grenke

Annual Report 2024

Group key figures

	Unit	2024	2023	Change (%)
Leasing new business	**EURk**	**3,057,009**	**2,581,265**	**18.4**
DACH	EURk	705,075	625,301	12.8
Western Europe (without DACH)	EURk	784,413	683,534	14.8
Southern Europe	EURk	731,992	595,681	22.9
Northern/Eastern Europe	EURk	640,758	524,736	22.1
Other regions	EURk	194,771	152,013	28.1
Contributions margin 2 (CM2) on new business leasing	**EURk**	**518,506**	**426,312**	**21.6**
DACH	EURk	95,158	80,861	17.7
Western Europe (without DACH)	EURk	139,776	117,428	19.0
Southern Europe	EURk	123,799	102,470	20.8
Northern/Eastern Europe	EURk	117,578	93,691	25.5
Other regions	EURk	42,195	31,862	32.4
Further information Leasing				
Number of new contracts	Units	315,901	291,689	8.3
Mean acquisition value	EUR	9,677	8,849	9.4
Mean term of contract	Months	49	49	0.0
Further information Leasing portfolio				
Volume of leased assets per end of period	EURk	10,118,915	9,414,817	7.5
Number of current contracts per end of period	Units	1,093,499	1,048,868	4.3
New business factoring	**EURk**	**910,417**	**838,558**	**8.6**
DACH	EURk	297,121	295,554	0.5
Southern Europe	EURk	236,179	183,024	29.0
Northern/Eastern Europe	EURk	377,116	359,979	4.8
grenke Bank				
SME lending new business incl. microcredit business	EURk	37,768	45,021	–16.1

Regions Leasing
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Italy, Croatia, Malta, Portugal, Slovenia, Spain
Northern/Eastern Europe: Denmark, Finland, UK, Ireland, Latvia, Norway, Poland, Romania, Sweden, Slovakia, Czechia, Hungary
Other regions: Australia, Brazil, Chile, Canada, Turkey, USA, UAE

Regions Factoring
DACH: Germany, Switzerland
Southern Europe: Italy, Portugal
Northern/Eastern Europe: UK, Ireland, Poland, Hungary

Consolidated franchise companies
Leasing: Chile, Canada (3 x), Latvia

	Unit	2024	2023	Change (%)
Income Statement				
Interest and similar income from financing business	EURk	574,348	467,412	22.9
Expenses from interest on refinancing including deposit business	EURk	217,611	128,879	68.8
Settlement of claims and risk provision	EURk	131,012	90,829	44.2
Operating expenses	EURk	341,019	308,940	10.4
Operating result	EURk	90,015	112,914	–20.3
Group earnings before taxes	EURk	89,402	110,403	–19.0
Group earnings	**EURk**	**70,158**	**86,714**	**–19.1**
Group earnings attributable to ordinary shareholders	**EURk**	**65,446**	**83,248**	**–21.4**
Group earnings attributable to hybrid capital holders	**EURk**	**10,498**	**9,068**	**15.8**
Group earnings attributable to non-controlling interests	**EURk**	**–5,786**	**–5,602**	**–3.3**
Earnings per share (basic and diluted)	EUR	1.44	1.79	–19.6
Return on equity before tax	Percent	6.7	8.2	-1,5 pp
Cost-income ratio	Percent	59.2	59.1	0,1 pp
Staff cost	EURk	198,209	176,007	12.6
of which total remuneration	EURk	162,593	144,468	12.5
of which fixed remuneration	EURk	139,140	126,009	10.4
of which variable remuneration	EURk	23,453	18,459	27.1
Average number of employees in full-time equivalents (FTEs)	Employees	2,196	2,068	6.2

	Unit	Dec. 31, 2024	Dec. 31, 2023	Change (%)
Statement of Financial Position				
Total assets	EURm	8,219	7,100	15.8
Lease receivables	EURm	6,516	5,700	14.3
deposit volume grenke Bank	EURm	2,229	1,617	37.8
Equity persuant to statement of financial position*	EURm	1,323	1,355	–2.4
Equity persuant to CRR	EURm	1,168	1,182	–1.2
Equity ratio	Percent	16.1	19.1	-3.0 pp
Embedded value, leasing contract portfolio (excl. equity before taxes)	EURm	560	484	15.7
Embedded value, leasing contract portfolio (incl. equity after taxes)	EURm	1,719	1,689	1.8

* *Including AT1 bonds (hybrid capital), which are reported as equity under IFRS.*

Contents

Our Board of Directors

Dr Sebastian Hirsch

// Chief Executive Officer since February 16, 2023

// Areas of responsibility: Administration, Compliance, Corporate Communications, Corporate Credit, Data Protection, ESG, IT, Human Resources, Property & Facility Management, and Risk Management

// Professional background: Born in 1981 | Degree in business administration | MA in banking and finance | joined grenke in 2004 | Member of the Board of Directors, grenke Bank AG 2011–2013 | General Representative, grenke AG 2013 | Member of the Board of Directors, grenke AG, since 2017 | Doctorate in 2021 | Chief Executive Officer, grenke AG, since February 2023

Gilles Christ

// Chief Sales Officer since May 1, 2010

// Areas of responsibility: Internal Audit, Brand Management, Legal Affairs, Services, and Sales

// Professional background: Born in 1970 | Degree in sociology | MBA specialising in finance, marketing, and strategy | Joined grenke in sales in 1998 | Head of grenke AG's French subsidiary from 1999–2007 | Deputy Chair of the Board of Directors for international business from 2007–2010 | Member of the Board of Directors of grenke AG since May 2010

Dr Martin Paal

// Chief Financial Officer since July 1, 2024

// Areas of responsibility: Controlling, Investor Relations, M&A, Accounting and Taxes, as well as Treasury and Corporate Finance

// Professional background: Born in 1979 | Degree in business administration | Audit Assistant at KPMG 2005–2006 | Research Associate and doctorate 2007–2012 | Manager and Authorised Signatory at Ernst & Young 2012–2016 | Department Head and Authorised Signatory at DZ Bank 2016–2022 | Vice President Controlling at grenke AG 2022 | General Representative of grenke AG 2023 | Chief Financial Officer, grenke AG, since July 2024

Dr Sebastian Hirsch

Chief Executive Officer

Watch the video here

Interview

Interview

Dr Martin Paal

Chief Financial Officer

Watch the video here

Gilles Christ

Chief Sales Officer

Watch the video here

Interview

Letter from the CEO

**Dear Shareholders,
Ladies and Gentlemen,**

At grenke, the 2024 financial year was a year of contrasts for us – shaped by major achievements but also a significant setback in the fall. On the positive side, we reached our three-billion-euro target in new business and successfully placed two additional large-volume benchmark bonds. However, we were also required to substantially increase our risk provisions, leading to a downward adjustment in our earnings expectations. Despite these challenges, grenke once again demonstrated its resilience in a persistently difficult macroeconomic and geopolitical environment. We not only strengthened but even expanded our market position as a leading international leasing partner for small businesses and self-employed professionals. We also set strategic milestones to secure sustainable success through the end of this decade and beyond. In the face of ongoing and potentially intensifying global challenges, grenke will continue its realignment strategy into 2025. We want to continue to grow and steadily increase our market share and, above all, return to earnings growth!

With EUR 3 billion in leasing new business – the foundation of our future income – we achieved an exceptional increase of 18.4 percent in the 2024 financial year compared to the previous year, setting a new record. Equally significant, we boosted our contribution margin 2 by 21.6 percent to EUR 518.5 million during the same period.

This success is the result of the expertise, commitment, and passion of our more than 2,200 employees across 31 countries. On behalf of the entire Board of Directors, I extend them my heartfelt thanks. Without the dedication of each and every one of them, this achievement would not have been possible.

Due to a significant increase in expenses for the settlement of claims and risk provision starting in the third quarter of 2024, we were forced to lower our earnings forecast. The cause of this negative effect was a considerable rise in insolvencies, particularly in our core markets of France, Spain, and Germany, which was not foreseeable at the beginning of 2024. However, it is important to note that the resulting loss rate, most recently at 1.5 percent, remains within our long-term average, keeping in line with our business model's customary long-term level, despite being significantly lower in the previous year and during the first half of 2024. We have adjusted our planning for the 2025 financial year and for the medium-term accordingly, appropriately reflecting this higher loss rate in our expectations.

Apart from this exceptional event, grenke performed substantially well over the past financial year. We successfully completed our share buyback programme, repurchasing around 2.3 million shares between February and September 2024 at an average price of EUR 23.92 each. This corresponds to a volume of approximately EUR 55.4 million or 4.98 percent of our share capital. We have thus fully utilised the authorisation granted by the Annual General Meeting to repurchase up to 5 percent of our share capital. We have not yet decided what we will do with the repurchased shares. However, from the Board of Director's perspective, this buyback was, in any case, a good investment for your benefit, our valued shareholders.

Our equity base, essential for driving growth, remains secure thanks to our consistent profit retention strategy. For many years, we have maintained a stable payout ratio of 25 percent of Group earnings, and we plan to uphold this. At this ratio, three-quarters of our earnings remain within the Company, strengthening our equity and providing a solid foundation for our competitiveness and ambitious future growth targets. In line with this strategy, the Board of Directors and Supervisory Board will propose a dividend of EUR 0.40 per share to this year's Annual General Meeting. Despite the investments necessary in our digitalisation and the unexpected surge in the loss rate, we achieved earnings of EUR 70.2 million in the past financial year.

After our initial success in 2023, we placed two more benchmark bonds during the past year, each with a volume of around EUR 500 million. This has firmly positioned grenke as a recognised player in the top tier of the capital markets. Robust and competitive refinancing remains critical to our business model, supporting our ambitious growth objectives.

We have also made important strides in our multi-year digitalisation initiative. The key prerequisites for migrating to the cloud have been completed, marking an essential step towards more efficient and future-ready processes. In 2025, we expect this to bring the first efficiency gains and noticeable improvements in our operational business.

Over the past financial year, we continued to refine our corporate strategy focused on sustainable growth, and higher efficiency and profitability in close collaboration with the Supervisory Board. We developed a "strategy map" with strong input from our leadership team and selected employees, aligning our strategic goals with clear action areas and success dimensions. To anchor the strategy map across the grenke Group, we began a comprehensive rollout across all business units, ensuring that every part of the Company and every employee is aligned and working toward the same objectives. The implementation has already yielded positive results in recent months: the now unified Group-wide articulation of our shared goals is seen as a clear and transparent guide, reducing inefficiencies and boosting motivation.

One of last year's highlights was the opening of our second U.S. location, marking the first time we expanded under our new model using wholly owned subsidiaries. In addition to our site in Phoenix (Arizona), we now have a branch in Chicago (Illinois), positioning us to tap into the world's largest leasing market with our small-ticket solutions.

On July 1 of the past financial year, Dr Martin Paal was appointed Chief Financial Officer of grenke AG, allowing me to step back from my dual role in this position. At the end of the year, our Chief Risk Officer, Isabel Rösler, left the Company, and I have temporarily taken over most of her responsibilities until a successor is appointed. On behalf of the Board of Directors and personally, I would like to extend my sincere thanks to Isabel for her dedication and valuable contributions over the past four years.

Dear Shareholders, as in the previous year, grenke will continue to navigate turbulent waters in the foreseeable future. But rest assured – we are on course and fully committed to staying on our path!

The ongoing conflicts in Eastern Europe and the Middle East, the increasing societal polarisation and radicalisation in many Western democracies, shifting global political and economic power structures, and the erosion of free global trade are not only concerning but also leading to hesitancy in corporate investments. While central banks are gradually bringing interest rate and inflation trends under control through targeted interventions, there remains a lack of trust – especially in Germany and, by extension, Europe – in consistent and reliable economic policies. Trust and the planning certainty it brings are essential for investment decisions and, therefore, for our customers.

Despite these challenges, we are confident that we will achieve the goals we have set for ourselves. Specifically, we are planning ambitious growth in leasing new business to a level of EUR 3.2 to 3.4 billion in the current 2025 financial year, with an equally ambitious Group earnings target of EUR 71 to 81 million.

