712**	**1,039**

* GPU is not equal to gross profit divided by the number of sold cars, as the effects of inventory changes due to the capitalisation of internal refurbishment costs, which are not part of the cost of materials, are not taken into account.

Development of EBITDA and Adjusted EBITDA

Compared to the previous year, AUTO1 Group's EBITDA improved by KEUR 119,797 to KEUR -63,187. The main drivers for this development were reduced marketing expenses on the one hand and lower personnel expenses on the other.

Marketing expenses were reduced by KEUR 56,089 to KEUR 137,067. The decrease relates in particular to advertising for our Retail brand Autohero, for which expenses were reduced as awareness of the brand has increased.

The decrease in personnel expenses is due to a lower average number of employees in AUTO1 Group, which is related to the Group's focus on efficiency. Expenses for share-based payments increased in the financial year by KEUR 5,038 to KEUR 13,067 as this remuneration component was granted to a larger number of employees.

Other operating expenses decreased by KEUR 57,560 to KEUR 326,486 compared to the previous year. The decrease was mainly due to lower marketing expenses, which reduced from KEUR 193,156 to KEUR 137,067.

Adjusted EBITDA amounted to KEUR -43,948 in 2023 (2022: KEUR -165,578) and was adjusted for share-based payments and other non-operating expenses of KEUR 3,540 (2022: KEUR 2,282), mainly related to severance payments.

Development of the Consolidated Loss

In the financial year 2023, the Group generated a consolidated loss in the amount of KEUR 116,466 (2022: KEUR 246,372). In addition to the increase of the adjusted EBITDA, the financial result improved by KEUR 7,315, mainly due to losses realised on short-term financial assets in the previous year. Due to the establishment of tax groups in many European countries in which AUTO1 Group operates, tax expenses decreased by KEUR 8,974. This was offset by KEUR 6,181 higher expenses for depreciation and amortisation.

2. Financial Position and Liquidity

Merchant

KEUR	1 Jan. 2023 - 31 Dec. 2023	1 Jan. 2022 - 31 Dec. 2022
Consolidated loss	**(116,466)**	**(246,372)**
Cash flows from operating activities	**(55,429)**	**(392,364)**
*Net CapEx**	*(19,214)*	*(46,089)*
Cash flows from investment activities	**(19,214)**	**557,448**
Cash flows from financing activities	**80,384**	**270,694**
Cash and cash equivalents at the beginning of the period	**542,431**	**106,653**
Cash and cash equivalents at the end of the period	**548,172**	**542,431**

* Cash flow from investing activities adjusted for cash inflows and outflows for financial assets.

Cash and cash equivalents at the end of the year amounted to KEUR 548,172 (2022: KEUR 542,431) and have increased compared to the previous year by KEUR 5,741. Cash and cash equivalents included short-term fixed deposits of KEUR 32,600 (2022: KEUR 330,000).

The improvement in cash flow from operating activities by KEUR 336,935 resulted in particular from the lower consolidated loss for the financial year. In addition, the reduction in inventories by KEUR 73,193 (2022: increase of KEUR 34,024) contributed to the positive development.

The operating cash flow for the financial year was also influenced by the increase in current and non-current trade receivables due to the positive development of the instalment purchase programme (increase of KEUR 83,508 compared to the previous year), which was refinanced by the consumer loan ABS facility. In addition, the inclusion of the merchant financing programme (receivables of KEUR 36,522 as at 31 December 2023), which is refinanced by the new merchant financing ABS facility, reduced the operating cash flow.

The cash flow from investing activities for the year 2023 was KEUR -19,214 (2022: KEUR 557,448) and resulted in particular from payments for investments in property, plant and equipment. The positive cash flow from investing activities in the previous year was mainly due to proceeds from the sale of liquid financial assets.

The positive cash flow from financing activities in the financial year 2023 was KEUR 80,384 (2022: KEUR 270,694). This resulted primarily from the increase in the utilisation of the inventory ABS facility (maturing in February 2026) by KEUR 20,000, the increase in the utilisation of the consumer loan ABS facility (maturing in April 2027) by KEUR 55,000, which refinances Autohero's instalment purchase programme in Germany and Austria, and the inclusion of the new merchant financing ABS facility with a utilisation of KEUR 38,605 (maturing in November 2026), which refinances the dealer financing programme.

3. Assets and Liabilities

Property, plant and equipment, which mainly consists of the production centres for refurbishing vehicles for sale on the Autohero platform and the Autohero delivery vehicle fleet, decreased by a total of KEUR 4,491 to KEUR 118,999, mainly due to ongoing depreciation.

Non-current trade receivables as at 31 December 2023 amounted to KEUR 233,643 (2022: KEUR 151,703). These comprised receivables from instalment purchases offered to Autohero customers in Germany and Austria, which are refinanced via the consumer loan ABS facility.

Inventories decreased by KEUR 73,193 to KEUR 544,380. KEUR 475,000 of the inventory was financed by the inventory ABS facility. The decrease in inventories is due to lower average purchase prices per unit. In addition, the proportion of Merchant vehicles, which generally have lower average acquisition costs than Retail vehicles, has increased within the vehicle mix. The absolute number of units in inventories, from which future growth is to be generated, has increased compared to the previous year.

Current trade receivables and other receivables increased by KEUR 27,975 to KEUR 145,522, in particular due to the launch of the merchant financing programme in Germany, France, Spain and Austria, which resulted in receivables from merchants of KEUR 36,522 (2022: nil) as at the reporting date.

Other assets mainly relate to VAT receivables, which decreased year-on-year as a result of refunds from the tax authorities.

Cash and cash equivalents have increased from KEUR 542,431 to KEUR 548,172 and as at 31 December 2023 include short-term time deposits of KEUR 32,600 (2022: KEUR 330,000).

The equity of AUTO1 Group as at 31 December 2023 reduced to KEUR 577,447 (2022: KEUR 684,884). The equity ratio thus equalled 33.8% (2022: 40.6%) at the end of the reporting period. The year-on-year decline was mainly due to the consolidated loss for 2023.

The fully collateralised investment-grade rated inventory ABS facility with a framework of senior notes of KEUR 800,000 was utilised as at the balance sheet date of 31 December 2023 in the amount of KEUR 475,000 (2022: KEUR 444,000). The instalment purchase programme is refinanced through a fully collateralised consumer loan ABS facility with a total volume of senior notes of KEUR 275,000. As at 31 December 2023, it was utilised at an amount of KEUR 230,523 (2022: KEUR 175,523). In addition, the fully collateralised merchant financing ABS facility with a total senior notes volume of KEUR 100,000 was concluded in December 2023 to refinance the dealer financing programme. As at the balance sheet date, this credit line had been utilised in the amount of KEUR 38,605. Due to their long-term nature, these credit lines are recognised under non-current financial liabilities. For further details, please refer to the information in the notes to the consolidated financial statements under liquidity risks.

The other financial liabilities mainly include lease liabilities, of which as at 31 December 2023 the non-current portion amounted to KEUR 43,488 (2022: KEUR 49,233) and the current portion amounted to KEUR 26,356 (2022: KEUR 24,809).

Current liabilities mainly consisted of trade payables, which increased as at the balance sheet date compared to the previous year's balance sheet date due to the increase in purchasing activities. The contract liabilities recognised under other liabilities also increased as a result of the higher business volume as at the balance sheet date.

4. Overall Assessment

The Management Board considers AUTO1 Group's financial performance, assets, liabilities and financial position to be positive. Despite the fact that in the financial year 2023, tense macroeconomic and industry-specific market conditions persisted, the Group was able to achieve its targets on the path to profitability. The Group's gross profit reached a new all-time high in the year 2023. Losses on the basis of adjusted EBITDA were significantly reduced. In addition, the expansion of the consumer loan ABS facility to refinance the instalment purchase programme and the use of the new merchant financing ABS facility to refinance the dealer financing programme secured the planned long-term growth.

Forecast, Opportunities and Risks

Risk Report

In 2023, AUTO1 continued to enhance its internal risk management capabilities, building upon the comprehensive, group-wide Risk Management System (RMS) established in previous years. The RMS helps AUTO1 facilitate decision making by providing consistent, comparable and transparent information and that creates a shared understanding of risks and opportunities throughout the Company. The risk management team is dedicated to developing strategies and defining targets that balance generating growth with reducing associated risks, thus sustainably and methodically promoting enterprise value. The subsequent report outlines the material risks and opportunities for AUTO1.

Risk Management System

The Management Board of AUTO1 Group SE (AUTO1) bears overall responsibility for developing and operating an effective RMS for AUTO1. The risk management team implemented the RMS on the basis of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s framework, the Enterprise Risk Management Standard. The RMS is also based on the requirements set out in Auditing Standard 981 published by the German Institute of Public Auditors (IDW). Risk management at AUTO1 comprises the following elements:

Risk Identification

The structured identification and assessment of risks and opportunities remain fundamental for ensuring resilient and profitable growth at AUTO1. Risks are defined as potential adverse deviations from our expected company performance, while opportunities represent potential positive deviations. We do not try to avoid risks at all costs. Instead, our aim is to carefully weigh up the opportunities and risks associated with our decisions and business activities from an informed perspective.

AUTO1 conducts risk identification and assessment annually, utilising workshops, risk surveys, and operational insights from risk owners, while also responding promptly to emerging risks. This process is a collective effort, involving employees across all levels and departments of AUTO1, both centrally and decentrally, and embodies a top-down and bottom-up approach, ensuring comprehensive risk visibility and engagement across the organisation. The risk management team, in collaboration with the risk owners in different group departments, systematically identifies risks by examining internal and external environments for emerging risks. This process also includes recognizing potential interconnections between risks based on qualitative factors, which often leads to the discovery of new risks. This year, we have enhanced our RMS with an improved ad hoc risk reporting mechanism, now featuring a dedicated intranet page for anonymous submissions. This allows employees to report potential risks and irregularities in real-time, outside regular assessment periods, thus fostering a vigilant and responsive culture for mitigating risks promptly. In order to facilitate and accelerate communication with the various departments, the risk officers support the risk management team in recording and assessing risks.

Our Approach to ESG Risks

Recognising the critical importance of environmental, social, and governance (ESG) factors, AUTO1 actively identifies risks and opportunities related to these aspects as one of the key components of our corporate sustainability strategy. We conduct comprehensive analyses of our operations and supply chains to assess both the impact of our activities and the potential risks and opportunities arising from them. By proactively addressing these ESG-related risks and opportunities, we enhance our sustainability performance, mitigate potential negative effects, and capitalise on new opportunities. Detailed information on our sustainability practices and progress is available in our annual Environmental, Social and Governance (ESG) Report, which reflects our ongoing commitment to responsible and sustainable business practices.

Risk Assessment

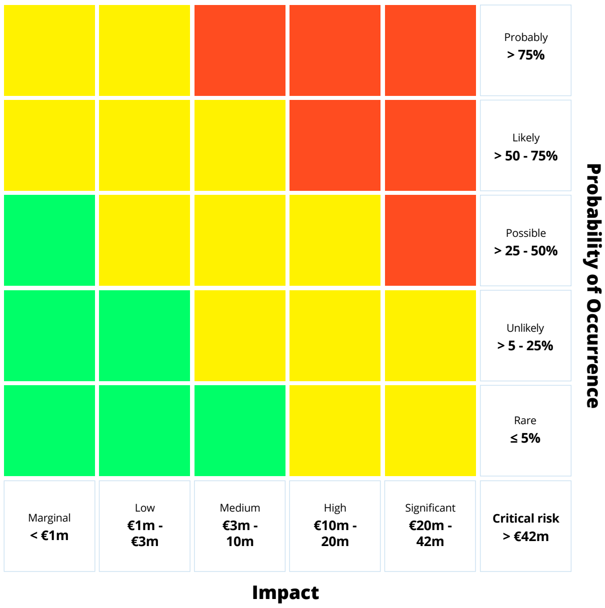
Once the risks have been identified, our risk officers – with the support of the risk management team – assess and quantify the individual risks on the basis of:

- **Impact:** The extent to which the risk, if it materialises, would negatively impact AUTO1 and its objectives.
- **Probability of Occurrence:** The probability that a certain impact of a risk will occur within one year of the date it is assessed.

The impact assessment is conducted either quantitatively or qualitatively, particularly when risks cannot be quantified or when qualitative aspects predominate, such as in the case of reputation risks. The impact scale ranges from marginal to critical, with particular reference to potential effects on adjusted EBITDA.

Our risk assessment process differentiates between gross and net risk to understand and underline the effectiveness of corrective actions. Gross risk represents the inherent risk before considering risk mitigation strategies and actions. Net risk, conversely, represents the residual risk after all implemented mitigation measures have been accounted for. In this context, risks with potential impacts exceeding EUR 42m are separately tracked as critical, since they might threaten AUTO1 as a going concern. The estimated probability of occurrence quantifies the likelihood of risk materialisation within a year. The risks that have a material impact on the Group in gross terms are explained in the following risk report.

The combination of the two dimensions described above results in the risk assessment. The risk matrix facilitates the comparison of risks' relative priority and increases transparency over AUTO1's risk exposure.



- Risks identified in the red area of the matrix and critical risks are rated as substantive and require measures and monitoring by management as high priority.
- Risks in the yellow area are classified as moderate risks and require medium-term measures and regular monitoring.
- Risks in the green area are classified as minor risks and have a lower priority.

Risk Treatment

Together with their supervisors and the Management Board, the risk owners are responsible for ensuring that suitable risk mitigation measures and controls are established and put into practice in their area of responsibility. The risk owners assess the risks in terms of their impact on performance and their probability of occurrence and assess the available resources, existing controls and measures compared to potential opportunities. Risk management is based on measures or methods used to handle the risks that have been assessed. In coordination with management, the risk owner chooses between the options of risk avoidance, risk mitigation, risk transfer or risk acceptance.

Risk Monitoring

Risk monitoring at AUTO1 is a continuous, dynamic process, which has been enhanced by the ad hoc risk reporting mechanism this year. The mechanism keeps the risk management team and the Management Board up to date on substantive and critical risk events and relevant developments. This approach involves ongoing tracking of identified risks, collaboratively managed with the respective risk owners and managers. Our aim is to assess the current probabilities, impacts and implementation status of corrective actions. Both the risk management team and risk officers are jointly responsible for integrating both continuous and ad hoc monitoring data into our risk analysis tools. Ongoing risk monitoring is integrated into our daily work.

Risk Reporting

The Management Board is informed of the Group-wide risk situation, especially about substantive and critical risks, on a monthly basis. Together with the Management Board, the risk management team informs the Audit Committee of the Supervisory Board about risk management activities and existing risks every quarter. Critical risks are reported to the Management Board and the Audit Committee in a timely manner to ensure prompt and effective mitigation.

System of Internal Controls over Financial Reporting

As mandated by the German Stock Corporation Act, the Supervisory Board oversees the efficacy of the internal control system (ICS) at AUTO1, necessitating a robust and comprehensive ICS. In 2023, we advanced our ICS to better prevent errors, inefficiencies, and compliance violations, and intensified internal controls to deter inconsistencies and misconduct by internal and external parties. The AUTO1 RMS was developed to support risk awareness, encourage open communication about risks, foster shared understanding, and initiate proactive measures to manage risks that could impact the Company's performance or threaten its viability.

The goal of the ICS is to enhance awareness of internal controls as a fundamental aspect of good corporate governance. Another aim is to boost transparency and efficiency by reducing complexity through the sharing of best practices and standardising processes. The ICS pertaining to accounting and financial reporting ensures the accuracy and reliability of the Group's financial statements.