What we observe daily is that the underlying demand for investments remains robust. The market is intact because leasing is and will continue to be a solution to the growing gap in financing investments. The potential within our specialised small-ticket segment is enormous, and we are confident that we have only scratched the surface of the addressable market. By intensifying our market approach and staying attuned to our customers' evolving needs, we will enable an increasing number of SMEs to make crucial investments in their futures while steadily expanding our market position.

Dear Shareholders, our internal guiding theme for this financial year is "Roots and Wings." This means we are focusing on our strengths. We are concentrating on what has always defined us, providing excellent leasing solutions for SMEs. We rely on our agility and resilience to successfully navigate ever-changing conditions. We are also driven by over 45 years of expertise from our motivated employees, who – through personal contact with our tens of thousands of partners worldwide – empower entrepreneurs to drive growth.

At the same time, we are bold enough to explore new paths. We are relying on our strong capacity for innovation to improve and digitalise our structures and processes every day. We use our deep market expertise to anticipate customer needs and deliver tailored solutions. And we are expanding our leasing ecosystem, working with both small and large partners because we firmly believe that together we are stronger.

With this approach, we will continue to drive grenke forward this year – for ourselves and for you, dear shareholders.

Thank you for your loyalty!

Your confidence is our greatest incentive!

Sincerely,

Dr Sebastian Hirsch
CEO

Report of the Supervisory Board

Jens Rönnberg WP/StB
Chair of the Supervisory Board

Dear Shareholders,
The 2024 financial year was a year of challenges for grenke AG – but also one of important milestone achievements. grenke successfully surpassed the EUR 3 billion threshold in leasing new business for the first time despite an environment of macroeconomic uncertainty. This included a combination of a weak economy, rising insolvency rates – including in our core markets – interest rates that declined over the year but were still higher compared to prior years, and persistent geopolitical tensions. This achievement marks a return to our pre-pandemic growth trajectory. Given the challenging conditions, this is a remarkable success, particularly as this new business was concluded with a very strong CM2 margin.

At the same time, our Group earnings for 2024 stood at EUR 70.2 million – within the range of our forecast adjusted in October, but significantly below our initial expectations. The wave of insolvencies in the second half of the year had a particular impact on our settlement of claims and risk provision and, consequently, Group earnings.

Overall, the past financial year was shaped by an easing interest rate environment. Starting at 4 percent at the beginning of the year, the ECB lowered rates in four steps to 3 percent by year-end. The central banks in the U.S. and the U.K. also eased their monetary policies, likely having a positive impact on corporate investment activity. However, strong economic stimulus failed to materialise – the eurozone is showing only modest growth, while our home market, Germany, is experiencing a contraction.

We also successfully navigated these challenging conditions in the past financial year and once again demonstrated the resilience of our business model. We operated profitably with an improving CM2 margin and were once again able to achieve significant growth in leasing new business. Due to the increase in risk provisions as a result of rising insolvency figures, our earnings were below our initial forecast; however, our leasing portfolio remains of high quality overall. For this reason, I am looking forward to the current financial year and beyond with great confidence.

Cooperation between the Supervisory Board and Board of Directors

During the reporting year, the Supervisory Board fully performed the duties incumbent upon it in accordance with the law, Articles of Association and Rules of Procedure. We monitored and advised the Board of Directors in its management of the Company based on detailed written and oral reports. The cooperation was always trusting and comprehensive. In addition, there was a regular exchange of information between the Chair of the Supervisory Board and the Chair of the Board of Directors, as well as the other members of the Board of Directors. In this way, the Supervisory Board was always informed of all relevant developments, events and decisions in the grenke Group. In the past financial year, discussions between the Supervisory Board and the Board of Directors focused on the areas of strategy, acquisitions and investments, refinancing, compliance, the risk situation and risk management, controlling, human resources, cost development, ESG, digitalisation and cybersecurity. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Company and discussed them intensively and in detail with the Board of Directors. For decisions or measures of the Board of Directors requiring Supervisory Board approval by law, the Articles of Association and the Rules of Procedure, these were submitted to us by the Board of Directors on time for resolution.

Any indications of conflicts of interest involving members of the Board of Directors and the Supervisory Board were promptly and fully disclosed to the Chair of the Supervisory Board during the reporting period.

Nils Kröber informed the Chair of the Supervisory Board of his ongoing advisory activities for Grenke Beteiligung GmbH & Co. KG, Baden-Baden, as well as for individual members of the Grenke family, and made the Chair aware of any potential conflicts of interest that might arise. He disclosed these potential conflicts of interest and did not participate in the corresponding agenda items.

As a limited partner of Grenke Beteiligung GmbH & Co. KG, Moritz Grenke informed the Chair of the Supervisory Board of possible conflicts of interest arising from this role. He disclosed and reported any relevant conflicts of interest and did not take part in agenda items at Supervisory Board meetings that related to potential conflicts of interest.

No conflicts of interest of the Board of Directors were reported to the Supervisory Board during the reporting period. At the Supervisory Board meeting on July 22, the Board of Directors informed the Supervisory Board that it had reviewed the issue of conflicts of interest and confirmed that there were still no conflicts of interest within the Board of Directors.

Composition and responsibilities of the Board of Directors

In the 2024 financial year, the Board of Directors consisted of the following four members: Dr Sebastian Hirsch (CEO), Dr Martin Paal (CFO as of July 1, 2024), Gilles Christ (CSO) and Isabel Rösler (CRO until December 31, 2024).

Between January 1, 2024, and June 30, 2024, the Chair of the Board of Directors, Dr Sebastian Hirsch, also temporarily assumed the role and responsibilities of Chief Financial Officer (CFO).

On March 5, 2024, the Supervisory Board appointed Dr Martin Paal as Chief Financial Officer (CFO), effective July 1, 2024.

At her own request, Isabel Rösler (CRO) stepped down early from the Board of Directors of grenke AG as of December 31, 2024.

Until a successor is appointed, CEO Dr Sebastian Hirsch has temporarily taken over all of Ms Rösler’s areas of responsibility, except for Internal Audit, which will be handled by Gilles Christ.

Further up-to-date information on the curricula vitae of the members of the grenke AG Board of Directors can be found on the grenke AG website at www.grenke.com/en/management/board-of-directors/.

Composition of the Supervisory Board

With the conclusion of the Annual General Meeting of grenke AG on April 30, 2024, the terms of office of Supervisory Board members Dr Konstantin Mettenheimer and Dr Ljiljana Mitic ended as scheduled. Dr Ljiljana Mitic was nominated by the Supervisory Board for re-election at the Annual General Meeting and was re-elected for a term lasting until the conclusion of the Annual General Meeting that will decide on the discharge of the Supervisory Board members for the 2028 financial year. In addition, Manfred Piontke, Managing Director of MPPM GmbH, was elected to the Supervisory Board, effective upon the conclusion of this Annual General Meeting, for a term lasting until the conclusion of the Annual General Meeting that will decide on the discharge of the Supervisory Board members for the 2026 financial year. I am pleased to welcome Mr Piontke, an experienced financial expert, to our board and would like to thank Dr Mettenheimer for the excellent collaboration over the past years.

Throughout the entire reporting period, the Supervisory Board consisted of six members in accordance with the Articles of Association.

Name	Position	Supervisory Boardmember since	Current term of office until Annual General Meeting	Year of birth	Main profession	Other grenke internal Supervisory Board and Board of Directors mandates	Other Supervisory Board and Board of Directors mandates at public companies	Other Supervisory Board and Managing Director mandates at non-public companies
WP/StB Jens Rönnberg	Chair of the Supervisory Board (since May 2023)	November 2019	2027	1957	Auditor and tax consultant	grenke Bank AG (Member of the Supervisory Board)	None	Roennberg UG, Mainz (Managing Director)
Moritz Grenke	Deputy Chair of the Supervisory Board (since April 2024)	May 2023	2026	1985	Statistician Univ.	grenke Bank AG (Member of the Supervisory Board)	None	None
Norbert Freisleben	Member of the Supervisory Board	July 2021	2027	1970	Managing Director	None	None	GANÉ AG, Aschaffenburg (Chair of the Supervisory Board); GANÉ Investment-AG, Frankfurt am Main (Chair of the Supervisory Board); Karl Häge Verwaltungs GmbH, Langenau (Managing Director)
Nils Kröber	Member of the Supervisory Board	July 2021	2028	1976	Lawyer	None	None	DeaDia Ventures GmbH, Cologne (Managing Director)
Dr Konstantin Mettenheimer	Deputy Chair of the Supervisory Board (until April 2024)	July 2021	2024	1955	Lawyer and tax consultant	None	None	TTTech Computer-technik AG, Vienna, Austria (Supervisory Board Member); Brunneria Foundation, Liechtenstein (Chair of the Board) and of Group companies; PMB Capital Limited & PMB Capital GmbH (Executive Chairman of the Board of Directors)
Dr Ljiljana Mitic	Member of the Supervisory Board	May 2015	2029	1969	independent Business Consultant	grenke Bank AG (Chair of the Supervisory Board)	Computacenter plc, London, UK (Non-Executive Director)	None
Manfred Piontke	Member of the Supervisory Board	April 2024	2027	1961	Managing Director	None	None	MPPM Manfred Piontke Portfolio Management e.K.

A qualification matrix for the members of the Supervisory Board has been created to give a better overview of the individual profiles of the Supervisory Board members and to identify the requirements for potential members for succession planning. This matrix is presented in detail in the Corporate Governance Statement in Chapter 8.2.2 of this report.

Further up-to-date information on the curricula vitae of the members of the grenke AG Supervisory Board, as well as their key activities and existing mandates, can be found on the grenke AG website at www.grenke.com/en/management/supervisory-board/. This information is reviewed and updated regularly and at least once annually.

Supervisory Board meetings

In the 2024 financial year, we held seven ordinary and three extraordinary plenary meetings. We met three times concerning individual agenda items without the presence of the Board of Directors. Between meetings, we made further decisions in the form of circular resolutions. The attendance rate of members at the meetings of the Supervisory Board and its committees was 97 percent.

Date	Location / Type of meeting	Type	WP/StB Jens Rönnberg (Chair)	Dr Konstantin Mettenheimer (Deputy Chair)[1]	Moritz Grenke (Deputy Chair)[2]	Norbert Freisleben	Nils Kröber	Dr Lilljana Mitic	Manfred Piontke[3]	Dr Sebastian Hirsch (CEO)	Gilles Christ (CSO)	Dr Martin Paal (CFO)[4]	Isabel Rösler (CRO)
Jan. 29, 2024	Video conference	Ordinary meeting of the Supervisory Board	•	•	•	•	•	•	–	•	•	•	•
Feb. 06, 2024	Video conference	Extraordinary meeting of the Supervisory Board	–	•	•	•	•	•	–	•	•	•	•
Mar. 04, 2024	Baden-Baden	Ordinary meeting of the Supervisory Board	•	•	•	•	•	•	–	•	•	•	•
Apr. 25, 2024	Video conference	Ordinary meeting of the Supervisory Board	•	•	•	•	•	•	–	•	•	•	•
Apr. 29, 2024	Baden-Baden	Ordinary meeting of the Supervisory Board	•	•	•	•	•	•	–	•	•	•	•
Apr. 30, 2024	Baden-Baden	Ordinary meeting of the Supervisory Board	•	–	•	•	•	•	•	–	–	–	–
Jul. 22, 2024	Baden-Baden & video conference	Ordinary meeting of the Supervisory Board	•	–	•	•	•	•	•	•	•	•	•
Sep. 09, 2024	Zweiflingen	Ordinary meeting of the Supervisory Board	•	–	•	•	•	•	•	•	•	•	–
Oct. 29, 2024	Video conference	Extraordinary meeting of the Supervisory Board	•	–	•	•	•	•	•	•	–	•	•
Dec. 16, 2024	Video conference	Extraordinary meeting of the Supervisory Board	•	–	•	•	•	•	•	•	–	•	•

1 until April 30, 2024 Deputy Chair
2 from April 30, 2024 Deputy Chair
3 Member as of April 30, 2024
4 Member of the Board of Directors as of July 1, 2024, before that, participating as a guest.

The reports of the Board of Directors and related discussions on the execution of the Company's strategy, the development of the operating business, sales, cost structure, profitability, refinancing and liquidity, as well as on the Consolidated Group's strategic direction were regular part of the ordinary Supervisory Board meetings. Other important topics included digitalisation, cybersecurity and IT strategy, and ESG.

On January 29, we convened for the first time in 2024 in an ordinary meeting via video conference. The topics discussed included business strategy and corporate planning, the further development of the risk, IT and ESG strategies, as well as digitalisation projects and the associated human resources planning. In addition, the Declaration of Conformity with the German Corporate Governance Code was reviewed. Measures related to the results of the employee survey were also presented.

In the virtual extraordinary meeting on February 6 the procedure for implementing the share buyback programme was presented, and the Board of Directors' resolution was approved.

In the ordinary meeting on March 4 in Baden-Baden, we discussed potential proposals and an existing offer concerning the remaining franchise companies and agencies. We decided on amendments to the Rules of Procedure for the Board of Directors and received a status update on operational business. Furthermore, we acknowledged and agreed on the agenda for the Annual General Meeting and resolved to recommend the appointment of BDO AG Wirtschaftsprüfungsgesellschaft as the auditor and Group auditor for the 2024 financial year, as well as the auditor for sustainability reporting. We also approved the election proposals for the Supervisory Board and the transmission of the Annual General Meeting via the Internet. Additionally, we endorsed the Board of Directors' proposal for appropriation of profit and approved the remuneration report. The Board of Directors presented the budget for the current financial year along with a multi-year plan, including IT investments. The chairpersons of the Supervisory Board committees reported to the plenary session on their activities, and the auditors from BDO AG provided an update on the current status of the audit. The meeting also included the adoption of the 2023 annual financial statements and the approval of the consolidated financial statements, including the management report and the non-financial statement for 2023.

The combined Board of Directors and Supervisory Board meeting on April 25 was held as a video conference. It included an update on the resolution regarding the appropriation of profit proposal due to the share buyback programme.

During the ordinary meeting on April 29 in Baden-Baden, the Board of Directors' status update on the operating business, sales, cost development, profitability, refinancing and market developments was discussed in the plenary session. In addition, the current state of cybersecurity was reviewed, and information from the Digitalisation Committee was shared. The Board of Directors reported on changes in corporate risk management, and in this context, the Risk Committee provided an overview of key topics from its meeting. The further course of action regarding the acquisition of the remaining franchise companies and the divestment process for the factoring companies was also discussed.

On April 30, we convened for the constitutive meeting of the Supervisory Board, which was held without the participation of the members of the Board of Directors. Following the departure of Dr Mettenheimer, new elections were held for the committees and the Deputy Chair position. The Supervisory Board elected Moritz Grenke as Deputy Chair from among its members. The Committee members were elected as follows: Audit Committee: Norbert Freisleben (Chair), Jens Rönnberg WP/StB, and Dr Ljiljana Mitic; Nomination Committee: Dr Ljiljana Mitic (Chair), Nils Kröber, and Jens Rönnberg WP/StB; Risk Committee: Moritz Grenke (Chair), Norbert Freisleben, and Manfred Piontke; Remuneration Control Committee: Nils Kröber (Chair), Norbert Freisleben, and Moritz Grenke; Digitalisation Committee: Dr Ljiljana Mitic (Chair), Moritz Grenke, and Manfred Piontke.

On July 22, the ordinary meeting was held both in person and virtually. Topics discussed included the status of sales development and the related impact of economic trends, as well as refinancing and liquidity. The Board of Directors also provided information on Group costs and the progress of digitalisation. In addition, the plenary session discussed the shareholder structure, the leasing new business figures and their perception. The Board of Directors reported on the audit issues related to tax audits and provided an update on the process of divesting the factoring companies. Finally, the Committee chairpersons outlined the current status of their committee's work.

On September 9, we held a strategy meeting together with the Board of Directors in Zweiflingen, Germany. The Board of Directors provided an update on the ongoing strategic work. A status update was given on refinancing and liquidity, key performance indicators, cost assessment, risk management and digitalisation, all of which were discussed in the plenary session. Key topics explored in greater depth included the human resources strategy, sales channels and objects, and digitalisation activities. Concrete offers for the divestment of the factoring business and franchise acquisitions were discussed in-depth. Keynote presentations were held on the topics of growth drivers and the future. Additionally, information was shared on megatrends such as big data, AI, the circular economy and the platform economy. The topic of small-ticket investments was discussed in more detail in relation to the new markets in the U.S., Canada and Australia. Finally, the Committee chairpersons outlined the current status of their committee's work.

The extraordinary meeting on October 29 held via video conference, focused on the outlook for the Q3 2024 quarterly financial statements. Topics discussed included risk provisions and the necessary adjustment of the earnings forecast for the 2024 financial year.

During the ordinary meeting on December 16, we addressed M&A topics. In addition, the 2025 planning and multi-year planning were discussed and reviewed with the Board of Directors.

Committees of the Supervisory Board and their activities

In accordance with the legal requirements and in order to carry out our tasks efficiently, we formed committees and granted them appropriate powers in the Rules of Procedure. In the period January 1 through December 31, 2024, we had an Audit Committee, a Nomination Committee, Risk Committee, Remuneration Control Committee and a Digitalisation Committee.

The Committee chairs reported regularly and in detail to the full Supervisory Board on the work of the respective committees.

A detailed list of the tasks and duties of the respective committees can be found in the Rules of Procedure of the Supervisory Board on grenke AG's website at www.grenke.com/en/esg/governance/.

until April 30, 2024

Supervisory Board member	Audit Committee	Nominating Committee	Risk Committee	Remuneration Control Committee	Digitalization Committee
WP/StB Jens Rönnberg (Chair)	Member	Member			
Dr Konstantin Mettenheimer(Deputy Chair)	Member	Member	Chair	Member	
Norbert Freisleben	Chair		Member		
Moritz Grenke			Member		Member
Nils Kröber				Chair	Member
Dr Ljiljana Mitic (ESG representative)		Chair		Member	Chair

from April 30, 2024

Supervisory Board member	Audit Committee	Nominating Committee	Risk Committee	Remuneration Control Committee	Digitalization Committee
WP/StB Jens Rönnberg (Chair)	Member	Member			
Moritz Grenke (Deputy Chair)			Chair	Member	Member
Norbert Freisleben	Chair		Member	Member	
Nils Kröber		Member		Chair	
Dr Ljiljana Mitic (ESG representative)	Member	Chair			Chair
Manfred Piontke			Member		Member

Audit Committee

The Audit Committee is responsible for reviewing and monitoring the accounting and the accounting process, as well as overseeing the risk management system – particularly the internal control system – the compliance management system, including anti-corruption measures, ESG and internal auditing. The Committee's responsibilities also include monitoring the execution of the annual audit, particularly focusing on the auditor's independence, additional services provided by the auditor and the quality of the auditor's work. The internal control system and compliance also include KWG compliance and the whistleblower system. The Committee members have specialised, in-depth knowledge in these areas. The Audit Committee defines the focal points of the audit and reviews the auditor's independence and fee agreement.

In the 2024 financial year, the Audit Committee did not identify any issues that would call the independence of the auditor or the quality of the audit into question. The Audit Committee agreed with the auditor that the auditor would immediately inform the Committee of all relevant material findings and events that came to attention during the audit. It was also agreed with the auditors that they would inform the Audit Committee and note in the audit report if any facts were discovered during the audit that revealed a misstatement in the Declaration of Conformity with the German Corporate Governance Code issued by the Board of Directors and Supervisory Board.

At its meeting on February 21, the Audit Committee dealt comprehensively with the annual financial statements and the consolidated financial statements for the 2023 financial year in the presence of the auditors. At its meeting on March 4, it prepared the meeting of the Supervisory Board to adopt the annual financial statements and approve the consolidated financial statements for 2023. The Audit Committee also reviewed and discussed the quarterly statements to be published in the reporting year in detail with the Board of Directors.

Members of the Audit Committee:

- // Norbert Freisleben (Chair)
- // Jens Rönnberg WP/StB
- // Dr Konstantin Mettenheimer (until April 30, 2024)
- // Dr Ljiljana Mitic (as of April 30, 2024)

Date	Location	Norbert Freisleben (Chair)	WP/StB Jens Rönnberg	Dr Konstantin Mettenheimer[1]	Dr Ljiljana Mitic[2]	Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal[3]	Isabel Rösler
Feb. 21, 2024	Video conference	•	•	•	–	•	–	•	•
Mar. 02, 2024	Video conference	•	•	•	–	•	–	–	–
May. 08, 2024	Video conference	•	•	–	•	•	–	–	•
Aug. 05, 2024	Video conference	•	•	–	•	•	–	•	•
Oct. 09, 2024	Video conference	•	•	–	•	–	–	–	–
Nov. 12, 2024	Video conference	•	•	–	–	•	•	•	•
Dec. 19, 2024	Video conference	•	•	–	•	–	–	•	•

[1] Member of Audit Committee until April 30, 2024
[2] Member of Audit Committee from April 30, 2024 on
[3] Member of the Board of Directors as of July 1, 2024, before that, participating as a guest

The Audit Committee met seven times in the 2024 financial year. The auditor attended four meetings. The full or partial Board of Directors regularly attended the meetings. Outside of the meetings, the Chair of the Audit Committee was also in regular contact with the auditor.

The Audit Committee fulfils all the applicable requirements pursuant to Sections 107 (4) sentence 3 and 100 (5) AktG and Section 25d (9) KWG. The Audit Committee as a whole is familiar with grenke AG's business and the sector in which the Company operates. In the 2024 financial year, the Audit Committee was comprised of Jens Rönnberg WP/StB, Dr Konstantin Mettenheimer, and Norbert Freisleben until April 30, 2024. Since April 30, 2024, the Audit Committee has consisted of Jens Rönnberg WP/StB, Norbert Freisleben, and Dr Ljiljana Mitic. The chairship was held throughout the year by Norbert Freisleben. Through his many years of experience at a renowned audit firm in the areas of accounting and auditing, Norbert Freisleben has demonstrably extensive expertise in these fields. Jens Rönnberg WP/StB also possesses proven expertise in accounting and auditing, gained from his longstanding career as an auditor and tax consultant for leading law firms and renowned international organisations. Both individuals also have expertise in sustainability reporting and auditing based on their professional experience. Dr Konstantin Mettenheimer, who was a member of the Audit Committee until April 30, 2024, has the necessary experience, knowledge and skills as a tax consultant, business economist, and lawyer, as well as from his involvement in other audit committees. Dr Ljiljana Mitic, who has been a member of the Audit Committee since April 30, 2024, has extensive expertise in accounting and sustainability reporting gained from her longstanding experience as a business economist in globally operating companies in the banking and insurance sectors, as well as in the IT industry. Dr Ljiljana Mitic also has experience serving on the audit committees of other companies.

All members of the Audit Committee are independent of the grenke Group and have knowledge and experience in the application of internal control and risk management systems. The Audit Committee as a whole is familiar with the sector in which the grenke Group operates.

Nomination Committee

The Nomination Committee met in six virtual meetings during the 2024 financial year. The Committee primarily dealt with the support of and dialogue with the Board of Directors regarding fundamental and strategic personnel planning. It also discussed the structure and extension of Board of Directors' contracts and, when necessary, prepared contract negotiations. The Nomination Committee organised the annual competence review for the Supervisory Board and Board of Directors as well as the efficiency review for the Supervisory Board and made recommendations to the Supervisory Board in this regard. In the 2024 financial year, the Committee dealt extensively with the topics of succession planning (in the Board of Directors and Supervisory Board), talent management, management development, human resources development and personnel concept, change management, organisational development and diversity. Occupational health and safety (OHS) protection were also topics addressed during the reporting year. The Nomination Committee reviewed the policies of senior management for appointing and selecting individuals at the senior management level, including holders of key functions. It also reviewed the guidelines for the suitability assessment, including diversity.