To evaluate the ICS's effectiveness, the chairman of the Audit Committee maintains regular contact with relevant departments. The ICS is continually adjusted to align with COSO requirements and the Group's needs. The Internal Audit Department evaluates the Group ICS Policy as needed and audits the ICS comprehensively.

Internal Audit System

AUTO1 ensures the quality of its processes through regular internal audits, culminating in a quarterly summary report to the Audit Committee. The objective of AUTO1's Internal Audit is to provide independent and objective audit and advisory services, enhancing compliance with internal controls and thereby improving the efficiency of AUTO1's business operations. By adopting a systematic and disciplined approach, Internal Audit consistently enhances and evaluates AUTO1's corporate governance, risk management, and control processes.

Central to its role, Internal Audit also identifies potential misconduct, unethical business practices, and suspected fraudulent activities, formulating appropriate responses. This department adheres to the International Professional Practices Framework from the Institute of Internal Auditors, encompassing the Core Principles, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

In 2023, AUTO1 conducted numerous country and special audits. After each audit, a closing meeting is convened with the respective country head or department head to discuss findings. Affected parties are given the opportunity to agree or disagree with these findings. Once agreed upon, a remediation date is set, and follow-up meetings are organised to ensure the effective implementation of corrective actions. This process demonstrates AUTO1's dedication to continuous improvement and accountability. Looking ahead to 2024, we plan to further expand our internal audit activities, reinforcing our commitment to these principles.

Material Risks

As an international company, the AUTO1 Group is exposed to macroeconomic, sector-specific, financial and strategic risks. We define material risks as risks that could have a substantial impact on our business segments and our internal and external stakeholders. The risk report presents the risks considered material for AUTO1 on a gross risk basis.

Risk Areas

Overall, we did not identify any risks or risk clusters that could endanger AUTO1's ability to continue as a going concern. The following table provides an overview of AUTO1's risk clusters and shows the material risks that we have identified using our risk assessment method described above. Compared to the 2022 Risk Report, the risk area 'Macroeconomic Environment and War in Ukraine' has been updated to 'Macroeconomic Environment.' This change reflects the limited direct impact of the war on our operations, which have been effectively adjusted. Furthermore, this year's assessment did not classify any additional risk areas as critical.

Overview of Risk Clusters

The overall risk situation is determined using a comprehensive

RISK CLUSTER	ASSESSMENT	2023		2022	
		Probability	Impact	Probability	Impact
Strategic Risks					
Macroeconomic Environment	Substantive	Likely	Significant	Likely	Significant
Environmental and Social Responsibility	Moderate	Likely	Low	Likely	Low
Competitive Environment	Moderate	Possible	Medium	Possible	Medium
Barriers to Online Purchase of UCs	Moderate	Unlikely	Medium	Unlikely	Medium
Regulatory Changes in the UC Market	Moderate	Possible	Low	Possible	Low
Legal and Compliance Risks					
General Legal and Compliance Risks	Minor	Unlikely	Low	Unlikely	Low
AML	Moderate	Possible	Medium	Possible	Medium
Data Protection	Moderate	Possible	Medium	Possible	Medium
Operational Risks					
Logistics and Inventory	Moderate	Likely	Medium	Likely	Medium
IT Security	Moderate	Unlikely	Medium	Unlikely	Medium
Personnel	Moderate	Unlikely	Medium	Unlikely	Medium
Financial and Reporting Risks					
Liquidity Risk	Moderate	Unlikely	High	Unlikely	High
Interest Rate and Credit Risk	Moderate	Likely	Low	Likely	Low
Fair Value Risk	Moderate	Possible	Low	Possible	Low

assessment of the following risk clusters:

- Strategic Risks
- Legal and Compliance Risks
- Operational Risks
- Financial and Reporting Risks

a. Strategic Risks

Macroeconomic Environment

In 2023, the European economy continues to face challenges from the ongoing war in Ukraine and global economic uncertainties. This environment is characterised by low growth, high inflation, and tight financial conditions. The inflationary pressures, especially in the food and energy sectors, have deepened the cost-of-living crisis, thereby influencing consumer behaviour and financial markets. Central banks are attempting to navigate these complex dynamics with policies aimed at controlling inflation and stabilising the economy.

At AUTO1, we are actively monitoring these developments to swiftly adapt to market changes. Although we maintain some trading activities in Ukraine, this market does not hold a critical role in our overall strategic plans. We have adjusted our operations to minimise the impact of the war on our strategy, but a fundamental change in the conflict could present increased risks.

The European used car market shows signs of stabilisation and resilience. The recent easing of procurement capacities also presents an opportunity for the used car market, as manufacturers increase their production. Nevertheless, the broader challenge of achieving market equilibrium amidst disruptions, potential recession risks, and the evolving nature of vehicle supply remains significant for AUTO1. In response, we are committed to continuously monitoring and adapting our operational strategies to effectively respond to these market conditions and support our business objectives.

Responding to the current macroeconomic environment, potential recessionary trends, and changing vehicle supply scenarios, AUTO1 is closely monitoring economic indicators to adapt our business strategy effectively. This includes focusing on our investment strategy and profitability per vehicle, seeking greater cost-efficiency, and expanding our purchasing and sales activities to navigate the fluctuating automotive supply chain.

Environmental and Social Responsibility

In 2023, AUTO1 continues to recognize its potential to contribute towards a circular economy of the European automotive industry. Our commitment to sustainable practices is therefore essential for the company's long-term success. The automotive industry is increasingly influenced by legislative and regulatory developments, alongside growing consumer environmental concerns. The impact of climate change on our stakeholders may pose a significant threat to our operations.

Key legislative frameworks, such as the Non-Financial Reporting Directive (NFRD), EU Taxonomy regulation, and the Corporate Sustainability Reporting Directive (CSRD), directly affect AUTO1's sustainability responsibilities. Adherence to these frameworks is critical; failure to meet these sustainability commitments could harm our reputation and lead to legal risks, regulatory sanctions, and challenges in securing external financing.

Our sustainability risk assessment is an integral part of our overall risk management strategy. We aim to understand how our business activities affect environmental, social, and employee matters and ensure compliance with risk management, compliance, and governance standards. Initiatives like our improvements in sales network efficiency and reduced energy consumption are steps toward our goal of achieving climate neutrality by 2030. We continue to explore and implement strategies to minimise our environmental impact and effectively reduce greenhouse gas emissions. Our commitment extends to enhancing governance measures that support our ESG goals, contributing to the sustainable growth of AUTO1. Detailed insights into our sustainability practices and achievements are available in our annual ESG Report, reflecting our ongoing dedication to environmental and social responsibility.

Competitive Environment

As Europe's leading used car dealer, AUTO1 operates in a highly competitive environment. To maintain our strong market position and ensure continuous growth, we closely monitor the activities of both emerging and established competitors.

In our Retail segment, we anticipate the entry of new and existing competitors with diverse brands, business models, products, and services. Our response is to strengthen our competitive advantages by enhancing our digital interface for user-friendliness, expanding our vehicle inventory, and implementing customer-focused features. We are committed to offering attractive, reliable services at competitive prices and continuously improving these standards.

Recognizing the growing interest of established e-commerce players and automotive manufacturers in the online used car market, AUTO1 is intensifying its innovation efforts. We aim to deliver a superior online car buying and selling experience, expanding our market reach and strengthening customer relationships.

To adapt to evolving market dynamics, we are actively investing in dealer and customer centricity. This includes optimising our online interface for dealers, introducing new tools for vehicle valuation, and enhancing customer support services. These efforts are designed to align with shifting market dynamics and maintain our focus on per-vehicle profitability, especially in our Retail segment.

AUTO1 is confident in leveraging our unique online service model and growing brand recognition to successfully navigate the competitive landscape. Our commitment to enhancing our digital platform and customer experience positions us for sustained growth and resilience against emerging market challenges.

Barriers to Online Purchase of Used Cars

In the Retail segment, while traditional dealers continue to have a strong presence, AUTO1 is intensively working to minimise the barriers associated with online car purchasing. The online car market's novelty poses unique challenges, such as customer hesitation due to the lack of physical interaction with vehicles. Recognizing that some customers may hesitate to buy without a physical viewing and test drive, we have enhanced the online exploration and purchasing experience. This includes refining the presentation and descriptions of vehicles, particularly highlighting imperfections, to offer a transparent and comprehensive online experience. To set ourselves apart from traditional used car dealers, AUTO1, through our Autohero brand, focuses on offering a seamless and compelling customer experience. In line with this commitment, we are enhancing delivery speeds to serve as a pivotal driver in boosting online sales conversions. Furthermore, we provide features such as direct financing options, a range of add-ons, home delivery services, and a 21-day money-back guarantee coupled with a one-year warranty for all Retail vehicles. These initiatives are designed to make the online car buying journey as easy, trustworthy, and customer-friendly as possible. Regulatory changes are improving the ease of online transactions, and we are continuously enhancing our technical solutions to streamline the car trading process. Our fulfilment platform, encompassing over 400 delivery and collection locations across Europe, and strong relationships with logistics providers, reinforce our commitment to a uniform and efficient platform. This strategic approach not only caters to the evolving consumer preferences but also positions AUTO1 for significant growth in the digital automotive marketplace.

Regulatory Changes in the Used Car Market

The regulatory climate within the European used car market remains a pivotal aspect for AUTO1 Group's operations. Regulatory changes enacted by governmental authorities have the potential to impact the demand for specific vehicle types, including those within our inventory. These shifts could adversely affect our profit margins and potentially lead to impairment losses on our inventory, highlighting the need for strategic adaptability in our operations. Meanwhile, the accelerated adoption of electric vehicles, driven by EU sustainability policies, is redefining market dynamics and enhancing the frequency of vehicle turnover.

AUTO1 is well-positioned to adapt to these market shifts, with a business model that embodies the agility required to respond to regulatory changes and market demands. Our strategic emphasis is on being customer-centric, adapting to the evolving preferences and expectations of our customers. This includes leveraging our robust online platform to offer a diverse range of vehicles and services that cater to the varied needs of today's consumers.

b. Legal and Compliance Risks

General Legal and Compliance Risks

As a European Company that buys and sells cars online, we are subject to a wide range of laws, regulations and compliance requirements. Cars are technologically complex and can have hidden faults that are not apparent until after the sale. Such faults can lead to claims by customers and business partners and result in litigation. This is especially true for transactions with consumers, as they are covered by consumer protection laws that – in contrast to our commercial customers – offer increased legal protection.

In order to reduce these risks, all vehicles traded by us are subject to strict scrutiny by trained experts, who inspect the vehicles as part of our quality assurance process and perform test drives. These inspections and the transparent communication of a vehicle's conditions to our customers mean we can considerably reduce the risks associated with hidden faults, e.g. complaints after the sale, litigation, and other legal risks along with the related costs.

In addition, AUTO1 is committed to ensuring that our supply chain aligns with our human rights and ESG standards. We conduct thorough evaluations of our supply chain, which, operating predominantly within the EU, maintains a relatively straightforward structure with low inherent risks. For crucial business areas like logistics, we have implemented a robust third-party due diligence process to vet business partners. This process is currently being extended to all company segments that meet a specific risk profile. By proactively managing these aspects, we strive to uphold our commitment to ethical business practices and compliance across all our operations.

Risk of Non-compliance With Anti-Money Laundering Regulations

The traditional European used car market is highly fragmented and lacking in transparency. Simultaneously, used cars are considered high-value goods. The combination of these factors means there is a risk of the used car market being used for illegal activities, such as money laundering and related criminal offenses. As a company that trades in used cars, we run the risk of encountering persons or businesses that are involved in such illegal activities.

To reduce this risk, we have adopted anti-money laundering (AML) reporting and training measures as part of our Group wide compliance management system. As an overarching measure, we apply a strict cashless business model that ensures that our transactions are settled using bank accounts that are subject to KYC (Know Your Customer) requirements. We also perform independent KYC checks, and identify our business partners independently, to ensure that they are reputable.

In addition, we have appointed an AML officer and have AML expertise within our Compliance Team. On the basis of our Group AML policy, this team has set up a web-based and individual AML training program. In order to bolster these measures, we created internal and external reporting channels to make reporting easier, regularly monitor our processes and adapt to changing AML requirements.

Risk of Non-Compliance with Data Protection Regulations

As we handle personal data, we are exposed to the risk of non-compliance with the General Data Protection Regulation (GDPR) and general risks in connection with these data. Handling the personal data of our non-commercial business partners can pose the particular risk of complaints being lodged with national data protection authorities and the risks associated with this.

In order to ensure data protection compliance in our business processes, we engage in, e.g., ongoing exchanges with various stakeholders across our departments, regular training, and specific awareness measures to ensure the integration of data protection requirements at various levels. To guarantee the data protection rights of our data subjects (business partners, employees), we have established the necessary procedures and communication channels within the Group. As a result, we provide our data subjects more transparency and control over their data that we use. Finally, incoming complaints and/or reports on data protection incidents are processed with high priority and, if relevant, in cooperation with the local data protection authority in order to implement measures to remediate them.

c. Operational Risks

Logistics and Used Car Inventory

Our logistics processes, crucial for managing the used car inventory and supporting the strong growth of our business, are heavily reliant on effective coordination with our logistics partners. However, the logistics landscape remains challenging due to lingering impacts from the COVID-19 pandemic.

During the pandemic, the logistics sector faced a significant reduction in supply as demand declined, leading to OEMs cutting contracts and the industry losing many workers who did not return. This resulted in reduced total capacity, both in terms of trucks and drivers, which has not yet fully recovered. Ageing fleets have not been replenished, further intensifying the capacity issue.

Additionally, external factors such as the ongoing war in Ukraine have contributed to a shortage of drivers, particularly from Russia and Ukraine. This, combined with general labour shortages and regulatory changes, has increased pressure on logistics, making operations more costly.

In response to these challenges and the rising fuel prices, AUTO1 has been continuously optimising its logistics processes and communication systems to mitigate risks such as increased costs and delayed deliveries, which could impact our gross profit and net earnings. Despite these efforts, the complexities brought about by these external factors continue to put pressure on our logistics operations.

The current business environment suggests that the issues in logistics capacity will persist throughout 2024. To counteract this, we have implemented measures such as flexible planning and diversifying our logistics providers, helping us manage the increased demand and complexity resulting from our expansion to over 400 branches across various European countries. While these challenges are significant, our proactive approach allows us to maintain the overall risk at a moderate level in consideration of our market volume and the adaptability of our logistics strategies.

IT Security

As a prominent online service provider with significant e-commerce operations, AUTO1's success depends on the robustness and reliability of our online platforms and the integration with third-party provider tools. Since our vehicle purchases and sales are conducted through our online platform, any technical disruptions can have an immediate and widespread impact on our entire operation.

To safeguard the security and stability of our systems, AUTO1 employs geographically diverse and redundant server centres. Continuous monitoring of our IT platform operations allows us to swiftly address any technical issues. We have implemented multi-tiered system security measures and personalised, role-based access controls to prevent unauthorised access and cyber threats. Our user administration process is closely managed, ensuring accurate records for new hires and departures.

In line with AUTO1's rapid growth, scaling our IT infrastructure is a priority to manage the increasing complexity and volume of operations. We leverage additional cloud services from renowned providers to ensure the scalability and efficiency of our systems.

Given the significant risks associated with IT, our development and maintenance activities are centrally governed by standardised policies and best practices. Infrastructure is secured by industry-leading cybersecurity tools. We regularly run audits with external testers to ensure these measurements are effective. AUTO1 has established several procedures to facilitate last-minute IT adjustments in urgent situations, ensuring agility and responsiveness to emerging IT challenges.