Members of the Nomination Committee:
// Dr Ljiljana Mitic (Chair)
// Jens Rönnberg WP/StB
// Dr Konstantin Mettenheimer (until April 30, 2024)
// Nils Kröber (as of April 30, 2024)

From January 1 to April 30, 2024, the Nomination Committee consisted of Dr Ljiljana Mitic as Chair, Dr Konstantin Mettenheimer and Jens Rönnberg WP/StB. Following the departure of Dr Konstantin Mettenheimer on April 30, 2024, Nils Kröber was elected to the Committee. Since April 30, 2024, the Nomination Committee has therefore consisted of Dr Ljiljana Mitic as Chair, Nils Kröber and Jens Rönnberg WP/StB. All members of the Committee possess, both individually and collectively, sufficient knowledge, skills, and experience regarding the business activities of the Company and the Group to assess the composition of the Board of Directors and the Supervisory Board, including the recommendation of candidates.

Date	Location	Dr Ljiljana Mitic (Chair)	Dr Konstantin Mettenheimer[1]	Nils Kröber[2]	WP/StB Jens Rönnberg	Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal[3]	Isabel Rösler
Jan. 29, 2024	Video conference	•	•	–	•	•	–	–	–
May. 17, 2024	Video conference	•	–	•	•	•	–	–	–
Aug. 15, 2024	Video conference	•	–	•	•	–	–	–	–
Aug. 26, 2024	Video conference	•	–	•	•	–	–	–	–
Oct. 28, 2024	Video conference	•	–	•	•	•	•	•	•
Nov. 26, 2024	Video conference	•	–	•	•	–	–	–	–

[1] *Member of Nomination Comittee until April 30, 2024*
[2] *Member of Nomination Comittee from April 30, 2024 on*
[3] *Member of the Board of Directors as of July 1, 2024, before that, participating as a guest*

Risk Committee

The Risk Committee met five times in the 2024 financial year. It dealt with topics related to risk strategy, including risk appetite and risk tolerance. The MaRisk report was regularly presented to the Committee and discussed among the Committee's members. The topic of cybersecurity was also addressed and risk management, including the areas of compliance, risk controlling and internal auditing, were discussed in detail. Additionally, it was assessed whether the incentives established by the remuneration system adequately consider the Company's risk, capital, and liquidity structures and the probability and timing of revenues.

Members of the Risk Committee:

// Dr Konstantin Mettenheimer (Chair until April 30, 2024)
// Norbert Freisleben
// Moritz Grenke (Chair as of April 30, 2024)
// Manfred Piontke (as of April 30, 2024)

All members of the Risk Committee were present at the five virtual meetings. The meetings were also attended by various members of the Board of Directors.

Date	Location	Dr Konstantin Mettenheimer (Chair)[1]	Moritz Grenke (Chair)[2]	Norbert Freisleben	Manfred Piontke[3]	Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal[4]	Isabel Rösler
Feb. 29, 2024	Video conference	•	•	•	–	–	–	–	•
Mar. 26, 2024	Video conference	•	•	•	–	–	–	–	•
May. 29, 2024	Video conference	–	•	•	•	–	–	•	•
Aug. 29, 2024	Video conference	–	•	•	•	•	•	•	•
Nov. 28, 2024	Video conference	–	•	•	•	•	•	•	•

[1] *Chair of Risk Comittee until April 30, 2024*
[2] *Chair of Risk Comittee from April 30, 2024 on*
[3] *Member of Risk Comittee from April 30, 2024*
[4] *Member of the Board of Directors as of July 1, 2024, before that, participating as a guest.*

The Remuneration Control Committee

The Remuneration Control Committee held four virtual meetings in the 2024 financial year. The Committee dealt extensively with the remuneration of the Board of Directors, in particular with the structure of the remuneration system, the determination of the criteria for variable remuneration, target achievement and bonuses, as well as the appropriateness of the remuneration system. The remuneration system for the entire workforce was also discussed, particularly with regard to key positions.

Members of the Remuneration Control Committee:
- // Nils Kröber (Chair)
- // Norbert Freisleben
- // Dr Ljiljana Mitic (until April 30, 2024)
- // Moritz Grenke (as of April 30, 2024)

The members of the Remuneration Control Committee met once without the participation of the Board of Directors and three times with the participation of the Chair of the Board of Directors. All members attended all committee meetings.

Date	Location	Nils Kröber (Chair)	Norbert Freisleben	Moritz Grenke[1]	Dr Ljiljana Mitic[2]	Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal	Isabel Rösler
Jan. 25, 2024	Video conference	•	•	–	•	–	–	–	–
Jul. 22, 2024	Video conference	•	•	•	–	•	–	–	–
Aug. 29, 2024	Video conference	•	•	•	–	•	–	–	–
Dec. 06, 2024	Video conference	•	•	•	–	•	–	–	–

[1] *Member of Remuneration Control Comittee from April 30, 2024 on*

[2] *Member of Remuneration Control Comittee until April 30, 2024*

The Digitalisation Committee

By resolution of the Supervisory Board on March 14, 2023, we formed a Digitalisation Committee for a limited period from April 1, 2023 until the 2026 Annual General Meeting. The Committee supports the Supervisory Board in its promotion and monitoring of the ongoing digitalisation programme. The Digitalisation Committee held five virtual meetings in the 2024 financial year, which were attended by members of the Board of Directors and internal representatives of the digitalisation project. All Committee members attended all meetings. Discussions covered progress in IT strategy implementation, annual planning, key indicators and planning updates, artificial intelligence, cybersecurity and emerging IT trends.

Members of the Digitalisation Committee:
// Dr Ljiljana Mitic (Chair)
// Moritz Grenke
// Nils Kröber (until April 30, 2024)
// Manfred Piontke (as of April 30, 2024)

Date	Location	Dr Ljiljana Mitic (Chair)	Moritz Grenke	Nils Kröber[1]	Manfred Piontke[2]	Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal[3]	Isabel Rösler
Jan. 15, 2024	Video conference	•	•	•	–	•	–	•	–
Mar. 21, 2024	Video conference	•	•	•	–	•	–	•	–
Jun. 21, 2024	Video conference	•	•	–	•	•	–	•	–
Sep. 04, 2024	Video conference	•	•	–	•	•	–	•	–
Dec. 20, 2024	Video conference	•	•	–	•	–	–	•	–

[1] *Member of Digitalisation Comittee until April 30, 2024*

[2] *Member of Digitalisation Comittee from April 30, 2024 on*

[3] *Member of the Board of Directors as of July 1, 2024, before that, participating as a guest.*

ESG

On November 21, 2022, the Supervisory Board elected Dr Ljiljana Mitic as the Supervisory Board's ESG Officer. Dr Mitic is responsible in this role for advising and supporting the Board of Directors on sustainability issues and monitoring the implementation of the ESG strategy. To this end, she liaises closely with the CEO Dr Sebastian Hirsch who is responsible for ESG issues as well as with grenke's internal ESG Panel and reports regularly to the full Supervisory Board. The Supervisory Board deals with ESG issues as a whole as a plenary session, particularly at its annual strategy meeting. The ESG officers' range of topics includes social issues, such as financial inclusion and sustainable corporate governance; environmental issues, including the circular economy; and climate protection and the protection of natural resources, such as forests, water, and biodiversity, which includes the green economy object portfolio. Other topics are access to the financial markets, employee concerns and respect for human rights.

Competence and efficiency review

We regularly assess the efficiency of our activities and the activities of our committees. We carried out an anonymous review via the Supervisory Board's digital platform using a comprehensive, company-specific catalogue of questions developed in coordination with the Nomination Committee. The review is adapted annually to the prevailing circumstances. The questionnaire covers a wide range of topics relating to the activities of the Supervisory Board from both a quantitative and qualitative perspective. At its meeting on May 17, 2024, the Nomination Committee evaluated the results of the efficiency review, developed initial suggestions for improvement and then presented both to the full Supervisory Board for discussion at the Supervisory Board meeting on July 22.

Discussions with investors

As Chair of the Supervisory Board, I regularly held discussions with investors during the 2024 financial year. In 2024, I conducted three meetings with major shareholders, among others, and was also in written communication with them. The primary focus was on answering questions regarding current topics related to the Company. As Chair of the Supervisory Board, I regularly reported to the plenary session on the content of these discussions.

Corporate governance and Declaration of Conformity

We regularly monitor the further development of corporate governance regulations and review their application. In accordance with Section 161 AktG, the Board of Directors and the Supervisory Board of grenke AG issued the Declaration of Conformity with the German Corporate Governance Code on January 30, 2024 and declared that the recommendations of the Government Commission on the German Corporate Governance Code published by the German Federal Ministry of Justice in the official section of the German Federal Gazette have been and continue to be complied with, taking into account the exceptions stated in the declaration. The Declaration of Conformity with the German Corporate Governance Code adopted by the Supervisory Board and Board of Directors on January 30, 2024 is reproduced in the Corporate Governance Statement in accordance with Sections 289f and 315d HGB. The declarations of conformity and their updates are also available for a minimum period of five years on the Company's website under the Investor Relations/Corporate Governance section at www.grenke.com/en/investor-relations/corporate-governance/management/.

Training and further education programmes

The members of the Supervisory Board individually took part in relevant training sessions during the 2024 financial year, including on topics such as reporting, auditing, digital transformation and data management, cloud computing and AI, cybersecurity and both financial and non-financial regulation at the EU and national level, ESG (including CSRD readiness, ESRS, EU Taxonomy and MaRisk), compliance, and risk management.

Onboarding new members to the Supervisory Board

In the 2024 financial year, Manfred Piontke was elected as a new member of the Supervisory Board. Following his election, a structured and comprehensive onboarding process was carried out for Mr Piontke, as was the case with previous new appointments. This process was guided and conducted by the members of the Board of Directors. Additionally, it was supported by the Vice Presidents from the areas of risk controlling, compliance and internal auditing.

Annual and consolidated financial statements and audit

The annual financial statements of grenke AG and the consolidated financial statements prepared by the Board of Directors as of December 31, 2024, the combined management report of grenke AG and the grenke Group for the 2024 financial year in accordance with Sections 315 (5) and 298 (2) of the German Commercial Code (HGB), and the Board of Directors' proposal for the appropriation of grenke AG's unappropriated surplus were presented to the Supervisory Board in a timely manner.

The annual financial statements for the 2024 financial year and the condensed financial statements and interim management report for the first six months of the 2024 financial year were audited and reviewed by BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg. The financial statements of grenke AG were prepared in accordance with the provisions of the German Commercial Code (HGB) and take bank accounting regulations into consideration. The audit of the annual financial statements under commercial law as of December 31, 2024 was conducted in accordance with the provisions of Section 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). The consolidated financial statements and the combined management report for the financial year of January 1 to December 31, 2024 were prepared in accordance with Section 315e (1) HGB based on the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with German Accounting Standard No. 20. The audit of the consolidated financial statements was conducted in accordance with the provisions of Section 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the IDW. The annual financial statements of grenke AG and the consolidated financial statements of the grenke Group for the 2024 financial year were each issued with an unqualified audit opinion.

The Supervisory Board discussed and made a detailed examination of the annual and consolidated financial statements submitted by the Board of Directors, the combined management report, the audit reports submitted by the auditor, and the Group sustainability report. The responsible auditor attended the Supervisory Board's balance sheet meeting, reported on the key findings of the audit and confirmed that the sustainability report had been submitted on time, as required by law. The Supervisory Board also dealt with the mandatory disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB) and the related report. The Supervisory Board examined these disclosures and explanations in the combined management report and considered these to be complete and adopted them. Following our own examination, we raised no objections to the result of the audit of the annual and consolidated financial statements by the auditor and, on March 10, 2025, adopted the annual financial statements of grenke AG and approved the consolidated financial statements and the combined management report of grenke AG. The Supervisory Board concurred with the Board of Directors' proposal for the appropriation of grenke AG's unappropriated profit.

The 2024 financial year was a successful year for us. In a phase of easing interest rates and a weak economy, we were able to successfully and profitably continue our strong double-digit growth trajectory in leasing new business. However, in October, we had to revise our guidance for Group earnings downward due to the wave of insolvencies. Overall, our business model remains resilient, as we can quickly and agilely adapt to new market conditions and offer appropriate solutions for our customers. I am absolutely confident that we are well positioned for the years ahead.

On behalf of the Supervisory Board, I would like to take this opportunity to thank the Board of Directors and all of the grenke Group employees for their strong performance in the past year. In another challenging environment, the grenke team has proven itself and once again achieved significant growth. I would also like to especially thank you, our shareholders, for your trust in our company, our employees and our Board of Directors. We hope you will continue to stay with us.

Baden-Baden, March 10, 2025

On behalf of the Supervisory Board

Jens Rönnberg WP/StB

Chair of the Supervisory Board

Share and Investor Relations

1. Development of the financial markets

In the 2024 financial year, international financial markets continued to be highly volatile. The key positive factors influencing the market included the trend in inflation and interest rates. In the euro area, the inflation rate declined until September before rising moderately again. With the European Central Bank's (ECB) forecast for declining inflation, it gradually lowered its benchmark interest rates starting in June 2024.

While the ongoing wars in Ukraine and the Middle East had little impact on the stock markets, artificial intelligence (AI) grabbed investors' attention and particularly U.S. technology stocks.

The German DAX benchmark index opened 2024 at 16,829 points, peaked at a record high of 20,522 points on December 13, and closed the year at 19,909 points, posting a gain for the year of just over 18 percent. The SDAX index, which lists smaller companies – including grenke AG – began the year at 14,025 points. Over the course of 2024, it saw a slight decline of approximately 2 percent, ending the year at 13,711 points.

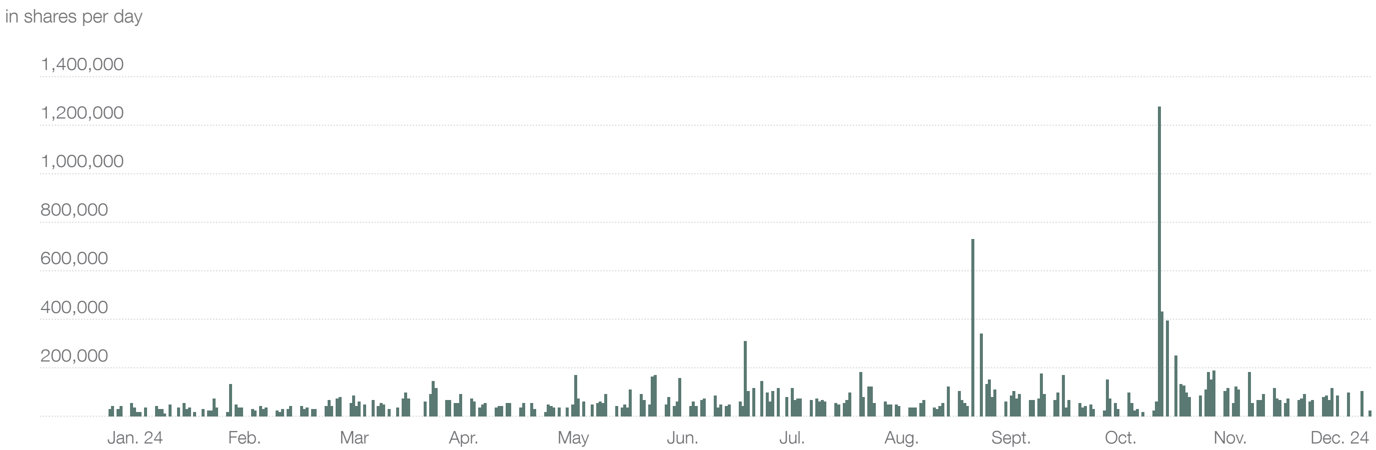
2. The grenke share

In 2024, grenke AG's share price remained volatile amid a challenging capital market environment. The stock opened at EUR 25.30 on January 2, 2024, initially declining slightly to EUR 24.40 on February 6, 2024. On that day, we announced the approval from the German Federal Financial Supervisory Authority (BaFin) for our planned share buyback programme, allowing us to repurchase shares of up to EUR 70 million. Following a temporary dip, the stock rebounded after the release of our full-year financial results on March 7, 2024, reaching EUR 24.80 on March 27, 2024. It then declined again, hitting a temporary low of EUR 20.15 on June 14, 2024. However, the publication of new business figures for the second quarter on July 3, 2024, sparked an upward trend, peaking at the year's high of EUR 28.55 on July 31, 2024. Due to the unfortunate coincidence of the announcement of Isabel Rösler's departure from the Board of Directors at the end of the 2024 financial year and a BaFin notification on ensuring proper corporate governance at grenke Bank, the share price fell to EUR 21.70 on September 6, 2024. After a subsequent recovery to EUR 26.90 on October 17, 2024, the Board of Directors issued an ad hoc statement on October 29, 2024 announcing an adjustment to the Group earnings forecast to EUR 68 to 76 million, from the previous range of EUR 95 to 115 million. As a result, the stock declined until the end of the financial year, reaching a low for the year of EUR 15.04 on December 19, 2024, and closing at EUR 15.42 on December 30, 2024. This amounted to a 39 percent decline over the course of 2024. With a total of 46,495,573 registered shares, the market capitalisation of grenke AG equalled EUR 717 million as of December 31, 2024. As of December 31, 2024, the embedded value (net asset value) amounted to EUR 1,719 million. It encompasses the equity, as well as the present value of expected future cash flows from the existing business, serving as an economic benchmark for valuation. Based on this amount, the net asset value per share equals EUR 38.91.

Performance of the grenke share and indices (January 1 to December 31, 2024)

In 2024, the average daily trading volume in grenke shares on Xetra was 76,523 shares. The highest single-day trading volume occurred on October 30, 2024, following our ad hoc statement announcing the Group earnings forecast adjustment, with 1,271,161 shares traded. Another trading peak was recorded on September 6, 2024, with 726,688 shares, the day when the announcement of Isabel Rösler's resignation from the Board of Directors coincided with BaFin's disclosure regarding grenke Bank. The lowest single-day trading volume was 9,145 shares on January 18, 2024. Over the full year, the total trading volume in grenke shares on Xetra reached approximately 19.4 million shares.

Trading volume for the grenke share (January 1 to December 31, 2024)



3. Competitive environment

There are only a few publicly listed companies in our immediate competitive environment, and the competitive landscape differs significantly from market to market. As a result, conducting a peer group comparison based on stock market data is challenging for grenke AG.

If listed peer companies are considered for comparison, Albis Leasing AG in Germany, Banca Ifis S.p.A. in Italy, and BNP Paribas S.A. in France could be referenced. However, this represents a highly diverse group.

Most of these companies benefitted from the upward trend in 2024. By year-end, Banca Ifis and Albis Leasing saw stock price increases of approximately 36 percent each, while BNP Paribas suffered a decline of around 6 percent.

4. Annual General Meeting and dividend policy

On April 30, 2024, grenke AG held its ordinary Annual General Meeting as an in-person event, as in the previous year. A total of 33,672,724 votes, including absentee votes, were represented, accounting for 72.4 percent of the Company's share capital. Shareholders approved the proposal by the Supervisory Board and Board of Directors to distribute a dividend of EUR 0.47, amounting to a total payout of EUR 21.9 million and a payout ratio of 24.9 percent of Group earnings. For years, grenke AG has maintained a stable dividend policy, aiming to distribute approximately one-quarter of Group earnings. For the 2024 financial year, the Supervisory Board and Board of Directors are proposing a dividend of EUR 0.40 per share, representing a payout ratio of 25 percent.

The Deputy Chair of the Supervisory Board, Dr Konstantin Mettenheimer, left the Board at the end of the Annual General Meeting as scheduled. Manfred Piontke was elected as a new member of the Supervisory Board for a term of three years. Following the Annual General Meeting, the Supervisory Board elected Moritz Grenke as its Deputy Chair during its meeting. More details on the composition of the Supervisory Board can be found in Chapter 8.2.2 Supervisory Board, in the Corporate Governance Statement.

5. Shareholder structure

As a family-owned company with strong medium-sized business roots, we have a major shareholder in Grenke Beteiligung GmbH & Co. KG, which is owned by Anneliese Grenke, Company founder Wolfgang Grenke, and their three adult sons, Moritz, Roland, and Oliver Grenke. As of December 31, 2024, Grenke Beteiligung GmbH & Co. KG held 40.84 percent of the Company's shares, while the GRENKE Foundation owned 3.03 percent. Following the completion of the share buyback programme on September 30, 2024, grenke AG held 4.98 percent of its own shares. Other shareholders who, as of the respective publication date of their voting rights notification, held more than 3 percent of the shares were: ACATIS Investment Kapitalverwaltungsgesellschaft mbH (5.02 percent); GANÉ Investment AG with segregated sub-fund assets (3.04 percent); and Universal Investment Gesellschaft mbH (5.03 percent). The free float, as defined by Section 5.7.2 of the current DAX Equity Index Methodology Guide, amounted to 59.16 percent. The shareholding of the Board of Directors and Supervisory Board as of the reporting date was approximately 0.2 percent. The individual shareholdings of the members of the Board of Directors and Supervisory Board can be found in the table in Chapter 8.6 Shareholdings of the Board of Directors and Supervisory Board, contained in the Corporate Governance Statement.

6. Analyst ratings

In the 2024 financial year, grenke AG's share was regularly covered by six analysts. As of the end of 2024, three analysts issued a buy recommendation (Buy), two recommended holding the stock (Hold), and one analyst advised selling (Reduce). The average price target from analysts' valuations on December 31, 2024, was EUR 24.72 per share, representing a 60 percent upside potential relative to the year-end price of EUR 15.42.

7. Share buyback

On February 6, 2024, we announced that the Board of Directors, with the consent of the Supervisory Board, had decided to initiate a share buyback programme. Prior to this, BaFin had given its authorisation. Under the programme, up to 2,317,695 shares, with a maximum total value of EUR 70 million (excluding incidental costs), could be repurchased via the stock exchange. This represented 5 percent of the Company's share capital at the time of the Annual General Meeting's authorisation on August 6, 2020. The share buyback programme commenced on February 12, 2024, and was successfully completed on September 30, 2024. A total of 2,317,695 shares were repurchased at an average price of EUR 23.92

per share, amounting to a total volume of EUR 55.4 million and 4.98 percent of the outstanding share capital.

8. Investor relations

We maintain an ongoing dialogue with key players in the capital market. In line with this, the Board of Directors and Investor Relations team of grenke AG participated in numerous capital market conferences and roadshows throughout 2024. These events were held in Barcelona, Düsseldorf, Frankfurt, Hamburg, Helsinki, London, Madrid, Munich, Paris, Warsaw, and Zurich, with some also taking place virtually. Additionally, during this period, the Board of Directors and Investor Relations team held 177 meetings with 281 investors and analysts (previous year: 139 meetings with 215 investors and analysts), fostering direct, personal engagement. The Chair of the Supervisory Board was also in dialogue with interested investors on current company topics.

We also maintained engagement with private investors. In 2024, we hosted two virtual and two in-person events for private investors, organised in collaboration with both the Schutzgemeinschaft der Kapitalanleger e. V. (SdK) and the Deutsche Schutzvereinigung für Wertpapierbesitz e. V. (DSW). In the corporate governance assessment by the Deutsche Vereinigung für Finanzanalyse und Asset Management (DVFA) we secured first place in the SDAX market segment for 2024, ranking highest among the 67 evaluated SDAX-listed companies. With a score of 83.14 percent, we became the first and only SDAX company to surpass the threshold for a “Very Good” rating.