In 2023, AUTO1 enhanced its IT security infrastructure. We implemented a company-wide shared responsibility model to promote collaboration across regions and enforce global IT security policies and procedures. This strategy aims to centralise our security playbook, ensuring a consistent application of protocols across the board. Our commitment to bolstering cybersecurity includes hiring skilled personnel and establishing robust guidelines, underpinned by regular testing and continuous improvements. These structural improvements are complemented by a focus on recruiting the right talent and setting appropriate guidelines to fortify our cybersecurity landscape. The likelihood of IT risks occurring is generally assessed as low, with their impact on performance indicators deemed moderate. The Management Board considers the overall risk impact as medium and the probability of occurrence as unlikely, reflecting our effective risk mitigation strategies.

Personnel Risk

As AUTO1 continues to expand, our ability to attract, recruit, motivate, and retain a skilled workforce remains a pivotal factor in our ongoing success. The competition for talented professionals in our industry is intensifying. Inability to secure and retain such talent could hinder our capacity to sustain business growth and maintain our competitive edge.

Recognizing the critical role of our employees in driving the company's progress, we are committed to offering competitive compensation and innovative employment solutions. We are closely monitoring the labour market landscape and taking tailored measures for specific roles. Additionally, efforts are underway to digitise our onboarding program, ensuring a consistent experience across all countries. This approach is key to fostering a motivated workforce and ensuring the long-term viability of AUTO1.

We have established long-term incentive plans for our senior and key employees, alongside career development plans to retain our senior management and support their ongoing development. At AUTO1, we value an open working environment where performance is evaluated honestly and constructively. Our strong, values-based culture is integral to our hiring, induction, and training processes. Our People team conducts employee engagement and exit surveys as part of our commitment to open dialogue, aiming to continuously enhance our transparency and understanding of employee needs. Feedback cycles are organised biannually.

d. Financial Risks

Of the financial risks, the liquidity, credit and interest rate risks are relevant for AUTO1.

Liquidity Risk

AUTO1 continues to maintain a robust liquidity position, which is crucial for mitigating financial risks. Our strong cash position, coupled with the absence of short-term debt maturities, provides a solid foundation for managing liquidity risks effectively. In 2023, we launched our merchant financing business alongside our consumer loan business, and we anticipate unused commitments in our merchant finance ABS facility.

AUTO1's key liquidity resources include:

- Cash and cash equivalents: EUR 548 million as of December 31, 2023
- Our inventory asset-backed securitisation (ABS) facility for inventories: EUR 325 million as of December 31, 2023,
- Our consumer loan ABS facility for consumer car loans: EUR 44.5 million as of December 31, 2023, and
- Merchant loan ABS facility for merchant loans: EUR 61.4 million as of December 31, 2023

Based on the Group's long-term planning, we believe that AUTO1's current liquid assets will be sufficient to support the planned expansion of Autohero's business and AUTO1's operating activities until we achieve profitability and positive cash flows from operating activities and investments. Until then, AUTO1 will require access to banks and capital markets to cover our needs for asset-backed financing for inventories, merchant finance, and Autohero car loans. We are confident in our ability to utilise these markets as necessary.

Interest Rate and Credit Risk

In response to the changing interest rate environment in 2023, AUTO1 has successfully increased the interest rates charged on new loans originated. This adjustment aligns with the shifts in the underlying interest rate environment, ensuring our financial strategies remain responsive and proactive.

To further mitigate our exposure to interest rate fluctuations, we have expanded our risk management strategies to include fixed-to-floating interest rate swaps on 95% of the consumer loans we generate, countering potential impacts of interest rate volatility on net earnings.

On the merchant finance side, we utilise floating rate refinancing. Given the short-term nature of merchant finance receivables, typically around two to three months, we do not foresee a significant mismatch between assets and liabilities. Our ability to rapidly adjust the interest rate on new receivables allows us to effectively respond to market changes, maintaining a balanced financial position.

Our inventory-ABS facility continues to bear interest at a variable rate. While higher interest rates could potentially impact our anticipated net earnings negatively, our active asset-liability management, combined with the use of liquid assets also subject to variable interest rates, helps offset this impact. We expect our liquid assets to decrease as they are used to finance current negative cash flows from operating activities and investments, while the utilisation of our inventory ABS facility is projected to increase with our growing inventories. Consequently, higher central bank interest rates may exert an increasingly negative impact on our net earnings.

Our Consumer and Merchant Finance portfolios of EUR 269 million and EUR 37 million are highly diversified and refinanced through asset-backed securitisations. In each ABS, we provide the risk retention tranches and are entitled to the surplus cash flows of the asset-backed securitisations. The performance of this portfolio, in terms of default and repayment, is carefully monitored, and we have adopted robust underwriting processes and efficient reminder and collection strategies to manage credit risks effectively. Additionally, the acquisition of interest rate caps limits the variable interest rate exposure for a significant portion of our refinancing debts. The Management Board acknowledges the need for continuous and careful monitoring of the credit portfolio in light of economic prospects for 2024, and in-house lending standards have been accordingly tightened.

Fair Value Risks

In 2023, AUTO1 experienced reduced volatility in fair value risks concerning our inventory, primarily in procurement and sales. Our business model, dependent on acquiring suitable vehicles from consumers and dealers, emphasises a dynamic pricing strategy to maintain a diverse and attractive inventory. We utilise sophisticated algorithms for procurement, enhancing accuracy in valuation despite the high transaction volume.

Our inventory management, influenced by market fluctuations and demand, is driven by anticipation and strategic planning. We recognize and account for potential overvaluation risks, such as undetected wear and tear, by continuously refining our inventory allowance estimations.

Inherent risks like inventory damage, destruction, or theft are managed through our reliance on external partners for storage and robust control measures. We operationally address the rapid depreciation of newer models and market susceptibilities, such as shifts in new vehicle supply affecting used car prices.

AUTO1's proprietary risk system is pivotal in managing these fair value risks. Before acquiring used cars, our algorithms evaluate expected Gross Profit per Unit (GPU), selling speed, current inventories, and market trends. Cars identified as challenging to sell are directed to online auctions, enabling effective risk management. This approach ensures that any negative impacts on our performance indicators are minimised and remain within calculable limits.

Keeping the overall risk assessment moderate, we continue to adapt to market changes, leveraging technology and strategic foresight to mitigate fair value risks effectively. This approach underscores our commitment to maintaining a strong competitive edge in inventory management while ensuring financial stability.

Opportunities

The following opportunities described could have a positive impact on the development of performance indicators.

a. Increasing Digitalisation in the Used Car Market

The used car market, one of the world's largest sales sectors, remains predominantly offline, making it one of the largest industries with vast potential for online expansion.

Despite its current limited online footprint, the used car sector is gradually embracing digital platforms. This shift is increasingly evident as consumers and professional dealers alike seek more efficient and transparent ways to engage in the buying and selling of vehicles. Consumers often face a limited local selection, a lack of comprehensive fulfilment services, and a general lack of transparency in pricing. This situation often leaves them with fewer choices and less confidence in their purchasing decisions.

Professional dealers, traditionally limited to local markets, are unable to leverage the benefits of economies of scale, resulting in market fragmentation. This not only limits their growth potential but also affects the overall efficiency of the market.

In response to these industry challenges, our vision is to develop a comprehensive online platform that enables seamless cross-border transactions within the European market. Our platform is custom-designed to address the unique challenges of online car trading and the specific needs of both consumers and dealers. By enhancing the user experience, we aim to revolutionise the process of buying and selling cars online and thereby driving improvements in our operational performance.

Operating extensively in the European used car market, AUTO1 Group offers an extensive range of used cars in all price categories across more than 30 European countries. We have created the AUTO1 Group Price Index, based on our vast transaction data since the company's foundation. This index tracks the evolution of used car prices in the wholesale market across Europe on a monthly basis, providing enhanced transparency and valuable insights into pricing trends based on millions of car transactions.

The industry is not only navigating current supply chain disruptions but also facing broader economic factors, including overall economic development and interest rate fluctuations. Despite these challenges, we are confident about the long-term prospects of the European used-car market. Our strategy is anchored in a robust digital platform, an efficient logistics network, and a relentless focus on customer experience. These factors position us strategically to leverage the opportunities presented by the digital evolution of the used car market. We believe that our approach will drive sustained growth and profitability, even amidst the complexities of the current economic environment.

b. Customer Experience

At AUTO1, we prioritise delivering a unique customer experience, continually refining the process of buying and selling used cars for maximum convenience and efficiency. Our ongoing enhancements to websites and apps, including a vast selection of used cars, comprehensive logistics, and seamless registration and deregistration services, are a testament to this commitment. We also offer innovative financing and brokerage services, catering to a broad range of customer needs.

AUTO1 is innovating in the area of merchant financing, offering dealers a seamless and efficient way to finance their car purchases. This initiative allows dealers to finance 100% of their car purchases from AUTO1, eliminating the need for upfront capital and expediting the financing process compared to traditional bank loans. The merchant financing product is particularly transformative in markets where independent dealers previously lacked such financing options.

A significant part of our strategy is growing our B2B segment. We're refining our platform's technology for evaluating and displaying cars, improving usability, and adding new features to assist dealers in their daily operations. Our data-driven approach to digital behaviour trends on the platform helps identify product improvement opportunities, boosting dealer demand and engagement. In our pursuit of excellence, we focus on enhancing vehicle inspection processes to meet our merchants' quality standards and streamline pricing for our customers through advanced auto-pricing algorithms. The integration of AI in customer service is another step towards faster response times and improved engagement.

Additionally, central to our strategy is ensuring the easiest and most convenient online car buying experience. We are exploring new initiatives like express delivery, aiming to enhance customer satisfaction and increase conversion rates by aligning with modern e-commerce expectations. This focus on innovative delivery solutions is supported by our strong logistics network.

Furthermore, we are enhancing our customer engagement strategy by expanding the trading network with smaller, strategically located branches. These branches, positioned in high-traffic retail areas, offer improved accessibility and increased customer convenience. This approach aims to boost customer interaction, potentially increasing organic traffic, and reflects AUTO1's commitment to a customer-centric business model, prioritising proximity and ease of access.

Through these initiatives, AUTO1 is not only improving customer experience but also reinforcing a positive brand image. We are dedicated to transforming the perception of used car dealerships by offering a transparent, fair, and customer-focused online platform, thereby building sustainable customer loyalty and trust.

c. Integrated Technology Platform

As a technology-driven company, AUTO1 has consistently prioritised the development and enhancement of our integrated, comprehensive technology platform from the outset. This platform serves as the backbone connecting all stakeholders – consumers, retailers, or partners – across a unified technology and data ecosystem. Our mission is to simplify and standardise the used-car trade globally through technological innovation, with a vision of transforming it towards alternative mobility solutions.

This year marked significant strides in enhancing our platform's infrastructure. We've achieved notable advancements in data warehouse configuration, bolstering our technological foundation. Our commitment to dealer and customer-centric solutions drives continuous improvements in the car buying and trading experience on our platform. Efforts are underway to enhance the presentation and description of vehicles, lowering barriers and making the process more intuitive and transparent for users.

AUTO1's business activities are powered by a vertically integrated, proprietary technology platform, specifically tailored for purchasing, selling, portfolio management, and delivery of used cars throughout Europe. Our consumer brands like "wirkaufendeinauto.de" offer individuals a straightforward solution to sell their used cars, while commercial dealers and fleet operators benefit from our remarketing solutions.

As a prominent wholesale platform, our B2B brand "AUTO1" offers a comprehensive solution for commercial buyers. Additionally, our "Autohero" brand utilises our proprietary retail application to provide consumers a seamless and transparent online car-buying experience. Our sophisticated algorithms and business logic enable effective inventory management and ensure the matching of the right cars to the right customers, supported by data-driven analysis for customer satisfaction and efficient pricing.

Continuous in-house software development ensures our platform not only meets but anticipates market needs, enhancing the purchase and sales process and facilitating the introduction of new products. This includes consumer & merchant financing, insurance, and retail services. Our technology platform's scalability is integral to our strategy, allowing us to adapt and expand into new markets. The establishment of new purchasing centres, expansion of our dealer network, and the launch of innovative products necessitate further investment in our IT infrastructure, setting the stage for increased sales revenue and market penetration. This scalability and ongoing technological evolution position AUTO1 to continuously tap into existing and emerging markets.

d. Pan-European Logistics Network

AUTO1 continues to mark its presence in over 30 countries, with cross-border transactions constituting a significant portion of our business. This international reach is supported by our extensive logistics network, essential for ensuring quick and dependable transport. We manage over 400 delivery points across Europe and collaborate with logistics partners who not only handle transportation but also oversee the storage of our inventory in more than 130 warehouses. These logistics partners play a crucial role in preparing vehicles for Autohero, aligning them with our rigorous sales standards. This expansive network cements our status as one of the largest clients in European automotive logistics, apart from car manufacturers. The network's scale and efficiency are pivotal as the market increasingly transitions from offline to online transactions.

Our ability to decentralise supply and demand across a European platform presents a formidable challenge to new entrants, thereby reinforcing AUTO1's competitive advantage. The logistics network's size and reach are not just operational assets but strategic tools that bolster our market position in an evolving digital landscape.

e. Network of Production Centres

In the past year, AUTO1 has expanded its in-house used-car production network by adding new centres, reinforcing our commitment to comprehensive quality control and efficient refurbishment processes. This strategic expansion not only increases our capacity but also strengthens our ability to oversee the entire refurbishment process, guaranteeing superior vehicle quality for our customers.

These new centres are integral to our operational strategy, enabling more efficient and agile production workflows. The adoption of fully digitalized logistics systems within these centres markedly enhances our production scalability and flexibility. This expansion bolsters our European production footprint, catalysing the growth of our Autohero business. The improved network ensures higher vehicle quality and faster processing times, contributing significantly to an exceptional customer experience and supporting our goals for continued growth in a dynamic market.

Our production centres are manned by a diverse team of automotive experts, each specialising in a different aspect of the vehicle production line, from repairs to final quality checks and photographic documentation. This level of specialisation guarantees that every car meets our exacting standards before reaching the customer, embodying our dedication to excellence and customer satisfaction.

f. Overall Risk Assessment

The risks and opportunities described can affect the future development of AUTO1. Our assessment of the overall risk situation is based on a consolidated view at all material individual risks and opportunities. Overall, we did not identify any risks or risk clusters that could threaten AUTO1's ability to continue as a going concern. The risk management system in place, which is monitored and refined on an ongoing basis, allows the Group to take suitable countermeasures and avoid or mitigate potential risks and harness potential opportunities.

Outlook

Macroeconomy

In its January 2024 economic outlook, the International Monetary Fund (IMF) assumes that global growth will stabilise at 3.1% year-on-year. Economic growth in the eurozone is expected to increase to 0.9% in the current year 2024, while growth in Germany is forecast at 0.5%.

After the central banks countered inflation with interest rate hikes last year, key interest rates are likely to remain at a sufficiently restrictive level.[7]

An average inflation rate of 2.6% is expected for industrialised countries and an average of 8.1% for emerging and developing countries, resulting in an aggregate global inflation expectation of 5.8% in the current year 2024.[8]

According to the Organisation for Economic Co-operation and Development (OECD), global gross domestic product is set to rise by 2.9% in 2024 and the inflation rate in the G20 countries is expected to remain at a level of 6.6%. In the eurozone, a slight increase in gross domestic product of 0.6% and an inflation rate of 2.6% are forecast for 2024.[9]

Industry

In 2023, prices for European used cars continued to decrease slightly, and were still around 25% above the pre-Covid level of December 2019 at the end of 2023.

For the current year 2024, a year-on-year decline in price levels is expected, as shown by both the start of the year and our most recent retailer survey.[10]

Based on the price index for the European used car market published by AUTO1 Group, prices decreased by 5% in January 2024 compared to the same month last year. Based on a survey conducted by AUTO1 Group in January 2024, a quarter (25.9%) of the dealers surveyed expect used car prices to remain stable in 2024. Few dealers (13.0%) expect prices to rise this year, while the majority (61.1%) of AUTO1.com partner dealers say they expect prices to decrease in 2024.

German (64.8%) and Italian (72.2%) retailers in particular are convinced that prices will decrease this year. In comparison, only half of French (52.6%) and Dutch (51.9%) retailers believe that this will be the case.

AUTO1 Group's Expectations

The past financial year was characterised by a focus on improving the profitability of AUTO1 Group. In the previous year, a total of 625,000 to 690,000 vehicles were forecasted for the 2023 financial year. During the year, this forecast was refined to 625,000 units, with a corridor of plus or minus 5%. A total of around 586,000 vehicles were actually sold. Broken down by segment, the original forecast for Merchant was 590,000 units and a corridor of plus/minus 5% (adjusted during the year to 560,000 units plus/minus 5%) and the original forecast for Retail was 65,000 to 70,000 vehicles (updated during the year to 65,000 vehicles plus/minus 5%). In actual fact, around 523,000 merchant vehicles and around 63,100 retail units were sold.

The Group's gross profit was forecasted at EUR 500 million to EUR 550 million for 2023. AUTO1 Group actually generated a

[7] ECB press release on monetary policy decisions from 25 January 2024.
[8] See IMF, World Economic Outlook, January 2024.
[9] Cf. *https://www.oecd.org/economic-outlook*; accessed on 9 February 2024.
[10] Auto1 Group Car Price Index (*https://www.auto1-group.com/press/pressrelease/auto1-group-price-index-january-2024*).

gross profit of EUR 528 million in financial year 2023.

The Group's adjusted EBITDA for 2023 was originally estimated at EUR -60 million to EUR -90 million (revised during the year to EUR -39 million to EUR -49 million). AUTO1 Group's adjusted EBITDA amounted to EUR -44 million in financial year 2023.

In addition, it was forecasted that total revenue in the 2023 financial year would be at the same level as in 2022. The revenue of EUR 6,534 million in 2022 decreased to EUR 5,463 million.

AUTO1 Group's Management Board will continue to focus on improving profitability in the 2024 financial year. At the same time, growth opportunities are to be realised on the basis of the efficiency improvements achieved.

In terms of the number of vehicles sold, a total of 610,000 to 665,000 units are forecasted. Growth is to be achieved by expanding the purchasing branch network and increasing the capacity utilisation of existing branches. For the Merchant segment, the Group is assuming a number of 540,000 to 595,000 vehicles. In the Retail segment, approximately 70,000 vehicles are expected to be sold based on a Retail GPU of EUR 1,900.

Gross profit is expected to increase overall. As a result, the Group's gross profit for 2024 is expected to be between EUR 565 million and EUR 625 million. The increase in gross profit is linked to the forecast of a higher number of units sold and growth in the Retail GPU.

The Group's adjusted EBITDA is expected to reach break-even in the 2024 financial year. The improvement compared to 2023 is expected to result primarily from the higher gross profit. The cost side is expected to increase at a lower rate.

Particularly against the backdrop of the ongoing political uncertainties, there may be associated economic restrictions in many European countries, which only allow a reliable assessment of all effects on the expected business development of AUTO1 to a limited extent. As a result, the development of the performance indicators for the 2024 financial year may deviate from the planned development. The forecast is based on the Group composition in the forecast period known at the time of preparation.

With the exception of the existing geopolitical tensions, the Management Board is not currently aware of any special factors after the forecast period of one year that could affect the Group's economic situation.

Supplementary Business Situation Reporting on the Annual Financial Statements of AUTO1 Group SE, Munich, for Financial Year 2023

The management report has been combined with the Group management report. The following statements are based on the statutory annual financial statements of AUTO1 Group SE (the "Company"), which were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The annual financial statements and the combined management report are published in the German Federal Gazette.

Company Profile

AUTO1 Group SE is the parent company of AUTO1 Group and operates from its headquarters in Berlin, Germany. The company's business activities essentially comprise management services for the Group, which are provided by the company's Management Board, which also represents the company and defines the Group strategy.

As the company's statutory annual financial statements are prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as at 31 December 2023, there are differences in the accounting and valuation principles. These differences primarily relate to obligations for share-based payments and financial instruments. There may also be differences in the presentation of income and expenses in the income statement.

AUTO1 Group SE successfully completed its IPO on the Frankfurt Stock Exchange on 4 February 2021. Since then, the shares (ISIN: DE000A2LQ884, WKN: A2LQ88) have been traded on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

The key performance indicator for AUTO1 Group SE is net income.

Company's Assets, Liabilities, Financial Position and Financial Performance

1. Financial Performance

The company's earnings position is presented below in the income statement.

KEUR	2023	2022
Revenue	1,804	2,355
Other operating income	38	1,962
Personnel expenses	(1,073)	(1,032)
Other operating expenses	(16,631)	(18,117)
Interest and similar income	26,348	3,984
Interest and similar expenses	(1,363)	(2,299)
Income taxes	(101)	12
Net income (previous year: net loss)	**9,022**	**(13,135)**

Revenue in the current financial year decreased by KEUR 551 to KEUR 1,804 (2022: KEUR 2,355) and mainly relate to management services for AUTO1 Group Operations SE.

Other operating income decreased by KEUR 1,924 to KEUR 38 (2022: KEUR 1,962). In the previous year, this mainly comprised prior-period income and income from currency translation, which were recognised to a much lesser extent in the past financial year.

Other operating expenses amounted to KEUR 16,631 (2022: KEUR 18,117) and mainly include expenses for employee participation programmes of KEUR 13,118 (2022: KEUR 6,316).

The prior year included expenses of KEUR 7,422 from the disposal of money market instruments.

Interest and similar income mainly includes interest in the amount of KEUR 22,379 (2022 KEUR 3,058) on receivables from affiliated companies. In addition, interest income from the investment of short-term liquidity in the amount of KEUR 3,906 (2022: KEUR 926) was realised. The interest and similar expenses of KEUR 1,363 (2022: KEUR 2,299) mainly related to interest from liabilities to affiliated companies (KEUR 1,363; 2022: KEUR 2,173).

In the financial year 2023 the company generated net income for the year (net loss in the previous year) of KEUR 9,022 (2022: KEUR -13,135).

2. Assets and Liabilities of the Company

KEUR		
Assets	**31 Dec. 2023**	**31 Dec. 2022**
Financial assets	978,509	934,508
Receivables from affiliated companies	708,015	517,689
Other assets and prepaid expenses	482	5,691
Cash at banks	33,085	273,968
Total assets	**1,720,091**	**1,731,856**
Equity and liabilities	**31 Dec. 2023**	**31 Dec. 2022**
Provisions	47,247	41,146
Trade payables	159	592
Liabilities to affiliated companies	10,332	47,560
Other liabilities	3,117	-
Total liabilities	**60,855**	**89,298**
Net assets	**1,659,236**	**1,642,558**
Equity	**31 Dec. 2023**	**31 Dec. 2022**
Subscribed capital	215,413	214,803
Capital reserve	1,443,822	1,687,414
Balance sheet profit *previous year accumulated deficit*	-	(259,659)
Total equity	**1,659,235**	**1,642,558**

The following table contains the condensed statement of financial position of the Company:

The financial assets include shares in the affiliated company AUTO1 Group Operations SE, Berlin, in the amount of KEUR 978,509 (2022: KEUR 934,508).

Receivables from affiliated companies increased by KEUR 190,326 to KEUR 708,015 and relate to the transfer of the proceeds from the IPO to subsidiaries to fund further growth.

The other assets and prepaid expenses (KEUR 482; 2022: KEUR 5,691) mainly include receivables from the tax office from capital gains tax of KEUR 360 (2022: KEUR 4,912 from value added tax).

The provisions have increased in particular due to expenses for employee participation programmes by KEUR 6,101 to KEUR 47,247 (2022: KEUR 41,146).

Liabilities to affiliated companies mainly result from centralised cash management and the transfer of VAT from the VAT reporting entity for which the company is responsible.

Subscribed capital and the capital reserve increased as a result of the employee share ownership programmes fulfilled in the past financial year through the issue of shares. A transfer of KEUR 250,637 from the capital reserve, which was offset against the loss carried forward from the previous year - reduced by the net profit for the past financial year - had the opposite effect.

3. Financial Position of the Company

At the end of the year, AUTO1 Group SE had cash and cash equivalents available at short notice in the amount of KEUR 33,085 (2022: KEUR 273,968), which mainly comprise short-term investments in money market instruments of KEUR 32,607 (2022: KEUR 255,317) and bank balances in the amount of KEUR 478 (2022: KEUR 18,651). The decrease in cash and cash equivalents is mainly due to the transfer of cash to the subsidiary AUTO1 Group Operations SE.

I. Opportunities and Risks

The company's business activities are subject to the same opportunities and risks as those of the Group in all material aspects. As AUTO1 Group SE is the direct and indirect majority shareholder of all Group companies, it is involved in the risks that arise in connection with the business activities of these companies. The general risk assessment of the management therefore corresponds to that of the Group and influences the value of the financial assets and receivables from affiliated companies in the annual financial statements.

II. Outlook

The reduction in the net loss for the 2023 financial year forecast in the previous year was achieved and even exceeded with a positive net profit for the year. Due to the nature of the company's business activities, its future development is closely linked to the development of the Group. For this reason, we refer to the Group's outlook, which also presents the management's expectations for the parent company. In addition, the company's annual result is influenced by business relationships with affiliated companies - in particular by the Group's financing activities. For the 2024 financial year, we expect a positive net income at the level of the past financial year.

Takeover-related Disclosures

Composition of subscribed capital

The subscribed capital of AUTO1 Group SE as at 31 December 2023 amounted to EUR 216,216,288 and was divided into 216,216,288 no-par value bearer shares in accordance with Clause 4 of the Articles of Association. The shares are fully paid up. Each share carries the same rights and obligations and has one vote.

Restrictions relating to voting rights or the acquisition of shares

As at 31 December 2023, the company held 803,037 shares with a nominal value amounting to EUR 803,037 as treasury shares, from which the company has no rights in accordance with Section 71b AktG.

Direct or indirect shareholdings that exceed 10% of the voting rights

As at 31 December 2023, BM Digital GmbH, Schönefeld (Germany), HKVV GmbH, Schönefeld (Germany), and SVF Midgard (Cayman) Ltd, George Town (Cayman Islands), each directly held a holding in the capital of AUTO1 Group SE that exceeded 10% of the voting rights.

Statutory provisions and Articles of Association concerning the nomination and dismissal of Management Board members and amendments to the Articles of Association

According to Section 7 (1) of the Articles of Association, the Management Board consists of one or more persons. The Supervisory Board determines the number of members of the Management Board. The Management Board of AUTO1 Group SE currently consists of two persons. The Supervisory Board appoints the members of the Management Board on the basis of Article 9 (1) 1, Art. 39 (2) and Art. 46 SE Regulation, Sections 84, 85 AktG and Section 7 para. 3 of the Articles of Association for a maximum term of office of six years. Reappointments are permitted.

Amendments to the Articles of Association must comply with Sections 179 et seq. AktG must be observed. The Annual General Meeting must decide on amendments to the Articles of Association (Sections 119 (1). 1 no. 6, 179 (1). 1 AktG). The Supervisory Board is authorised to resolve amendments to the Articles of Association that only affect the wording (Section 11 of the Articles of Association).

Powers of the Management Board with particular reference to the ability to issue or buy back shares

By resolution of the Annual General Meeting on 14 January 2021, the Management Board is authorised, with the approval of the Supervisory Board, to acquire treasury shares of AUTO1 Group SE until 13 January 2026 (inclusive) in an amount of up to 10% of the share capital existing at the time the authorisation is granted or - if this value is lower - at the time the authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by AUTO1 Group SE or attributable to it in accordance with Sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time account for more than 10% of the existing share capital. Acquisition for the purpose of trading in treasury shares is excluded.

Based on the authorisation in Section 4 (3) of the Articles of Association of AUTO1 Group SE, the Management Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 7 February 2026 (inclusive) against cash and/or non-cash contributions by issuing new no-par value bearer shares to the extent specified in this provision of the Articles of Association (Authorised Capital 2021). The Authorised Capital 2021 was initially created by resolution of the company's Annual General Meeting on 14 January 2021 and became effective upon entry in the company's commercial register on 18 January 2021. The company's Annual General Meeting on 2 February 2021 then adjusted and reissued the Authorised Capital 2021 by increasing the nominal amount and extending the term; the adjusted and reissued Authorised Capital 2021 became effective upon entry in the company's commercial register on 19 February 2021. The authorisation granted under Authorised Capital 2021 was partially utilised by issuing 8,722,387 new shares in the amount of EUR 8,722,387. Following the partial utilisation, the Authorised Capital 2021 continues to exist in the amount of up to EUR 95,023,613 through the issue of up to 95,023,613 new ordinary bearer shares. Shareholders must generally be granted subscription rights within the scope of the Authorised Capital 2021. However, the Management Board is authorised in accordance with the Articles of Association to exclude shareholders' subscription rights in certain cases with the approval of the Supervisory Board.

The share capital of AUTO1 Group SE is conditionally increased by up to EUR 6,624,900 by issuing up to 6,624,900 new no-par value bearer shares (Conditional Capital 2020) in order to ensure the servicing of subscription rights granted until 31 January 2021. The share capital is also conditionally increased by a total of up to EUR 79,934,175 by issuing a total of up to 79,934,175 new no-par value bearer shares (Conditional Capital 2021). The Conditional Capital 2021 serves to grant shares to holders or creditors of convertible bonds and to holders of option rights from warrant bonds issued by AUTO1 Group SE or a domestic or foreign company in which AUTO1 Group SE directly or indirectly holds the majority of votes and capital until 13 January 2026.

Material agreements of the company that are subject to the condition of a change of control following a takeover bid and the resulting effects

Material agreements of the company that are subject to the condition of a change of control following a takeover bid relate to individual ABS facilities concluded by AUTO1, which may provide for early repayment of the respective loan amount in the event of a change of control.

Non-Financial Statement

The parent company, AUTO1 Group SE, will prepare a separate non-financial report in accordance with Section 315b (3) HGB and publish it on the company's website at *https://ir.auto1-group.com/websites/auto1/English/6900/corporate-governance.html*.

Corporate Governance Statement (unaudited)

The Corporate Governance Statement (Sections 289f, 315d HGB), including the Declaration of Compliance pursuant to Section 161 AktG, is published on the AUTO1 Group SE website at *https://ir.auto1-group.com/websites/auto1/English/6900/corporate-governance.html*.

The process-independent monitoring of the implemented internal control and risk management system is performed by Internal Audit. As part of its risk-oriented audit planning, it assesses the adequacy and effectiveness of the governance processes and systems implemented.

The Management Board and the Audit Committee are informed on a regular basis about the audits conducted by Internal Audit, the results of the ICS audits and the opportunity and risk inventory as well as their further development. In the context of its supervisory activities, the Management Board is not aware of any information that would suggest that the implemented internal control and risk management system is not appropriate and effective during the period from 1 January to 31 December 2023.