The Investor Relations team of grenke AG is available for inquiries via email at investor@grenke.de and by phone at +49 7221 5007 8611. Additional information about the Company and grenke AG’s share can be found in the Investor Relations section of our website (www.grenke.com). We also share updates across various formats and media, including regular posts on our Investor Relations LinkedIn channel and YouTube interviews with the Board of Directors, published alongside our new business updates.

Reference data

Symbol (Xetra / Bloomberg)	GLJ/GLJ:GR
ISIN	DE000A161N30
Market segment	Regulated market (Prime Standard)
Index	SDAX
Designated Sponsors	Hauck Aufhäuser Lampe Privatbank AG/ODDO BHF Corporates & Markets AG
Total number of registered shares outstanding	46,495,573
Class	No-par-value shares (registered shares)
Notional nominal value per share	1,00 EUR
Shareholder structure: Freefloat according to Section 5.7.2 of the current "DAX Equity Methodology Guide" Grenke Beteiligung GmbH & Co. KG*	59,16 % 40,84 %

General partner: Grenke Vermögensverwaltung GmbH
Limited partners: Grenke family (Wolfgang, Anneliese, Moritz, Roland and Oliver Grenke).

Share data

	Unit	2024	2023	2022
Closing price on last day of fiscal year	**EUR**	**15.42**	**25.05**	**19.58**
Highest share price	EUR	28.55	32.45	33.32
Lowest share price	EUR	15.04	19.28	17.99
Market capitalisation	**EURm**	**717**	**1,165**	**910**
Embedded Value	EURm	1,719	1,689	1,664
Embedded Value per share*	EUR	38.91	36.33	35.79
Earnings per share	EUR	1.44	1.79	1.75
Dividend per share**	EUR	0.40	0.47	0.45
Dividend yield**	Percent	2.59	1.88	2.30
Price-Earnings Ratio		**10.71**	**13.99**	**11.19**

Share prices based on XETRA closing prices.

* *2024: Relative to the 44,177,878 shares entitled to liquidation as of December 31, 2024.*

** *2024: Proposal to the Annual General Meeting.*

Combined Management Report

Combined Management Report

Business performance

// Leasing new business exceeds EUR 3 billion for the first time, meeting expectations.
// Growth in newly acquired leasing objects of 18.4 percent year-over-year to EUR 3.1 billion (2023: EUR 2.6 billion).
// Western Europe (without DACH) is the region with the highest volume at EUR 784.4 million (+14.8 percent compared to the previous year); continued strong demand for green economy objects.
// Contribution margin 2 (CM2) is 17.0 percent for the reporting year compared to 16.5 percent in 2023; CM2 volume grew by 21.6 percent to EUR 518.5 million from EUR 426.3 million in the previous year.

Results of operations

// Group earnings after tax is EUR 70.2 million within the October-adjusted guidance range of EUR 68 to 76 million.
// Increased risk provisions result in a higher loss rate of 1.3 percent (2023: 1.0 percent).
// Cost-income ratio equals 59.2 percent, exceeding the target of below 58.0 percent.

Net assets and financial position

// The equity ratio stands at 16.1 percent, matching the long-term benchmark of 16.0 percent, after declining as expected in the financial year due to strong growth and the share buyback.
// Total assets at the end of the reporting year equal EUR 8.2 billion, compared to EUR 7.1 billion in the previous year.
// Lease receivables rise from EUR 5.7 billion to EUR 6.5 billion.

Opportunities and risks

// Unlocking growth potential through a focus on core business, strategy implementation, and investments in markets and target groups.
// Strong foundation for future earnings established through a broader customer and contract base as well as an agile object portfolio.
// High level of diversification minimises risks both in terms of earnings and refinancing.

Guidance

// For the 2025 financial year, the Board of Directors expects leasing new business of EUR 3.2 to 3.4 billion.
// The guidance for Group earnings after tax for the 2025 financial year is projected at EUR 71 to 81 million.

Combined Management Report

This combined management report for the 2024 financial year (January 1 to December 31) concerns both the grenke Group ("Consolidated Group") and the parent company grenke AG (the "Company"). It also includes our Group non-financial statement. Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Company's annual financial statements are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements and the Company's annual financial statements for the 2024 financial year are published in the Company Register (Unternehmensregister). In addition, the report on the 2024 financial year is available as a PDF document on the Company's website at www.grenke.com/investor-relations/reports-and-presentations/.

1. Group fundamentals

1.1 grenke at a glance

We are a global financing partner for small and medium-sized enterprises (SMEs). With our offers, we provide companies with the financial freedom to realise their investments. By leasing through us, SMEs can conserve their own liquidity. We act in accordance with our values: simple, fast, personal and entrepreneurial. Founded in Baden-Baden, Germany, in 1978, we had over 2,300 people in more than 30 countries worldwide by the end of 2024.

grenke AG is the parent company of the grenke Group, comprising 56 subsidiaries (as defined by Section 290 HGB/IFRS 10). The management of grenke AG is the responsibility of the Board of Directors, based at the Company's headquarters in Baden-Baden, Germany. The Board of Directors consisted of four members during the 2024 financial year. Following the resignation of Chief Risk Officer Isabel Rösler at the end of the 2024 financial year, the Board has consisted of three members since January 1, 2025, and will continue to do so until a successor is appointed.

The Company's Supervisory Board consists of six members, in accordance with the Articles of Association.

1.1.1 Business model and segmentation

In the ad hoc announcement dated January 31, 2024, we announced that we had initiated the divestment of our factoring business to focus on the leasing business. This required a revision of the previous segments. The new segmentation of the Consolidated Group is based on the regional breakdown of the leasing business and is divided into the segments DACH, Western Europe without DACH, Southern Europe, Northern/Eastern Europe, and Other regions. The factoring and grenke Bank activities will now be reported in the segment "Other".

In our core leasing business, we generated 96.8 percent (previous year: 96.2 percent) of the Consolidated Group's interest income during the reporting year. Our business focuses on small-ticket leasing, which encompasses lease contracts with a ticket size of up to EUR 50,000. In response to growing demand for financing higher-cost new technologies, particularly in fields such as medical equipment and robotics, we adjusted our definition of small-ticket leasing last year from the original ticket size of up to EUR 25,000 to up to EUR 50,000 per contract. Contracts of this size accounted for 97.1 percent (previous year: 97.6 percent) of all leasing contracts during the reporting year.

Our leasing service offering includes, among others, financing for commercial customers, rentals, service, protection and maintenance options, as well as the remarketing of used equipment. We primarily specialise in the small-ticket leasing of IT products such as PCs, notebooks, servers, monitors, and other peripheral devices, software, telecommunications and photocopy equipment, and medical technology. Almost all of our lease contracts are full amortisation contracts. The focus of our lease portfolio is on IT and office communication products. In the 2024 financial year, IT equipment accounted for 27.8 percent of all lease contracts (2023: 28.6 percent). In recent years, we have expanded our business model to include additional product groups such as small machinery and equipment, medical devices, security equipment, and, most notably, green economy objects. Based on the number of contracts, these product groups accounted for 40.4 percent of all lease contracts in 2024, up from 39.3 percent the previous year. Green economy objects include wall boxes, photovoltaic systems, and above all, eBikes.

We are able to manage our business agilely by adjusting our acceptance practices for lease applications. This flexibility allows us to actively manage the quality and quantity of our new business. An example of this is strictly focusing on lower-risk new business during periods of economic weakness, such as by avoiding transactions with higher-risk industries and customer segments. In addition, we have the flexibility to adjust our terms and conditions in line with market developments and the macroeconomic environment. This has proven to make our business model resilient to market fluctuations. We successfully maintained risk-appropriate margins and long-term profitability during both the financial crisis in 2009 and the COVID-19 pandemic in 2020 and 2021.

In the factoring business, which is currently for sale, we focus on standard small-ticket factoring services. We offer both notification factoring, where the debtor is informed of the assignment of receivables, and non-notification factoring, where the debtor is not informed. Additionally, we offer receivables management without a financing function (recourse factoring), where the default risk for the receivable remains with the customer. The factoring business continues to represent a very small share of the Consolidated Group's interest income, accounting for less than 3 percent.

As a financing partner primarily for SMEs in Germany, grenke Bank offers additional financial services. In cooperation with various federal and state development banks, grenke Bank provides small development loans to SMEs and self-employed professionals who finance new business purchases through leasing. The Bank's business focuses mainly on German SMEs and, since 2021, has primarily concentrated on microcredit business conducted as part of the "Mikrokreditfonds Deutschland" funding programme. Through its own website and common online platforms, grenke Bank also offers fixed-term deposits for private and commercial customers. These customer deposits play a key role in the Consolidated Group's refinancing strategy, as grenke Bank purchases the Consolidated Group's lease receivables and, in return, provides loans to the Consolidated Group. The deposit business accounted for 34.2 percent (previous year: 29.8 percent) of the Consolidated Group's financial liabilities, making it a significant contributor to refinancing. Refinancing through grenke Bank's deposit business represents 16.7 percent (previous year: 18.8 percent) of total interest expenses, highlighting the attractiveness and importance of this refinancing pillar for the grenke Group.

More information on the business development of the segments in the reporting year is presented in Chapter 2.6 Results of operations, in the section "Segment development" of the combined management report, and in Chapter 8 Segment reporting, in the notes to the consolidated financial statement.

1.1.2 Sales markets and market position

At the end of the 2024 financial year, our leasing business was operating in 31 countries across five continents, with a total of 132 locations. We continuously review and optimise our network of locations. Our primary presence is in Europe, where we operate essentially in all leasing markets. Outside of Europe, we have entered the markets of Australia, North and South America and Asia with our entry in Dubai. In the 2024 financial year, we generated 93.6 percent (previous year: 94.1 percent) of our leasing new business in Europe and 6.4 percent (previous year: 5.9 percent) outside of Europe. Our lease object categories in small-ticket leasing mainly include information technology, telecommunications, medical technology, and bicycles, enabling us to occupy a niche in nearly all countries.

Official market studies for our niche segments are not available for Germany or the other countries. However, according to the Association of German Leasing Companies (BDL) in its 2024 annual report for the year 2023, the German leasing industry as a whole is reported to have grown significantly. Despite the generally weak economic environment, the leasing industry was able to increase new business volume by 19.5 percent to around EUR 83.5 billion, covering investments in machinery, vehicles, IT equipment, infrastructure, and other objects. According to the BDL, some of this growth was driven by catch-up effects and price increases following the COVID-19 crisis.

Vehicles (passenger cars, buses, vans, aircraft, rail, and water vehicles) accounted for the largest share of new business volume in the German market, representing around 79 percent.

The asset groups most relevant for grenke – IT, software and cloud applications, other equipment, medical technology, intangible assets, and bicycles – still play a subordinate role.

In the first three quarters of 2024, leasing companies recorded a 5 percent increase in revenue compared to the same prior-year period, according to the BDL. Leasing of passenger cars and renewable energy systems continued to show particularly strong growth. Investments in the IT, cloud, and software applications segment, on the other hand, declined sharply by –8 percent. According to the BDL, the positive order development indicates that companies are increasingly using leasing models to make necessary investments flexibly and without tying up capital.

On the provider side, our segment of the German leasing market is predominantly characterised by medium-sized companies.

According to a study we commissioned on the competitive landscape in tech small-ticket leasing from the market research firm INVIGORS, we are among the top five providers in Germany in this category, alongside DLL, BNP Paribas, MMV Leasing, and Mercator Leasing. The market study covers object groups such as IT equipment, including software, office equipment, and photocopy equipment. The analysis is based on 2021 data. We have not observed any significant changes in the competitive landscape in the years 2022 to 2024.

The French leasing market is dominated by subsidiaries of major French banks. According to a 2024 local study by the market research firm markess on the competitive landscape in tech small-ticket leasing, we are among the largest providers in France, alongside BNP Paribas, Crédit Mutuel, Locam, and Crédit Agricole.