Berlin, 21 March 2024

AUTO1 Group SE

Christian Bertermann
CEO

Markus Boser
CFO

02

Balance Sheet

as at

31 DECEMBER 2023

In EUR

Assets	31. Dec. 2023		31. Dec. 2022	
A. Fixed assets				
Fixed assets				
Shares in affiliated companies		**978,508,594.00**		**934,508,594.00**
B. Current assets				
I. Receivables and other assets				
1. Receivables from affiliated companies	708,015,369.02		517,688,509.39	
2. Other assets	453,868.04	708,469,237.06	5,238,063.67	522,926,573.06
II. Cash and cash equivalents		33,084,580.90		273,967,723.78
		741,553,817.96		**796,894,296.84**
C. Prepaid expenses		**28,282.95**		**453,472.07**
		1,720,090,694.91		**1,731,856,362.91**

as at

31 DECEMBER 2023

In EUR

Equity and liabilities	31. Dec. 2023		31. Dec. 2022	
A. Equity				
I. Subscribed capital				
Subscribed capital	216,216,288.00		215,695,838.00	
Conditional capital as at 31 December 2023				
EUR 86,559,075.00 (PY: EUR 86,559,075.00)				
Par value of treasury shares	(803,037.00)	215,413,251.00	(892,467.00)	214,803,371.00
II. Capital reserve		1,443,822,166.15		1,687,414,088.76
III. Balance sheet profit (PY: accumulated deficit)		0.00		(259,659,290.13)
		1,659,235,417.15		**1,642,558,169.63**
B. Provisions				
1. Tax provisions		101,224.00		0.00
2. Other provisions		47,145,281.34		41,146,040.38
		47,246,505.34		**41,146,040.38**
C. Liabilities				
1. Trade payables		159,202.36		591,722.93
2. Liabilities to affiliated companies		10,332,329.88		47,560,429.97
3. Other liabilities		3,117,240.18		0.00
- thereof from taxes				
EUR 3,117,240.18 (PY: EUR 0.00) -		**13,608,772.42**		**48,152,152.90**
		1,720,090,694.91		**1,731,856,362.91**

03

Income Statement

for the period
1 JANUARY - 31 DECEMBER 2023

In EUR

	2023		2022	
1. Revenue		1,804,146.00		2,355,374.50
2. Other operating income		38,787.25		1,961,825.52
3. Personnel expenses				
a) Wages and salaries	(1,011,357.96)		(1,020,740.10)	
b) Social security	(61,722.84)	(1,073,080.80)	(11,047.24)	(1,031,787.34)
4. Other operating expenses		(16,631,272.35)		(18,116,877.74)
5. Other interest and similar income		26,348,280.57		3,984,074.50
6. Interest and similar expenses		(1,363,208.15)		(2,299,602.71)
7. Income taxes		(101,224.00)		12,238.50
8. Earnings after taxes		**9,022,428.52**		**(13,134,754.77)**
9. Net income for the year (PY: net loss)		**9,022,428.52**		**(13,134,754.77)**
10. Accumulated deficit brought forward from prior year		(259,659,290.13)		(246,524,535.36)
11. Withdrawal from capital reserve		250,636,861.61		0.00
12. Balance sheet profit (PY: accumulated deficit)		**0.00**		**(259,659,290.13)**

04

Notes to the Financial Statements

for the financial year from
1 JANUARY - 31 DECEMBER 2023

a. General information

AUTO1 Group SE (hereinafter: „the Company") has its registered office in Munich and is entered in the Munich commercial register (Munich District Court) under HRB no. 241031.

These annual financial statements were prepared in euro in accordance with the accounting requirements of the HGB [Handelsgesetzbuch: German Commercial Code]. In addition to these provisions, the requirements of the AktG [Aktiengesetz: German Stock Corporation Act] in conjunction with Article 61 of Regulation (EC) No 2157/2001 were also observed. As at the reporting date, the Company is a large corporation as defined by Section 267 (3) sentence 2 HGB.

The balance sheet is structured in accordance with Section 266 HGB; the income statement was prepared using the nature of expense method of Section 275 (2) HGB.

The AUTO1 Group SE, as ultimate parent company, prepares consolidated financial statements of AUTO1 Group as at 31 December 2023 according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The annual financial statements and the combined management report in application of Section 315 (5) HGB are published together with the independent auditor's report in the company register for financial year 2023.

To aid transparency, the figures in the annual financial statements are stated in KEUR.

b. Accounting policies

The accounting policies applied are consistent with the provisions of the German Commercial Code (Sections 238 to 263 and Section 264 et seqq. HGB) and the relevant provisions of the German Stock Corporation Act [AktG].

Under **financial assets**, shares in affiliated companies are measured at cost or at the lower of fair value in the event of permanent impairment. The profitability of the Group companies based on existing planning figures using the discounted cash flow model (DCF) is decisive for the assessment of the recoverability of shares in affiliated companies. The DCF determines the present value of future cash flows by discounting forecast cash flows with a risk-adjusted interest rate. Based on the acquisition cost, an impairment loss is recognised if the present value of the cash flows falls below the carrying amount. The discount rate is made up of the risk-free interest rate and specific risk premiums. Sensitivity analyses are used to test the robustness of the valuations against changes in the assumptions.

Receivables and other assets are recognised at the lower of nominal value and fair value.

Cash at bank is stated at nominal value.

Prepaid expenses are recognised for payments made before the reporting date that represent expenses for a certain period after that date.

The **subscribed capital** is reported at nominal value. KEUR 803 is attributable to treasury shares that were transferred back to the Company free of charge.

The **capital reserves** include premiums as defined by Section 272 (2) No. 1 HGB in the amount of KEUR 1,443,822 (PY: KEUR 1,685,548) as well as premiums as defined by Section 272 (2) No. 2 HGB in the amount of KEUR 1,865 (PY: KEUR 1,865).

Other provisions are recognised for all onerous contracts and contingent liabilities. They are recognised at the settlement amount (i.e. including future cost and price increases) deemed necessary based on prudent commercial judgement. Provisions with a remaining term of more than one year are discounted using the interest rates published by the Bundesbank.

The AUTO1 Group operates share-based payment programmes for employees and other beneficiaries. The programmes were established to offer incentives for the Company's beneficiaries. The beneficiaries receive virtual shares or real shares. The acquired entitlements, which are fulfilled in the form of virtual shares, are recognised based on the fair value of the virtual shares measured as at the original grant date in accordance with IFRS 2 of the International Financial Reporting Standards (IFRS). These entitlements were presented under other provisions until the exercise date. The programmes under which the beneficiaries receive real shares are classified as transactions settled by equity instruments and are not recognised in the balance sheet pursuant to the Company's exercise of its accounting option.

Liabilities are recognised at their settlement amounts.

Receivables and other assets and liabilities denominated in foreign currencies were translated at the average spot exchange rate at the reporting date.

c. Notes to the balance sheet

1. Movements in **fixed assets** are presented in the statement of movements in fixed assets (appendix 1 to the notes).

Disclosures on shareholdings

In accordance with Section 285 no. 11 HGB, the Company holds direct or indirect interests in the following companies. Equity and profit/loss for the year are based on accounting in accordance with German commercial law or the accounting of the respective country of domicile from the most recent, available, approved annual financial statements. There are no shareholdings in large corporations pursuant to Section 285 no. 11b HGB that exceed 5% of the voting rights and that fall below 20% of the voting rights.

Name, registered office	Share (%)	Equity (KEUR)	Profit/loss for the year (KEUR)	Reporting date
Direct holdings				
AUTO1 Group Operations SE, Berlin	100.00	261,579	(18,216)	31 Dec. 2022
Indirect holdings				
A1 Engineering, Kiev (Ukraine) [2)]	100.00	133	109	31 Dec. 2022
Agenzia1 S.r.l., Milan (Italy)	100.00	(1)	(17)	31 Dec. 2022
AUTO1 Albania SPHK, Tirana (Albania) [3)]	100.00	283	130	31 Dec. 2022
AUTO1 Car Export S.r.l., Verona (Italy) [12)]	100.00	200	n/a	
AUTO1 Car Trade S.r.l., Verona (Italy) [12)]	100.00	200	n/a	
AUTO1 Czechia s.r.o., Prague (Czech Republic) [7)]	100.00	16	11	31 Dec. 2022
AUTO1 Danmark ApS, Copenhagen (Denmark) [4)]	100.00	279	130	31 Dec. 2022
AUTO1 European Auctions GmbH & Co. KG, Berlin [1)]	100.00	2,057	(164)	31 Dec. 2022
AUTO1 European Auctions Verwaltungs GmbH, Berlin	100.00	6	12	31 Dec. 2022
AUTO1 European Cars B.V., Amsterdam (Netherlands)	100.00	545,119	1	31 Dec. 2022
AUTO1 Finance B.V., Amsterdam (Netherlands)	100.00	16	16	31 Dec. 2022
AUTO1 FT Investment GmbH & Co. KG, Berlin	100.00	(13)	(3)	31 Dec. 2022
AUTO1 FT MI GmbH & Co. KG, Berlin	80.00	(2)	(1)	31 Dec. 2022
AUTO1 FT PANAS GmbH Co. KG, Berlin	80.00	4	(11)	31 Dec. 2022
AUTO1 FT Partners Verwaltungs GmbH, Berlin	100.00	31	1	31 Dec. 2022
AUTO1 Global Services SE & Co.KG, Berlin	100.00	1,176	276	31 Dec. 2022
AUTO1 IT Services SE & Co.KG, Berlin	100.00	2,052	579	31 Dec. 2022
AUTO1 Italia Commercia S.R.L., Milan (Italy)	100.00	1,147	288	31 Dec. 2022
AUTO1 Marketing Services SE & Co.KG, Berlin	100.00	802	213	31 Dec. 2022
AUTO1 Operation Services SE & Co.KG, Berlin	100.00	1,209	568	31 Dec. 2022
AUTO1 Polska Sp.z o.o., Warsaw (Poland) [5)]	100.00	601	283	31 Dec. 2022
AUTO1 Production SE & Co. KG, Berlin [11)]	100.00	10	n/a	31 Dec. 2022
AUTO1 Remarketing GmbH, Berlin	100.00	34	2	31 Dec. 2022
AUTO1 RS D.O.O., Belgrade (Serbia) [6)]	100.00	41	(15)	31 Dec. 2022
AUTO1 Sales Services SE & Co.KG, Berlin	100.00	845	262	31 Dec. 2022

Name, registered office	Share (%)	Equity (KEUR)	Profit/loss for the year (KEUR)	Reporting date
AUTO1 Slovakia s.r.o, Bratislava (Slovakia) [11)]	100.00	5	n/a	
AUTO1.com GmbH, Berlin	100.00	(295)	0	31 Dec. 2022
Autohero AB, Stockholm (Sweden) [8)]	100.00	32	(6,079)	31 Dec. 2022
Autohero Belgium BV, Antwerp (Belgium)	100.00	(686)	(11,182)	31 Dec. 2022
Autohero France SAS, Neuilly-sur-Seine (France)	100.00	(39,229)	(42,196)	31 Dec. 2022
Autohero GmbH, Berlin	100.00	(34,867)	(68,618)	31 Dec. 2022
Autohero Inc., Delaware (USA) [9)]	100.00	7	0	31 Dec. 2022
Autohero Italia S.r.l., Milan (Italy)	100.00	(13,207)	(13,540)	31 Dec. 2022
Autohero NL B.V., Amsterdam (Netherlands)	100.00	(10,890)	(9,743)	31 Dec. 2022
Autohero Österreich GmbH, Vienna (Austria)	100.00	229	(7,936)	31 Dec. 2022
Autohero Plus Spain S.L., Madrid (Spain)	100.00	7,798	(15,806)	31 Dec. 2022
Autohero Poland Sp. z o.o., Warsaw (Poland) [5)]	100.00	(29,572)	(23,785)	31 Dec. 2022
Autohero Services GmbH & Co. KG., Berlin	100.00	252	141	31 Dec. 2022
Autowholesale Automotive Finland Oy, Tampere (Finland)	100.00	165	16	31 Dec. 2022
GAB Service UG (limited liability), Berlin	100.00	12	1	31 Dec. 2022
L&L Auto Info GmbH, Berlin	100.00	404	17	31 Dec. 2022
NOI COMPRIAMO AUTO.IT S.R.L., Milan (Italy)	100.00	480	(992)	31 Dec. 2022
VAMANCIA S.L., Madrid (Spain)	100.00	3,637	959	31 Dec. 2022
VKDA Sverige AB, Stockholm (Sweden) [8)]	100.00	1,275	(588)	31 Dec. 2022
WijKopenAutos B.V., Amsterdam (Netherlands)	100.00	1,928	300	31 Dec. 2022
WKA BENL Holding B.V., Amsterdam (Netherlands)	100.00	8,000	(24)	31 Dec. 2022
WKA BV, Antwerp (Belgium)	100.00	1,370	718	31 Dec. 2022
WKDA Automobile DE SE & Co.KG, Berlin	100.00	2,658	582	31 Dec. 2022
WKDA Automotive SRL, Bucharest (Romania) [10)]	100.00	712	132	31 Dec. 2022
WKDA Booking Services SE & Co.KG, Berlin	100.00	238	51	31 Dec. 2022
WKDA France S.A.S, Issy-les-Moulinaux (France)	100.00	5,247	955	31 Dec. 2022
WKDA FRSM UG (limited liability), Berlin	100.00	(1)	0	31 Dec. 2022
WKDA GmbH, Berlin	100.00	32	2	31 Dec. 2022
WKDA Mitte SE & Co. KG, Berlin	100.00	16	16	31 Dec. 2022
WKDA Mobil Mitte SE & Co. KG, Berlin	100.00	10	5	31 Dec. 2022
WKDA Mobil Ost SE & Co. KG, Berlin	100.00	10	3	31 Dec. 2022
WKDA Mobil Süd SE & Co. KG, Berlin	100.00	10	6	31 Dec. 2022
WKDA Mobil West SE & Co. KG, Berlin	100.00	10	5	31 Dec. 2022
WKDA Ost SE & Co. KG, Berlin	100.00	16	16	31 Dec. 2022
WKDA Österreich GmbH, Vienna (Austria)	100.00	1,355	355	31 Dec. 2022

Name, registered office	Share (%)	Equity (KEUR)	Profit/loss for the year (KEUR)	Reporting date
WKDA Portugal, Unipessoal Lda., Carnaxide (Portugal)	100.00	(69)	71	31 Dec. 2022
WKDA Purchasing SE & Co. KG, Berlin	100.00	10	9	31 Dec. 2022
WKDA Süd SE & Co. KG, Berlin	100.00	21	21	31 Dec. 2022
WKDA West SE & Co. KG, Berlin	100.00	15	15	31 Dec. 2022

1) The company was merged into Auto1.com GmbH on 10 January 2023.

2) The exchange rate as at 31 December 2022 was 38.95 UAH/EUR. In the financial year 2022, the average exchange rate was 38.67 UAH/EUR.

3) The exchange rate as at 31 December 2022 was 114.23 ALL/EUR. In the financial year 2022, the average exchange rate was 114.93 ALL/EUR.

4) The exchange rate as at 31 December 2022 was 7.44 DKK/EUR. In the financial year 2022, the average exchange rate was 7.44 DKK/EUR.

5) The exchange rate as at 31 December 2022 was 4.68 PLN/EUR. In the financial year 2022, the average exchange rate was 4.68 PLN/EUR.

6) The exchange rate as at 31 December 2022 was 117.64 RSD/EUR. In the financial year 2022, the average exchange rate was 117.82 RSD/EUR.