In Italy, we have established a significant market position in small-ticket leasing. According to the latest figures from the Italian leasing association Assilea from 2024, we were able to further strengthen our position in the operating lease segment, where we now hold a leading role alongside BNP Paribas and DLL.

The other major leasing markets in Europe are primarily served by local providers and primarily specialised subsidiaries of banks and equipment manufacturers. Many of these competitors are not as focused on small-ticket leasing as we are and also offer leasing solutions for cars or aircraft. Across countries, we consider BNP Paribas, DLL, and Crédit Mutuel to be our main competitors in the market.

1.1.3 Expansion model

Our growth strategy focuses on an expansion model aimed at increasing our market penetration in our existing markets. To achieve this, we have developed sales hub structures that allow us to expand our network of specialist reseller partners and acquire new customers. We are also growing through our wholly owned subsidiaries and by opening new locations.
In 2024, we opened a second location in the United States, located in Chicago, Illinois, which is wholly owned by us.

In the past, we relied on a franchise model for regional expansion. We fully consolidated all franchise companies under IFRS 10 and began integrating them into the grenke Group. As of December 31, 2024, five franchise companies were still pending acquisition. These transactions are expected to be completed during the 2025 financial year with companies in Chile, Canada, and Latvia. Additionally, there were three sales agencies: one in the leasing business in Norway and two in factoring in Portugal and Italy.

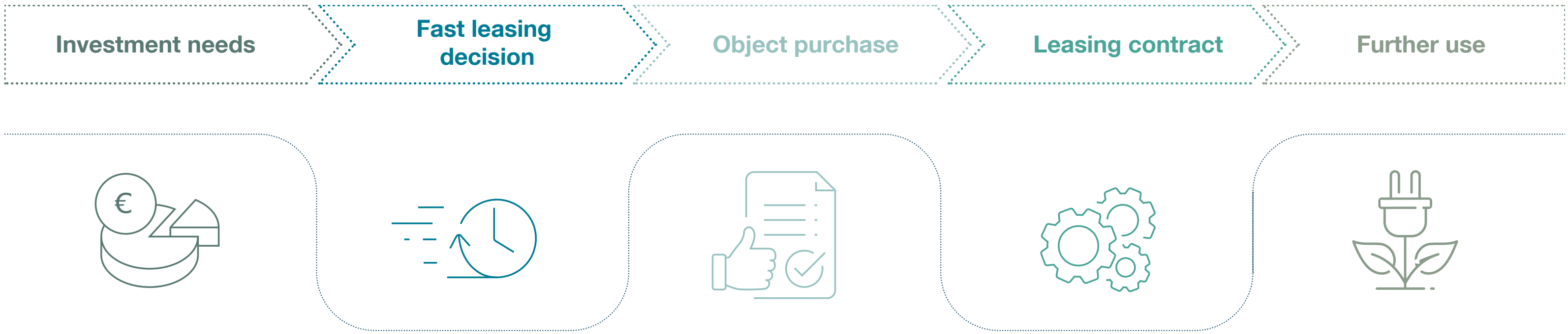
Alongside our growing operating business, the Consolidated Group has also made some targeted strategic investments in recent years. For example, grenke AG holds a 25.96 percent stake in Miete24 P4Y GmbH, based in Velten, Germany. This company offers more than 10,000 fully digitalised IT products for lease through its online platform.

In January 2025, we also announced our plan to enter into a strategic partnership in Italy with INTESA SANPAOLO. As part of the collaboration, Intesa Sanpaolo Rent ForYou S.p.A., a subsidiary of INTESA SANPAOLO, will be fully integrated into GRENKE Locazione S.r.L., a subsidiary of grenke. In return, INTESA SANPAOLO will receive a 17 percent stake in the capital of GRENKE Locazione S.r.L. For the duration of the collaboration, we have agreed on a commercial cooperation with the branch network and the 1.2 million business customers of INTESA SANPAOLO. The finalisation of the partnership is still subject to antitrust approval in Italy.

1.1.4 Business processes and services

In the leasing business, our value added comprises different process steps from liquidity procurement to application management, the operational processing of object purchases, as well as long-term contract management to the realisation of lease returns. Our value chain can also be found in greater detail in Chapter 3.2 ESRS 2 Sustainability strategy.

grenke value chain



For our leasing business, we primarily use two sales channels: our network of specialist reseller partners and direct sales.

In sales, we collaborate with a network of over 39,000 specialist reseller partners. Supported by our employees in local sales offices, these partners offer their end customers financing solutions for the acquisition of lease objects. This broad and growing network provides us with a multiplier effect and forms the basis for further scaling our business model in our markets. Through high diversification in our customer, dealer, and object portfolios, we aim to avoid concentration risk.

As part of direct sales, we offer selected SMEs leasing solutions independently of manufacturers and specialist resellers. In doing so, we integrate our existing network of specialist reseller partners while leveraging the flexibility of direct customer engagement and retention. In the reporting year, the percentage share of our direct sales, based on the number of contracts, declined from 14.1 percent in 2023 to 11.6 percent.

At the same time, we are moving forward with the digitalisation of our offers in both sales channels to take full advantage of the opportunities realise efficiency gains in external and internal processes. With around 128,000 lease contracts, the number of lease contracts processed entirely digitally using our eSignature tool grew 9 percent compared to the prior year. This percentage share of digitally signed contracts was 40.5 percent in the reporting year and slightly above the previous year's level (40.1 percent).

1.2 Targets and strategy

Leasing is the ideal tool for realising investments, not least because instalment payments economically align with the usage of investment assets. As a leading partner for SMEs and self-employed professionals, we aim to help make leasing a seamless and natural choice for small investments. Leasing should be the preferred option for our customers, offering a simple solution that is fast, as digital as possible, and still personal. We focus on small investment amounts, primarily up to EUR 50,000, and strive to become the global market leader in this segment. For financial year 2025, based on the growth strategy and taking current economic forecasts into account, the Board of Directors is targeting leasing new business of EUR 3.2 to 3.4 billion, representing growth of slightly more than 10 percent. Furthermore, the Board of Directors forecasts Group earnings of EUR 71 to 81 million for 2025. The equity ratio is expected to be around 16 percent by the end of the 2025 financial year.

To achieve our growth objectives, we are focusing on four key areas with corresponding strategic initiatives. In addition, liquidity management and refinancing play a fundamental strategic role for us.

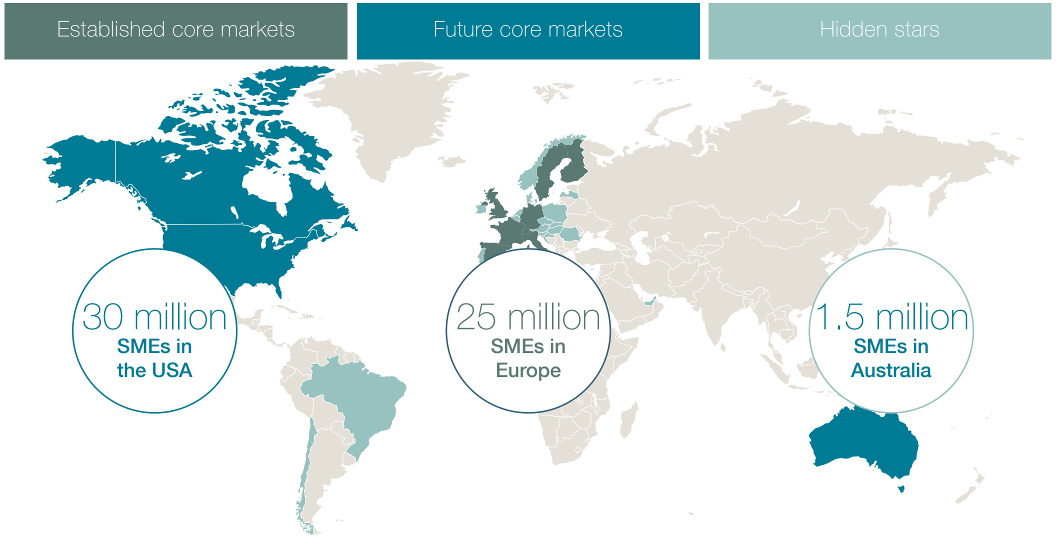
Customer- and market-focused activities
We are committed to optimising our regional and national presence in a way that meets market needs and aligns with our business model, as maintaining close relationships with our specialist reseller partners and leasing customers remains central to our brand identity. We are continuously adapting our network of locations, leveraging new digital solutions and workplace concepts – such as mobile working – that facilitate efficient and personal communication with all stakeholders.

As part of our market strategy, we have defined three expansion clusters, each with its own market approach:[1]

Established Core Markets: our largest and established markets. We want to grow this segment through further product diversification and consistently high market penetration. Direct customer approach will be a particular focus alongside our traditional reseller sales.

Future Core Markets: our markets with strong growth forecasts. Here, we invest in tapping into significant market potential through the consistent development and expansion of customer and partner relationships. In the first few years, IT and office equipment are typically the most important object categories.

Our global market potential



Hidden Stars: our smaller and newer markets that make a solid contribution to our revenue. We intend to maintain our profitable position here and are expanding our existing reseller networks and customer relationships.

1 Established Core Markets: Germany, France, Finland, Italy, Sweden, Switzerland, Spain, and the United Kingdom;
Future Core Markets: Australia, Canada, and the USA; and
Hidden Stars: Belgium, Brazil, Chile, Denmark, Ireland, Croatia, Latvia, Luxembourg, Netherlands, Norway, Austria, Poland, Portugal, Romania, Slovenia, Hungary, United Arab Emirates.

We want to be the leading financing partner for SMEs worldwide

Profitable growth

Sales activities and channels	Operational excellence and cost discipline	Digitalisation	Sustainability
Increase in national and regional presence	Cost leadership in processing and administration	Digitalisation of all processes with external parties	Extension of product portfolio to include innovative object categories
Expansion of reseller and digital direct customer network	Higher efficiency in business origination and customer transactions	Process optimisation, unification and standardisation	Opening up new market potential
Broadening of product range			Development of grenke Sustainability Index (GSI)
			Focusing on ESG compliance

Sustainability as an integral, overarching component of the strategy – both internally and externally

We have also identified markets from which we will withdraw due to their complexity, size and low potential, including Turkey and Singapore. In other smaller markets, such as Malta, the Czech Republic and Slovakia, we intend to leverage synergies through hub structures within the Group, for example, through neighbouring national companies. We have decided to divest our factoring business and focus on our leasing business.

Our sales organisation uses a broad network of over 39,000 specialist reseller partners and contractual relationships with over 680,000 SMEs worldwide. We consistently focus on strengthening direct sales, particularly in our established markets, while also enhancing our specialist reseller network through innovative object categories and continuous digitalisation. Strategic partnerships, like the collaboration with INTESA SANPAOLO announced in January 2025, further reinforce direct sales in important core markets.

In 2023, we made a strategic investment in the company Miete24 so that we could also reach more potential customers via online business. A platform-like online solution is offered that, due to its integration into online shops, comes very close to user-friendly, conventional payment methods. The use of the Miete24 channel in Germany is set to be expanded over the coming years.

The ongoing investment requirements offer us growth opportunities in all markets with our customer target group, above all in the areas of digitalisation and green economy. We are continuously adding to our portfolio of leasable goods and use-based contract concepts in line with the current and future investment projects of SMEs, self-employed professionals and freelancers, companies and public sector institutions. We also plan to do this in cooperation with our business partners.

Operational excellence and disciplined cost management

Through our business model and focus on small-ticket investments and SMEs, we have a large number of business relationships with specialist resellers and leasing customers. We want to manage the relationships of this highly diversified portfolio cost-efficiently over their entire life cycle. We are always working to analyse and optimise our core operational processes, starting with immediate decision-making to simple, fast contract conclusions and fully digital process handling.

Based on our high degree of standardisation, we want to achieve, maintain and increase our high cost efficiency when processing and administrating our more than one million active leasing contracts and over 680,000 active customer relationships (“bulk business”).