7) The exchange rate as at 31 December 2022 was 24.12 CZK/EUR. In the financial year 2022, the average exchange rate was 24.27 CZK/EUR.

8) The exchange rate as at 31 December 2022 was 11.12 SEK/EUR. In the financial year 2022, the average exchange rate was 10.63 SEK/EUR.

9) The exchange rate as at 31 December 2022 was 1.07 USD/EUR. In the financial year 2022, the average exchange rate was 1.06 USD/EUR.

10) The exchange rate as at 31 December 2022 was 4.95 RON/EUR. In the financial year 2022, the average exchange rate was 4.92 RON/EUR.

11) Business operations have not yet commenced. The equity data correspond to the values at the time of formation.

12) Business operations commenced in 2023. The equity data corresponds to the figures at the time of formation. No annual financial statements have been prepared to date.

2. **Receivables from affiliated companies** include intercompany receivables from subsidiaries, of which KEUR 700,060 (PY: KEUR 512,239) relate to other receivables and KEUR 7,955 (PY: KEUR 5,449) to trade receivables. As in the previous year, the receivables have an expected remaining term of more than one year.

3. **Other assets** mainly relate to receivables from the tax authorities for income taxes in the amount of KEUR 360 (PY: KEUR 75) and a receivable from Markus Boser from corrections to payroll accounting for 2023 in the amount of KEUR 42. As in the previous year, the remaining term of other assets is up to one year.

   Cash and cash equivalents include short-term time deposits of KEUR 32,607 (PY: KEUR 255,317) including pro rata interest with a remaining term of less than 3 months.

4. **Prepaid expenses** mainly include KEUR 28 (PY: KEUR 27) in expenses for licence fees relating to the following year. The previous year also included KEUR 426 in expenses for D&O liability insurance.

5. The Company's **equity** and its individual components developed as follows in the past financial year:

KEUR	Subscribed-capital	Treasury shares	Capital reserves	Balance sheet profit PY: Accumulated deficit	Equity
As at 1 Jan. 2023	215,696	(892)	1,687,413	(259,659)	1,642,558
Net profit for the period	-	-	-	9,023	9,023
Capital increases	520	-	7,134	-	7,654
Issuance of treasury shares	-	89	(89)	-	-
Withdrawals from the capital reserve	-	-	(250,636)	250,636	0
As at 31 Dec. 2023	216,216	(803)	1,443,822	0	1,659,235

The paid-in share capital of the Company amounts to KEUR 216,216 as at 31 December 2023 (PY: KEUR 215,696) and is divided into 216,216,288 no-par shares (PY: 215,695,838 no-par shares) with a notional par value of EUR 1.00 per share.

The Company holds treasury shares with a nominal amount of KEUR 803 (PY: KEUR 892). The authorisation to acquire treasury shares arises from Article 9 (1) c) ii) in conjunction with Sections 71 et seq. of the German Stock Corporation Act (AktG) and, as at the balance sheet date, from the authorisation granted by the Annual General Meeting on 14 January 2021. The Company is authorised, with the approval of the Supervisory Board, to acquire treasury shares in the Company until 13 January 2026 (inclusive) in an amount of up to 10% of the share capital existing at the time the authorisation is granted or - if this value is lower - of the share capital existing at the time the authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by the Company or attributable to it in accordance with Sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time account for more than 10% of the existing share capital. Acquisition for the purpose of trading in treasury shares is excluded.

By resolution of the Annual General Meeting on 2 February 2021, entered in the commercial register on 19 February 2021, the Management Board was authorised, with the approval of the Supervisory Board, to originally increase the Company's share capital by up to KEUR 103,746 in new ordinary bearer shares against cash and/or non-cash contributions by 7 February 2026. This authorisation was partially utilised by issuing 8,722,387 new shares in the amount of KEUR 8,722. Following the partial utilisation, the authorised capital remains in place in the amount of up to KEUR 95,024 through the issue of up to 95,023,613 new ordinary bearer shares. The shareholders must generally be granted subscription rights within the scope of the authorised capital. However, the Management Board is authorised in accordance with the Articles of Association to exclude shareholders' subscription rights in certain cases with the approval of the Supervisory Board.

The Company's share capital is conditionally increased originally up to the amount of KEUR 6,625 by issuing up to 6,624,900 new no-par value bearer shares (Conditional Capital 2020/I) in order to service the subscription rights granted until 31 January 2021. Furthermore, the Company's share capital is conditionally increased originally up to the amount of KEUR 79,934 by issuing up to 79,934,175 new no-par value bearer shares (Conditional Capital 2021/I). The Contingent Capital 2021/I serves to grant shares to holders or creditors of convertible bonds as well as to the holders of option rights attached to option bonds that are issued by the Company until 13 January 2026.

All issued and outstanding shares are fully paid as at 31 December 2023. The shares have no nominal value.

In the financial year 2023, employees of the AUTO1 Group subscribed for new shares to be issued against contribution of receivables from existing share-based payment programmes as presented in the table below. In order to satisfy the purchase rights in the commensurate amount, the share capital was increased by making use of Authorised Capital 2021/I. The difference between the notional par value of the shares and the value of the purchase rights was allocated to the capital reserve.

	Number of shares	Utilisation of authorised capital in KEUR	Increase in share capital in KEUR	Allocation to capital reserve in KEUR
March 2023	201,875	(202)	202	3,007
May 2022	89,969	(90)	90	1,125
August 2022	193,897	(194)	195	2,181
November 2023	34,709	(34)	34	821
Total in 2023	**520,450**	**(520)**	**520**	**7,134**

As at 31 December 2023, the issued and authorised share capital including conditional capital amounted to KEUR 396,996 (PY: KEUR 396,907).

KEUR	Subscribed capital	Treasury shares	Conditional capital	Authorised capital	Share capital total
As at 1 Jan. 2023	215,696	(892)	86,559	95,544	**396,907**
Capital increase or raising	520	-	-	-	**520**
Utilisation	-	-	-	(520)	**(520)**
Issuance of treasury shares	-	89	-	-	**89**
As at 31 Dec. 2023	216,216	(803)	86,559	95,024	**396,996**

The balance sheet profit as at 31 December 2023 amounts to KEUR 0 (PY: accumulated deficit of KEUR 259,659). When preparing the annual financial statements, the Management Board decided to offset the loss carried forward from the previous financial year of KEUR 259,659 against the net profit of the past financial year of KEUR 9,023 by withdrawal from the capital reserve.

6. The **tax provisions** relate to trade tax and concern the assessment year 2023.

7. **Other provisions** mainly relate to provisions for virtual, share-based payment programmes (KEUR 45,442, PY: KEUR 39,979), provisions for outstanding invoices and Supervisory Board compensation (KEUR 1,068, PY: KEUR 609), as well as provisions for audit fees (KEUR 635, PY: KEUR 557).

   As in the previous year, **liabilities to affiliated companies** relate exclusively to other liabilities and have an expected remaining term of more than one year.

8. **Other liabilities** mainly relate to liabilities to tax authorities for value added tax in the amount of KEUR 3,094. As at the previous balance sheet date, a receivable from tax authorities for value added tax in the amount of KEUR 4,912 was recognised under other assets.

9. As in the previous year, **trade payables and other liabilities** fall due within one year.

10. There were no **other financial obligations** as at the balance sheet date.

d. Explanatory notes on individual income statement items

1. **Revenue** (KEUR 1,804, PY: KEUR 2,355) relates primarily to management services for AUTO1 Group Operations SE.

2. **Other operating income** (KEUR 39, PY: KEUR 1,962) mainly relates to prior-period income from the reimbursement of social security contributions for the years 2019 to 2021 (KEUR 15), income from the charging on of benefits in kind (KEUR 11) and foreign currency translation gains (KEUR 7).

3. **Other operating expenses** (KEUR 16,631, PY: KEUR 18,117) mainly include expenses for virtual share-based payment programmes (KEUR 13,118), expenses for financial statements audits (KEUR 927) and expenses for Supervisory Board remuneration (KEUR 555).

4. **Other interest and similar income** in the amount of KEUR 26,348 (PY: KEUR 3,984) mainly results from interest on intercompany receivables (KEUR 22,379, PY: KEUR 3,058) and short-term time deposits (KEUR 3,906, PY: KEUR 926).

5. **Interest and similar expenses** of KEUR 1,363 (PY: KEUR 2,299) relate to expenses of KEUR 1,363 (PY: KEUR 2,173) for interest on intragroup liabilities.

6. **Tax expenses** of KEUR 101 (PY: KEUR -12) relate to trade tax for the assessment year 2023.

Contingent liabilities

1. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 10 January 2024, AUTO1 Group SE has agreed with AUTO1 European Cars B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

2. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 10 January 2024, AUTO1 Group SE has agreed with AUTO1 Finance B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

3. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 10 January 2024, AUTO1 Group SE has agreed with WKA BENL Holding B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

4. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 10 January 2024, AUTO1 Group SE has agreed with WijKopenAutos B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

5. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 10 January 2024, AUTO1 Group SE has agreed with Autohero NL B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

6. In a declaration pursuant to Section 264 (3) no. 2 HGB dated 29 January 2024, AUTO1 Group SE has agreed with AUTO1 Group Operations SE, Berlin, to guarantee all obligations of AUTO1 Group Operations SE existing on 31 December 2023 in financial year 2024. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

e. Other information

1. The Company, as ultimate parent company, prepares the consolidated financial statements for the largest and smallest group of companies. These consolidated financial statements are published in accordance with Section 325 (3) HGB and accessible in the German Federal Gazette under *http://www.unternehmensregister.de*.

2. The average number of employees in the financial year was 0.

3. Disclosures pursuant to Section 160 (1) no. 8 AktG

   The existing shareholdings in AUTO1 Group SE, which have been notified to it in accordance with Section 33 (1) WpHG (German Securities Trading Act) and which have been published in accordance with Section 40 (1) WpHG, are shown with the content of the notification in Appendix 2 to the notes. It should be noted that the amount of the shareholding may have changed since then within the respective thresholds without the shareholders being obliged to notify AUTO1 Group SE. The percentages stated in the overview refer to the share capital of the Company at the respective notification date.

   The content of the voting rights notifications that AUTO1 Group SE received in financial year 2023 and up to the reporting date in accordance with Section 33 (1) WpHG and that were published in accordance with Section 40 (1) WpHG are presented in Appendix 3 to the notes.

4. Company bodies

   Management Board

   The Management Board is composed as follows:

Name	Profession practised	Memberships of supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence 5 AktG
Christian Bertermann	CEO of AUTO1 Group SE	none
Markus Boser	CFO of AUTO1 Group SE	Patient 21 SE (Deputy Chairman of the Supervisory Board)

Supervisory Board

The Supervisory Board is composed as follows:

Name	Profession practised	Memberships of supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence 5 AktG
Dr. Gerhard Cromme -Chairman of the Supervisory Board -Chairman of the Presidential and Nomination Committee -Member of the Audit Committee	Activity on several supervisory boards	AUTO1 Group Operations SE (Member of the Supervisory Board) eClear AG (Member of the Supervisory Board) Highview Enterprises Ltd. (Non-executive Director)
Hakan Koç -Deputy Chairman of the Supervisory Board -Member of the Presidential and Nomination Committee -Member of the ESG Committee	CEO and Director at the 1GLOBAL group of companies	AUTO1 Group Operations SE (Member of the Supervisory Board)
Gerd Häusler -Member of the Supervisory Board -Chairman of the Audit Committee -Member of the Presidential and Nomination Committee	Activity on several supervisory boards	AUTO1 Group Operations SE (Member of the Supervisory Board) Münchner Rückversicherungs-Gesellschaft (Member of the Supervisory Board)
Sylvie Mutschler-von Specht -Member of the Supervisory Board -Member of the ESG Committee -Member of the Marketing and Branding Committee	Member of various supervisory and administrative boards; Managing Director and member of the Board of Directors of Mutschler Ventures AG	AUTO1 Group Operations SE (Member of the Supervisory Board) A & S Beteiligungen AG (Chairwoman of the Board of Directors) Bergos AG (Member of the Supervisory Board) AvS – International Trusted Advisors GmbH (Member of the Advisory Board) C+H Development Holding AG (Chairwoman of the Board of Directors) MIAG Mutschler Immobilien AG (Chairwoman of the Board of Directors) Pan American Finance, LLLP (Member of the Board of Directors) Mutschler Outlet Holding AG (Management and Member of the Board of Directors) Mutschler Ventures AG (Management and Member of the Board of Directors) Premium Property AG (Management and Member of the Board of Directors)

Name	Profession practised	Memberships of supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence 5 AktG
Lars Santelmann -Member of the Supervisory Board -Chairman of the ESG Committee -Member of the Audit Committee	Member of the Supervisory Board	AUTO1 Group Operations SE (Member of the Supervisory Board)
Martine Gorce Momboisse since 17 Apr. 2023 -Member of the Supervisory Board -Chairwoman of the Marketing and Branding Committee	Member of the Supervisory Board	AUTO1 Group Operations SE (Member of the Supervisory Board) Ticket for the Moon SAS (Advisory Board Member) Comptoir de Location SAS (Advisory Board Member)
Vassilia Kennedy until 13 Jan. 2023 -Member of the Supervisory Board -Chairwoman of the Marketing and Branding Committee	Chief Marketing Officer (CMO) at Volkswagen Pkw	AUTO1 Group Operations SE (Member of the Supervisory Board)

5. Total remuneration of the Management Board and remuneration of the Supervisory Board

For the financial year 2023, the total remuneration of the members of the Management Board of AUTO1 Group SE amounted to KEUR 1,016 (PY: KEUR 1,020).

Board member	Fixed remuneration (cash) in KEUR	Variable remuneration in KEUR
Christian Bertermann	510	0
Markus Boser	506	0

In addition, Markus Boser was granted remuneration totalling KEUR 18, which was paid by an affiliated company.

The remuneration of the Supervisory Board amounted to KEUR 555 (PY: KEUR 473).

6. Advances and loans granted to members of the Management Board and Supervisory Board

No loans or advances were granted to members of the Management Board or the Supervisory Board. There were no contingent liabilities for the benefit Supervisory Board members as at the reporting date.

7. Auditor's fees and services

At the Annual General Meeting on 7 June 2023, the shareholders of AUTO1 Group SE elected KPMG AG Wirtschaftsprüfungsgesellschaft as statutory auditor and group auditor of AUTO1 Group SE for financial year 2023.

The fee for audit services of KPMG AG Wirtschaftsprüfungsgesellschaft, Germany, related primarily to the audit of the consolidated financial statements and the annual financial statements of AUTO1 Group SE. Other assurance services relate to the review of interim financial statements and the voluntary audit of historical financial information. Other services include translation services.

The amount of total fees is reported in the consolidated financial statements.

8. Events after the reporting date

There were no significant events after the reporting date.

9. Declaration of compliance in accordance with the German Corporate Governance Code

AUTO1 Group SE has made the declaration of compliance with the German Corporate Governance Code in accordance with Section 161 AktG issued by the Management and Supervisory Boards permanently available to shareholders on the Company's website under *https://ir.auto1-group.com/websites/auto1/German/6900/corporate-governance.html*.

10. Appropriation of earnings

    As part of the preparation of the annual financial statements, the Management Board decided to offset the loss carried forward of KEUR 259,659 against the net profit for the year of KEUR 9,023 by withdrawing it from the capital reserve. The balance sheet profit as at 31 December 2023 after withdrawal from the capital reserve amount to KEUR 0.

Berlin, 21 March 2024
AUTO1 Group SE

Christian Bertermann
CEO

Markus Boser
CFO

05

Movements in Fixed Assets

during the
2023 FINANCIAL YEAR

In EUR

Cost	1. Jan. 2023	Additions	31. Dec. 2023
Financial assets			
Shares in affiliated companies	934,508,594.00	44,000,000.00	978,508,594.00

In EUR

Accumulated amortisation, depreciation and write-downs	1. Jan. 2023	Amortisation, depreciation and write-downs during the financial year	31. Dec. 2023
Financial assets			
Shares in affiliated companies	0.00	0.00	0.00

In EUR

Book value	31. Dec. 2023	31. Dec. 2022
Financial assets		
Shares in affiliated companies	978,508,594.00	934,508,594.00

Content of the voting rights notifications received by AUTO1 Group SE pursuant to Section 33 (1) WpHG

and which were published in accordance with Section 40 (1) WpHG

1. Information on the issuer

Name: AUTO1 Group SE
Street. house no.: Bergmannstrasse 72
Postcode: 10961
Location: Berlin. Germany
Legal Entity Identifier (LEI): 391200S2LPXG5ZD5G304

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights. if different from 3.	5. Date of thres-hold contact	6. Total voting rights							7. Details of the voting rights								8. Information relating to the notifying party
				Share of voting rights Total 7.a.		Share of instruments Total 7.b.1.+ 7.b.2.		Total shares sum 7.a. + 7.b.		Total number of voting rights pursuant to Section 41 WpHG	7a) Voting rights pur-suant to Sec-tion 33 WpHG direct		7a) Voting rights pursuant to Sec-tion 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		
				new	old	new	old	new	old		Quan-tity	Per-cent	Quan-tity	Per-cent	Quan-tity	Per-cent	Quan-tity	Per-cent	
First-time admission of the shares to trading on an organised market	Hakan Koç 11.05.1984	HKVV GmbH	3/2/2021	13.62%		0.00%		13.62%	0.00%	199,433,940		0.00%	27,163,300	13.62%		0.00%		0.00%	HKVV GmbH 13.62 %
First-time admission of the shares to trading on an organised market	Christian Bertermann 24.01.1984	BM Digital GmbH	3/2/2021	13.62%		0.00%		13.62%	0.00%	199,433,940		0.00%	27,162,300	13.62%		0.00%		0.00%	BM Digital GmbH 13.62 %
First-time admission of the shares to trading on an organised market	Softbank Group Corp. Tokio. Japan	SVF Midgard (Cayman) Limited	3/2/2021	17.36%		1.55%		18.91%	0.00%	199,433,940		0.00%	34,613,900	17.36%		0.00%	3,092,624	1.55%	SB Investment Advisers (UK) Limited 17.36 % SVF Midgard (Cayman) Limited 17.36
Purchase or sale of shares with voting rights	DN Capital (UK) LLP London. United Kingdom		5/2/2021	1.74%	3.08%	0.00%	0.00%	1.74%	3.08%	199,433,940		0.00%	3,471,521	1.74%		0.00%		0.00%	
Purchase or sale of shares with voting rights	Piton Capital Investments Coöperatief B.A. Amsterdam. Netherlands		8/2/2021	4.58%	6.86%	0.00%	0.00%	4.58%	6.86%	199,433,940	9,135,430	4.58%		0.00%		0.00%		0.00%	
Purchase or sale of shares with voting rights	Despoina Zinonos 16.07.1974	OUR993 S.à r.l.	8/2/2021	8.76%	13.97%	0.00%	0.00%	8.76%	13.97%	199,433,940		0.00%	17,475,313	8.76%		0.00%		0.00%	OUR993 S.à r.l. 5.86 %
Purchase or sale of shares with voting rights	Stephen Mandel Jr. 12.03.1956		4/2/2021	3.21%		0.00%		3.21%	0.00%	199,433,940		0.00%	6,393,680	3.21%		0.00%		0.00%	Lone Pine Capital LLC 3.21 %
Purchase or sale of shares with voting rights	DN Capital - GVC III General Partner Limited St. Helier. Jersey		9/2/2021	2.38%	3.93%	0.00%	0.00%	2.38%	3.93%	199,433,940		0.00%	4,740,697	2.38%		0.00%		0.00%	

				6. Total voting rights							7. Details of the voting rights								
				Share of voting rights Total 7.a.		Share of instruments Total 7.b.1.+ 7.b.2.		Total shares sum 7.a. + 7.b.			7a) Voting rights pursuant to Section 33 WpHG direct		7a) Voting rights pursuant to Section 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		
2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	new	old	new	old	new	old	Total number of voting rights pursuant to Section 41 WpHG	Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent	8. Information relating to the notifying party
Purchase or sale of shares with voting rights	Union Investment Privatfonds GmbH Frankfurt am Main, Germany		12/4/2022	3.02%		0.00%		3.02%	0.00%	215,429,450		0.00%	6,500,048	3.02%		0.00%		0.00%	
Purchase or sale of shares with voting rights	Coronation Fund Managers Cape Town, South Africa		2/11/2022	3.02%		0.00%		3.02%	0.00%	215,622,552		0.00%	6,502,250	3.02%		0.00%		0.00%	
Purchase or sale of shares with voting rights	FMR LLC Wilmington, DE, United States of America	Fidelity Advisor Series I	23/5/2023	4.86%	5.00%	0.06%	0.06%	4.92%	5.06%	215,897,713		0.00%	10,488,864	4.86%	129,745	0.06%		0.00%	Fidelity Management & Research Company LLC 4.85 %
Purchase or sale of shares with voting rights	Fidelity Advisor Series I Boston, United States of America		7/9/2023	2.99%	3.00%	0.03%	0.03%	3.02%	3.04%	216,181,579	6,466,979	2.99%		0.00%	69,565	0.03%		0.00%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Eric Bannasch 30.07.1974		14/12/2023	3.07%	2.95%	10.03%	8.84%	13.10%	11.79%	216,216,288		0.00%	6,636,550	3.07%		0.00%	21,694,766	10.03%	Cadian Capital Management. LP 3.07 %
Purchase or sale of shares with voting rights	Cadian Offshore Fund Ltd Grand Cayman, Cayman Islands		14/12/2023	1.78%	1.78%	10.03%	8.84%	11.81%	10.62%	216,216,288		0.00%	3,850,776	1.78%		0.00%	21,694,766	10.03%	
Purchase or sale of shares with voting rights	Baillie Gifford & Co Edinburgh, United Kingdom		19/12/2023	3.00%	3.00%	0.00%	0.00%	3.00%	3.00%	216,216,288		0.00%	6,487,885	3.00%		0.00%		0.00%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, DE, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	19/12/2023	9.03%	8.97%	5.48%	5.46%	14.50%	14.43%	216,216,288		0.00%	19,516,524	9.03%	560,404	0.26%	11,285,058	5.22%	Morgan Stanley & Co. LLC 4.73 % Morgan Stanley & Co. International plc 4.3 %
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Bank of America Corporation Wilmington, DE, United States of America		19/12/2023	1.28%	1.89%	2.92%	3.20%	4.21%	5.09%	216,216,288		0.00%	2,769,738	1.28%	405,065	0.19%	5,919,076	2.74%	
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		20/12/2023	0.08%	1.31%	4.84%	4.50%	4.92%	5.81%	216,216,288		0.00%	163,801	0.08%	9,123,003	4.22%	1,352,492	0.63%	

Content of the voting rights notifications received by AUTO1 Group SE pursuant to Section 33 (1) WpHG

in

FINANCIAL YEAR 2023

and which were published in accordance with Section 40 (1) WpHG

1. Information on the issuer

Name: AUTO1 Group SE
Street. house no.: Bergmannstrasse 72
Postcode: 10961
Location: Berlin. Germany
Legal Entity Identifier (LEI): 391200S2LPXG5ZD5G304

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	6. Total voting rights							7. Details of the voting rights								8. Information relating to the notifying party
				Share of voting rights Total 7.a.		Share of instruments Total 7.b.1.+ 7.b.2.		Total shares sum 7.a. + 7.b.		Total number of voting rights pursuant to Section 41 WpHG	7a) Voting rights pursuant to Section 33 WpHG direct		7a) Voting rights pursuant to Section 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		
				new	old	new	old	new	old		Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent	
Purchase or sale of shares with voting rights	Coronation Fund Managers Cape Town, South Africa	Coronation Fund Managers	2/11/2022	3.02%		0.00%		3.02%	0.00%	215,622,552		0.00%	6,502,250	3.02%		0.00%		0.00%	Morgan Stanley & Co. LLC 3.97 %
Purchase or sale of shares with voting rights	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	8/2/2023	4.87%	5.30%	2.91%	2.49%	7.78%	7.79%	215,695,838		0.00%	10,504,875	4.87%	1,108,831	0.51%	5,165,921	2.40%	Morgan Stanley & Co. LLC 4.52 %
Purchase or sale of shares with voting rights	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	17/3/2023	5.04%	4.87%	2.67%	2.91%	7.71%	7.78%	215,695,838		0.00%	10,876,408	5.04%	796,569	0.37%	4,961,285	2.30%	Fidelity Management & Research Company LLC 4.86 %
Acquisition or disposal of instruments	FMR LLC Wilmington, Delaware, United States of America	FMR LLC	20/3/2023	4.86%	5.06%	0.27%	0.00%	5.13%	5.06%	215,897,713		0.00%	10,503,039	4.86%	574,952	0.27%		0.00%	
Acquisition or disposal of instruments	Eric Bannasch 30.07.1974		28/3/2023	2.15%	1.18%	5.01%	3.86%	7.16%	5.04%	215,897,713		0.00%	4,642,233	2.15%		0.00%	10,825,662	5.01%	
Acquisition or disposal of instruments	Cadian Offshore Fund Ltd Grand Cayman, Cayman Islands		28/3/2023	1.69%	1.08%	5.01%	3.93%	6.71%	5.00%	215,897,713		0.00%	3,650,776	1.69%		0.00%	10,825,662	5.01%	

				6. Total voting rights							7. Details of the voting rights								
2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	Share of voting rights Total 7.a. new	Share of voting rights Total 7.a. old	Share of instruments Total 7.b.1.+ 7.b.2. new	Share of instruments Total 7.b.1.+ 7.b.2. old	Total shares sum 7.a. + 7.b. new	Total shares sum 7.a. + 7.b. old	Total number of voting rights pursuant to Section 41 WpHG	7a) Voting rights pursuant to Section 33 WpHG direct Quantity	7a) Voting rights pursuant to Section 33 WpHG direct Per cent	7a) Voting rights pursuant to Section 34 WpHG attributed Quantity	7a) Voting rights pursuant to Section 34 WpHG attributed Per cent	7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG Quantity	7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG Per cent	7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG Quantity	7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG Per cent	8. Information relating to the notifying party
The notification is triggered due to the application of the custody exemption pursuant to sec. 36 para. 3 no. 2 WpHG	Morgan Stanley Wilmington, Delaware, United States of America		28/4/2023	4.40%	5.04%	3.75%	2.67%	8.14%	7.71%	215,897,713		0.00%	9,491,077	4.40%	836,256	0.39%	7,255,769	3.36%	
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		15/5/2023	0.23%		4.87%		5.10%	0.00%	215,897,713		0.00%	493,703	0.23%	8,995,538	4.17%	1,529,427	0.71%	
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		16/5/2023	0.03%	0.23%	5.05%	4.87%	5.09%	5.10%	215,897,713	6,466,979	0.00%	75,461	0.03%	9,215,689	4.27%	1,694,132	0.78%	
Acquisition or disposal of shares with voting rights Exercise of instruments	FMR LLC Wilmington, Delaware, United States of America	Fidelity Advisor Series I	16/5/2023	5.02%	4.86%	0.06%	0.27%	5.08%	5.13%	215,897,713		0.00%	10,827,431	5.02%	129,745	0.06%		0.00%	Fidelity Management & Research Company LLC 5.01 %
The notification is triggered due to the non-application of the custody exemption pursuant to section 3.1. Section 36 (3) no. 2 WpHG	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	17/5/2023	6.51%	4.40%	3.60%	3.75%	10.11%	8.14%	215,897,713		0.00%	14,048,992	6.51%	834,662	0.39%	6,936,253	3.21%	Morgan Stanley & Co. LLC 4.58 %
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	FMR LLC Wilmington, Delaware, United States of America	Fidelity Advisor Series I	18/5/2023	5.00%	5.02%	0.06%	0.06%	5.06%	5.08%	215,897,713		0.00%	10,790,161	5.00%	129,745	0.06%		0.00%	Fidelity Management & Research Company LLC 4.99 %
Acquisition or disposal of instruments	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		22/5/2023	0.17%	0.03%	4.90%	5.05%	5.07%	5.09%	215,897,713		0.00%	368,539	0.17%	9,028,024	4.18%	1,551,277	0.72%	
Purchase or sale of shares with voting rights	FMR LLC Wilmington, Delaware, United States of America	Fidelity Advisor Series I	23/5/2023	4.86%	5.00%	0.06%	0.06%	4.92%	5.06%	215,897,713		0.00%	10,488,864	4.86%	129,745	0.06%		0.00%	Fidelity Management & Research Company LLC 4.85 %
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	The Goldman Sachs Group, Inc. Wilmington, DE, Vereinigte Staaten von Amerika		25/5/2023	0.07%	0.17%	4.61%	4.90%	4.68%	5.07%	215,897,713		0.00%	144,751	0.07%	8,181,778	3.79%	1,767,022	0.82%	
Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	1/8/2023	7.04%	6.51%	4.64%	3.60%	11.68%	10.11%	215,987,682		0.00%	15,199,343	7.04%	1,292,686	0.60%	8,733,773	4.04%	Morgan Stanley & Co. LLC 4.44 %

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of thres-hold contact	6. Total voting rights: Share of voting rights Total 7.a.		Share of instruments Total 7.b.1.+ 7.b.2.		Total shares sum 7.a. + 7.b.		Total number of voting rights pursuant to Section 41 WpHG	7. Details of the voting rights: 7a) Voting rights pursuant to Section 33 WpHG direct		7a) Voting rights pursuant to Section 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		8. Information relating to the notifying party
				new	old	new	old	new	old		Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent	
Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	3/8/2023	7.49%	7.04%	5.01%	4.64%	12.50%	11.68%	215,987,682		0.00%	16,182,754	7.49%	1,290,052	0.60%	9,535,782	4.41%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Fidelity Advisor Series I Boston, United States of America		11/8/2023	2.97%	3.16%	0.06%	0.00%	3.04%	3.16%	215,987,682		0.00%	6,425,391	2.97%	131,356	0.06%	0	0.00%	Fidelity Management & Research Company LLC 5.01 %
Acquisition or disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	11/8/2023	7.99%	7.49%	5.44%	5.01%	13.44%	12.50%	215,987,682		0.00%	17,262,756	7.99%	1,238,130	0.57%	10,517,180	4.87%	Morgan Stanley & Co. LLC 4.58 %
Acquisition or disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	16/8/2023	8.22%	7.99%	5.66%	5.44%	13.87%	13.44%	215,987,682		0.00%	17,746,797	8.22%	1,241,365	0.57%	10,978,193	5.08%	Fidelity Management & Research Company LLC 4.99 %
Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	17/8/2023	7.30%	8.22%	4.76%	5.66%	12.06%	13.87%	215,987,682		0.00%	15,765,508	7.30%	1,241,765	0.57%	9,030,931	4.18%	Morgan Stanley & Co. LLC 4.43 %
Exercise of instruments	Fidelity Advisor Series I Boston, United States of America		23/8/2023	3.00%	2.97%	0.03%	0.06%	3.04%	3.04%	215,987,682	6,482,596	3.00%	0	0.00%	74,151	0.03%		0.00%	
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc	29/8/2023	7.45%	7.30%	4.98%	4.76%	12.43%	12.06%	215,987,682		0.00%	16,092,780	7.45%	1,235,086	0.57%	9,526,092	4.41%	Morgan Stanley & Co. LLC 4.43 % Morgan Stanley & Co. International plc 3.02%
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	30/8/2023	7.40%	7.45%	4.97%	4.98%	12.37%	12.43%	215,987,682		0.00%	15,983,451	7.40%	1,232,686	0.57%	9,509,222	4.40%	Morgan Stanley & Co. LLC 4.43 %
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	31/8/2023	7.47%	7.40%	4.97%	4.97%	12.45%	12.37%	215,987,682		0.00%	16,137,305	7.47%	1,232,063	0.57%	9,510,347	4.40%	Morgan Stanley & Co. LLC 4.43 % Morgan Stanley & Co. International plc 3.04 %
Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	1/9/2023	7.50%	7.47%	5.03%	4.97%	12.53%	12.45%	215,987,682		0.00%	16,193,775	7.50%	1,236,140	0.57%	9,629,329	4.46%	Morgan Stanley & Co. LLC 4.43 % Morgan Stanley & Co. International plc 3.07 %
Purchase or sale of shares with voting rights	Fidelity Advisor Series I Boston, United States of America		7/9/2023	2.99%	3.00%	0.03%	0.03%	3.02%	3.04%	216,181,579	6,466,979	2.99%		0.00%	69,565	0.03%		0.00%	

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	6. Total voting rights							7. Details of the voting rights								8. Information relating to the notifying party
				Share of voting rights Total 7.a.		Share of instruments Total 7.b.1.+ 7.b.2.		Total shares sum 7.a. + 7.b.		Total number of voting rights pursuant to Section 41 WpHG	7a) Voting rights pursuant to Section 33 WpHG direct		7a) Voting rights pursuant to Section 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		
				new	old	new	old	new	old		Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent	
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	11/9/2023	6.50%	7.50%	6.38%	5.03%	12.88%	12.53%	216,181,579		0.00%	14,046,004	6.50%	3,812,253	1.76%	9,983,908	4.62%	Morgan Stanley & Co. LLC 4.40 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	19/9/2023	6.96%	6.50%	6.75%	6.38%	13.71%	12.88%	216,181,579		0.00%	15,039,419	6.96%	3,697,336	1.71%	10,905,522	5.04%	Morgan Stanley & Co. LLC 4.43 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	27/9/2023	6.83%	6.96%	6.69%	6.75%	13.53%	13.71%	216,181,579		0.00%	14,775,124	6.83%	3,748,064	1.73%	10,720,237	4.96%	Morgan Stanley & Co. LLC 4.43 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	10/10/2023	6.77%	6.83%	6.68%	6.69%	13.45%	13.53%	216,181,579		0.00%	14,640,042	6.77%	3,764,392	1.74%	10,680,174	4.94%	Morgan Stanley & Co. LLC 4.43 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	17/10/2023	6.67%	6.77%	6.79%	6.68%	13.46%	13.45%	216,181,579		0.00%	14,424,137	6.67%	3,987,432	1.84%	10,694,417	4.95%	Morgan Stanley & Co. LLC 4.43 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	18/10/2023	6.66%	6.67%	6.78%	6.79%	13.44%	13.46%	216,181,579		0.00%	14,398,377	6.66%	4,003,073	1.85%	10,663,944	4.93%	Morgan Stanley & Co. LLC 4.44 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	3/11/2023	6.94%	6.66%	6.88%	6.78%	13.82%	13.44%	216,181,579		0.00%	14,993,019	6.94%	3,960,009	1.83%	10,912,753	5.05%	Morgan Stanley & Co. LLC 4.53 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	10/11/2023	6.92%	6.94%	6.79%	6.88%	13.71%	13.82%	216,181,579		0.00%	14,956,245	6.92%	3,930,283	1.82%	10,756,717	4.98%	Morgan Stanley & Co. LLC 4.53 %
Disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	13/11/2023	6.81%	6.92%	6.65%	6.79%	13.46%	13.71%	216,181,579		0.00%	14,721,384	6.81%	3,903,917	1.81%	10,475,128	4.85%	Morgan Stanley & Co. LLC 4.53 %
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	6/12/2023	7.59%	6.81%	5.92%	6.65%	13.51%	13.46%	216,181,579		0.00%	16,403,369	7.59%	2,406,312	1.11%	10,386,350	4.80%	Morgan Stanley & Co. LLC 4.54 % Morgan Stanley & Co. International plc 3.05 %
Acquisition or disposal of shares with voting rights Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. LLC	7/12/2023	7.52%	7.59%	5.87%	5.92%	13.38%	13.51%	216,216,288		0.00%	16,254,680	7.52%	2,401,215	1.11%	10,281,601	4.76%	Morgan Stanley & Co. LLC 4.54 %
Purchase or sale of shares with voting rights	Baillie Gifford & Co Edinburgh, United Kingdom		13/12/2023	4.33%	6.04%	0.00%		4.33%	6.04%	216,216,288		0.00%	9,354,846	4.33%		0.00%		0.00%	

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	6. Total voting rights: Share of voting rights Total 7.a. new	6. Share of voting rights old	6. Share of instruments Total 7.b.1.+ 7.b.2. new	6. Share of instruments old	6. Total shares sum 7.a. + 7.b. new	6. Total shares old	Total number of voting rights pursuant to Section 41 WpHG	7. Details of the voting rights: 7a) Voting rights pursuant to Section 33 WpHG direct Quantity	7a) direct Percent	7a) Voting rights pursuant to Section 34 WpHG attributed Quantity	7a) attributed Percent	7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG Quantity	7.b.1. Percent	7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG Quantity	7.b.2. Percent	8. Information relating to the notifying party
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Eric Bannasch 30.07.1974		13/12/2023	2.95%	2.15%	8.84%	5.01%	11.79%	7.16%	216,216,288		0.00%	6,386,550	2.95%		0.00%	19,112,698	8.84%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Cadian Offshore Fund Ltd Grand Cayman, Cayman Islands		13/12/2023	1.78%	1.69%	8.84%	5.01%	10.62%	6.71%	216,216,288		0.00%	3,850,776	1.78%		0.00%	19,112,698	8.84%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Eric Bannasch 30.07.1974		14/12/2023	3.07%	2.95%	10.03%	8.84%	13.10%	11.79%	216,216,288		0.00%	6,636,550	3.07%		0.00%	21,694,766	10.03%	Cadian Capital Management, LP 3.07 %
Acquisition or disposal of instruments	Cadian Offshore Fund Ltd Grand Cayman, Cayman Islands		14/12/2023	1.78%	1.78%	10.03%	8.84%	11.81%	10.62%	216,216,288		0.00%	3,850,776	1.78%		0.00%	21,694,766	10.03%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	13/12/2023	9.73%	7.52%	6.64%	5.87%	16.37%	13.38%	216,216,288		0.00%	21,029,663	9.73%	987,625	0.46%	13,368,840	6.18%	Morgan Stanley & Co. LLC 4.67 % Morgan Stanley & Co. International plc 5.06 %
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		13/12/2023	1.46%	0.07%	4.12%	4.61%	5.58%	4.68%	216,216,288		0.00%	3,146,963	1.46%	7,588,311	3.51%	1,320,876	0.61%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		14/12/2023	0.20%	1.46%	3.48%	4.12%	3.67%	5.58%	216,216,288		0.00%	424,106	0.20%	6,204,539	2.87%	1,312,249	0.61%	
Purchase or sale of shares with voting rights	Baillie Gifford & Co Edinburgh, United Kingdom		18/12/2023	3.00%	4.33%	0.00%	0.00%	3.00%	4.33%	216,216,288		0.00%	6,483,564	3.00%		0.00%		0.00%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America		14/12/2023	11.72%	9.73%	8.66%	6.64%	20.38%	16.37%	216,216,288		0.00%	25,345,347	11.72%	987,625	0.46%	17,740,581	8.21%	Morgan Stanley & Co. LLC 4.68 % Morgan Stanley & Co. International plc 7.04 %
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Bank of America Corporation Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	18/12/2023	1.89%		3.20%		5.09%	0.00%	216,216,288		0.00%	4,093,849	1.89%	397,532	0.18%	6,511,052	3.01%	
Purchase or sale of shares with voting rights	Baillie Gifford & Co Edinburgh, United Kingdom		19/12/2023	3.00%	3.00%	0.00%	0.00%	3.00%	3.00%	216,216,288		0.00%	6,487,885	3.00%		0.00%		0.00%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Morgan Stanley Wilmington, Delaware, United States of America		18/12/2023	8.97%	11.72%	5.46%	8.66%	14.43%	20.38%	216,216,288		0.00%	19,394,811	8.97%	560,763	0.26%	11,239,917	5.20%	Morgan Stanley & Co. LLC 4.69 % Morgan Stanley & Co. International plc 4.28 %

2. Reason for the notification	3. Information on the party obliged to notify	4. Names of shareholders with 3% or more voting rights, if different from 3.	5. Date of threshold contact	6. Total voting rights: Share of voting rights Total 7.a.		6. Total voting rights: Share of instruments Total 7.b.1.+ 7.b.2.		6. Total voting rights: Total shares sum 7.a. + 7.b.		Total number of voting rights pursuant to Section 41 WpHG	7. Details of the voting rights: 7a) Voting rights pursuant to Section 33 WpHG direct		7a) Voting rights pursuant to Section 34 WpHG attributed		7.b.1. instruments pursuant to Section 38 (1) No. 1 WpHG		7.b.2. instruments pursuant to Section 38 (1) No. 2 WpHG		8. Information relating to the notifying party
				new	old	new	old	new	old		Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent	
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	18/12/2023	1.31%	0.20%	4.50%	3.48%	5.81%	3.67%	216,216,288		0.00%	2,826,612	1.31%	8,340,510	3.86%	1,391,766	0.64%	
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments Voluntary group notification with triggered threshold at subsidiary level	Morgan Stanley Wilmington, Delaware, United States of America		19/12/2023	9.03%	8.97%	5.48%	5.46%	14.50%	14.43%	216,216,288		0.00%	19,516,524	9.03%	560,404	0.26%	11,285,058	5.22%	Morgan Stanley & Co. LLC 4.73 % Morgan Stanley & Co. International plc 4.3 %
Acquisition or disposal of shares with voting rights Acquisition or disposal of instruments	Bank of America Corporation Wilmington, Delaware, United States of America	Morgan Stanley & Co. International plc Morgan Stanley & Co. LLC	19/12/2023	1.28%	1.89%	2.92%	3.20%	4.21%	5.09%	216,216,288		0.00%	2,769,738	1.28%	405,065	0.19%	5,919,076	2.74%	
Purchase or sale of shares with voting rights	The Goldman Sachs Group, Inc. Wilmington, DE, United States of America		20/12/2023	0.08%	1.31%	4.84%	4.50%	4.92%	5.81%	216,216,288		0.00%	163,801	0.08%	9,123,003	4.22%	1,352,492	0.63%	

Responsibility Statement

We hereby confirm that, to the best of our knowledge and in accordance with the applicable principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the combined management report includes a fair review of the company's business development including its performance and financial position, and also describes significant opportunities and risks relating to the group's anticipated development.

Berlin, 21 March 2024
AUTO1 Group SE

Christian Bertermann
CEO

Markus Boser
CFO

Independent Auditor's Report

to

AUTO1 GROUP SE, MUNICH

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of AUTO1 Group SE, Munich, which comprise the balance sheet as at 31 December 2023 and the income statement for the financial year from 1 January to 31 December 2023 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of AUTO1 Group SE and the Group (combined management report) for the financial year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023, in compliance with German legally required accounting principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of shares in affiliated companies

Please refer to letter B in the notes to the financial statements for more information on the accounting policies applied. Explanatory notes on business performance can be found in the management report section "Supplementary management reporting on the annual financial statements of AUTO1 Group SE, Munich, for financial year 2023".

THE FINANCIAL STATEMENT RISK

Shares in affiliated companies of EUR 978.5 million are recognised in the annual financial statements of AUTO1 Group SE as at 31 December 2023. The shares in affiliated companies account overall for 57% of total assets and thus have a material effect on the Company's assets and liabilities.

Shares in affiliated companies are recognised at cost or, if they are expected to be permanently impaired, at their lower fair value. The Company calculates the fair value of the shares in affiliated companies using the discounted cash flow method.

The cash flows used for the discounted cash flow method are based on individual projections for each investment for the next seven years, which are extrapolated based on assumptions regarding long-term growth rates. The respective capitalisation rate is derived from the return on a risk-appropriate alternative investment. If the fair value is lower than the carrying amount, qualitative and quantitative criteria are used to examine whether the impairment is expected to be permanent.

The calculation of the fair value using the discounted cash flow method is complex and, with regard to the assumptions that are made, dependent to a great extent on the Company's estimates and assessments. This applies in particular to estimates of future cash flows and long-term growth rates, the determination of capitalisation rates and the assessment of whether impairment is permanent.

In the past two years, the Company's market capitalisation has decreased significantly. The Company did not recognise impairment losses on shares in affiliated companies in financial year 2023. There is a risk for the annual financial statements that the shares in affiliated companies are not recoverable.

OUR AUDIT APPROACH

In the course of our audit, we assessed the appropriateness of significant assumptions used by the Company with the involvement of our valuation experts. For this purpose, we discussed the expected cash flows and the assumed long-term growth rates with those responsible for planning. We also reconciled this information with the budget prepared by management and approved by the Supervisory Board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analysing deviations.

We compared the assumptions and data underlying the capitalisation rate, especially the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to take account of forecast uncertainty, we also examined the impact of potential changes in the discount rate, the expected cash flows in perpetuity and the long-term growth rate on fair value by calculating alternative scenarios and comparing these with the measurements of the Company (sensitivity analysis). To assess the methodically and mathematically correct implementation of the valuation method, with the involvement of our valuation experts we verified the Company's valuation using our own calculations and analysed deviations.

OUR OBSERVATIONS

The procedure underlying the impairment test on the investments in affiliated companies is appropriate and is consistent with the measurement principles. The Company's assumptions and data are appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, but which will probably not be provided to us until after the date of this audit opinion and
- the combined corporate governance statement for the Company and the Group referred to in the combined management report.

The other information does not include the annual financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's 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 Company'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 annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual 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 Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "JA.zip" (SHA256 hash value: 005f554a3b61fa88b6d298f 53d972f2032780df7dbefda74bb0e377d0df9e0ba) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (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 annual financial statements and the combined 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 file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined 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 file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the combined management report, contained in the file made available and identified above in accordance with Section 317 (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 Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 an understanding of internal control relevant to the assurance 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 file made available, containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting on 7 June 2023. We were engaged by the Chairperson of the Supervisory Board on 26 January 2024. We have been the auditor of AUTO1 Group SE without interruption since financial year 2021.

We declare that the 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).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Michael Jessen.

Berlin, 21 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[*signature*] Jessen	**[*signature*] Kunisch**
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Contact

Investor relations

Philip Reicherstorfer
+49 30 2016 38 213
ir@auto1-group.com

Publisher

AUTO1 Group SE

Bergmannstraße 72, 10961 Berlin

+49 30 2016 38 1901
info@auto1-group.com

HRB 241031

AUTO1 GROUP

Bergmannstraße 72, 10961 Berlin, Germany
+4930201638360
info@auto1-group.com