Our goal is also to continue to maximise our efficiency in the future when it comes to originating new business and dealing with leasing customers and specialist resellers, as well as when it comes to our own internal operations.

Digital excellence and automation
We plan to fully automate and digitalise our business processes wherever reasonably possible. We place emphasis on a clear customer focus and creating the best possible customer journey. We not only aim to minimise the complexity for our target groups but also to always offer a simple, fast and therefore best solution.

The goal is to achieve an efficient mix of digital processes and personal customer contact in order to leverage the acceleration advantage embedded in digitalisation in sales and attain operational excellence.

Our focus includes modern payment and contract models, such as pay-per-use contracts, and the expansion of use cases for eContracts. We rely on our internal IT service provider, grenke digital GmbH (GdG), to efficiently help us execute our strategy in these areas.

Onboarding and a proper know-your-customer (KYC) process are also part of an optimised digital customer journey, especially in our small-ticket, high-volume business. The use of AI can help us collect the correct relevant data automatically and in an integrated manner.

Sustainability
In accordance with the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda, we expanded our definition of sustainability, developed our vision and formulated our sustainability strategy with the relevant measures for the Consolidated Group.

Going forward, we want to increase the sustainability of our activities in a targeted manner. This includes aligning all of our business and corporate activities along the dimensions of "climate and environment" (Environmental), "social contribution" (Social) and "responsibility and trust" (Governance), or ESG for short.

As a company, we intend to act sustainably and, above all, enable our SME customers to maintain sustainable business models and finance sustainable investment projects.

An important component of this strategy is expanding our portfolio to include innovative object categories so that we can tap new market potential. These categories include objects for advancing digitalisation as well as leased assets for the expansion of a green and overall resource-saving economy. A key focus in accomplishing this remains the use and reuse of used lease objects in the context of a sustainable circular economy.

We will measure the contribution of our leasing business to sustainability using our proprietary ESG index – the grenke Sustainability Index (GSI). We will also use sustainability-linked funding instruments for refinancing.

Beyond these four core objectives, managing liquidity and refinancing play a fundamental strategic role for us. Adequate liquidity and competitive refinancing are essential to our business model and managed accordingly at a strategic level. A solid equity base has a decisive impact on our ratings, interest rates, and therefore the cost of our refinancing. For many years, we have consistently maintained our self-set target for an equity ratio of 16 percent. To ensure sufficient liquidity at all times, we have always relied on a broad refinancing structure. We have access to a wide range of instruments, which we utilise in line with our overall strategy, depending on market conditions.

Our debt-based financing is based on three main pillars:

// senior unsecured instruments, including bonds, the current green bond, a social bond, commercial paper and debentures, which are essentially based on our investment grade rating but also on our credit relationships with international banks, as well as syndicated credit lines;

// asset-based financing that includes asset-backed commercial paper (ABCP) programmes; and

// grenke Bank's deposit business.

By taking this approach, we avoid maturity transformation and thereby eliminate potential interest rate and follow-on financing risks at the portfolio level. We leverage the various pillars of refinancing based on demand and market conditions. We have been awarded investment grade ratings from both the Standard & Poor's and Fitch Ratings rating agencies.

1.3 Management system

1.3.1 Financial performance indicators

The Board of Directors uses the following financial performance indicators to manage the Consolidated Group and evaluate its **business development**:

Leasing new business: Leasing new business is defined as the total acquisition cost in euros of all newly concluded lease contracts for a specific period. It shows the development of the leasing portfolio over a defined period (quarter/year). Leasing new business is the source of future income.

Group earnings: The profit after tax for the Consolidated Group for the reporting period.

Equity ratio: Equity as a percentage of the total assets on the balance sheet. A solid equity ratio is the basis for an investment grade rating, which in turn is relevant for obtaining refinancing on the capital market.

Cost-income ratio (CIR): The ratio of total cost items (staff costs; depreciation, amortisation, selling and administrative expenses) to total income items (operating income before settlement of claims and risk provision). CIR is an indicator of cost efficiency.

Loss rate: The ratio of expenses for the settlement of claims and risk provision for a certain period to the lease volume on the period's closing date. It reflects the performance of the leasing portfolio in the reporting period.

Contribution margin 2 (CM2 margin): The ratio of the discounted operating income of all newly concluded lease contracts over the total period (entire term) to the net acquisition value of all new lease contracts within a period. This indicator shows the projected profitability of the newly concluded leasing portfolio.

Development of financial performance indicators

	Guidance 2024	2024	2023	2022
Leasing new business (in EUR billions)	3.0-3.2	3.1	2.6	2.3
Earnings (in EUR millions)	68.0-76.0	70.2	86.7	84.2
Equity ratio	>16%	16.1%	19.1%	20.8%
Cost-income ratio (CIR)	<58%	59.2%	59.2%*	55.2%*
Loss rate	≤1.5%	1.3%	1.0%	1.3%
CM2 margin	slightly >16.5%	17.0%	16.5%	16.1%

1.3.2 Performance indicators

In addition to the abovementioned Consolidated Group performance indicators, there are other performance indicators applied to the **leasing business:**

- // Contribution margin 1 and 2
- // Net acquisition value (NAV)
- // Expected loss
- // Embedded value

To assess and control the profitability of our leasing business, we calculate contribution margins, which show the income from a lease contract over the total period. In the leasing business, a distinction is made between contribution margin 1 (CM1), or the CM 1 margin (contribution margin 1 in relation to new business), and contribution margin 2 (CM2), or the CM2 margin. CM1 corresponds to the present value of the net interest income of a lease contract less the commission paid to third parties. CM2 represents the present value of the operating income of a leasing contract, including risk costs, as well as service and disposal income. Both figures relate to the total period of a lease contract and therefore take into account the four-year average lease term starting from the conclusion of the contract. Management focuses on CM2, whose calculation corresponds to the Consolidated Group's operating profit. While the contribution margin is determined by the new business of the past reporting period, the operating income from the concluded lease contracts is distributed over their term. As a result, the operating income and Group earnings for the financial year are also determined by the new business acquired in previous financial years.

The expected loss corresponds to the amount of expected loss initially calculated over the entire term of a lease contract or portfolio. We strive to keep the deviation of expected losses from realised losses as low as possible.

Embedded value represents the present value of all outstanding instalments and expected gains/losses from disposals after costs and risk provisioning over the remaining term of the entire portfolio. The CM2 indicates the total embedded value of the new business for a period before costs and taxes.

We use embedded value as an additional key performance indicator for two reasons: First, because expenses incurred when expanding into new markets, carrying out cell divisions, and opening new branches in our markets are usually not immediately covered by income until after the start-up phase has ended. Second, because the internal interest in our lease receivables is largely fixed over the remaining term of a portfolio and only reflected in net interest income over the term as a result of IFRS lease accounting. At the same time, refinancing with matching maturities provides a high degree of forecasting certainty for interest expenses and therefore for the total outstanding interest result over the remaining term. With the help of embedded value-based management, we take into account future earnings contributions from leasing new business and combine two goals into one: growth in new business with an increase in net asset value.

Performance indicators Leasing	Unit	2024	2023	2022
CM1 margin	Percent	11.2	9.8	10.0
CM2 margin	Percent	17.0	16.5	16.1
Net acquistion value (NAV)	EURm	3,057.0	2,581.3	2,299.2
Expected loss/NAV	Percent	6.0	5.1	5.0
Embedded value	EURm	1,719.0	1,689.0	1,663.6

In 2024, we announced our plan to discontinue the factoring business and either sell or close this division. The most important performance indicators for the factoring business are the gross margin – defined as the income from the purchase of receivables, crediting and receivables management in relation to the respective net acquisition values – and the factoring volume, which increases with the acquisition of new customers. The acceptance of financing applications is managed according to risk classes.

Performance indicators Factoring	Unit	2024	2023	2022
Gross margin	Percent	1.5	1.6	1.4
Factoring new business	EURm	910.4	838.6	784.2

One of grenke Bank's key performance indicators is deposit volume, because grenke Bank, due to its purchase of lease receivables, is an important pillar of the refinancing strategy of the grenke Group. grenke Bank is also managed in accordance with its equity base, which is evaluated using the equity ratio, the total capital ratio according to capital requirement regulations (CRRs), the leverage ratio and the liquidity coverage ratio (LCR).

Performance indicators Banking	Unit	2024	2023	2022
Deposit volume	EURm	2,308.0	1,686.0	1,236.0
Equity ratio	Percent	19.2	21.6	23.1
Total capital ratio	Percent	19.4	21.9	27.5
Leverage ratio	Percent	10.9	14.1	19.3
Liquidity coverage ratio	Percent	997.3	1,565.4	531.9

The respective medium-term targets for the Consolidated Group's relevant financial performance indicators and the forecast for the 2024 financial year can be found in Chapter 6.2 Report on forecasts and outlook.

1.3.3 Non-financial performance indicators

In addition to the financial key performance indicators (KPIs) described in Chapter 1.3.1, the enterprise value of the grenke Group is also determined by non-financial performance indicators.

In the 2024 financial year, we further advanced the sustainability strategy and activities of the grenke Group. To assess and manage our sustainability objectives, the most important non-financial performance indicators were defined as TOP KPIs back in 2022. These were assigned specific target values in the 2023 financial year. The following figure provides an overview of the most important KPIs at a glance.

Non-financial performance indicators*

Climate & Environment	ESG products and services as % of overall portfolio
	CO_2 emissions (Scope 1, 2 and 3)
	Degree of automation in core leasing processes
Social Contribution	grenke Engagement Score (employee satisfaction)
	Fluctuation rate
	Number of days of employee further training
Responsibility & Trust	Overall Strategy Awareness (OSA) Score
	Share of top management positions with sustainability component in variable remuneration
	Completion rate of internal audit reviews

* These non-financial performance indicators are also referred to as TOP KPIs in the Group non-financial reporting.

Climate and environment

ESG products and services as a percentage of the overall portfolio

We are committed to making our product portfolio and leases as sustainable as possible. This is the reason we are specifically including green economy objects in our lease objects portfolio. We define green economy objects as those that contribute to a sustainable transformation of the business activities of our individual customers and the economy as a whole. Examples include objects used for renewable energy generation and storage, sustainable mobility solutions and resource management.

We want to enable our SME customers to invest in their sustainable transformation. Therefore our goal is to gradually increase the share of green economy objects, measured by the net acquisition volume of the overall leasing new business. In the 2024 financial year, these objects accounted for 7.8 percent of the Group-wide leasing new business, compared to 7.7 percent in the prior year.

TOP KPI: Green economy objects as a percentage of the overall leasing new business portfolio (new business volume in euros) in the financial year.

Greenhouse gas emissions (GHG emissions; Scope 1, 2 and 3)

We aim to achieve net zero for our business operations no later than 2050, thereby making a positive contribution to the 1.5-degree target of the Paris Climate Agreement. Our first Climate Action Plan outlines our emission reduction targets for 2030 and 2050, as well as key milestones for their achievement. We present this in detail in our Group non-financial statement.

To achieve our climate targets, we measure our corporate carbon footprint annually. As part of this process, we calculate the greenhouse gas emissions from our direct business activities (Scope 1), our indirect energy consumption (Scope 2), and our value chain (Scope 3). The Scope 3 emissions include the relevant selection of categories for us in accordance with the Greenhouse Gas (GHG) Protocol.

For 2024, the underlying collected consumption data corresponds to the reporting period. Previously, the consumption data was based on the prior year, as this information was not yet available at the time of reporting.

We completed our 2024 corporate carbon footprint using conservative projections within the existing Scope 1, 2, and 3 categories. Due to missing data or data of insufficient quality, our Scope 3 emissions do not yet include any information or estimates for our leased assets.[1]

Our Scope 1 emissions amount to 2,690 t CO_2e, accounting for 34 percent (2023: 3,184 t CO_2e; 2022: 3,407 t CO_2e). Our Scope 2 emissions (location-based) amount to 960 t CO_2e, accounting for 12 percent (2023: 1,197 t CO_2e; 2022: 1,498 t CO_2e).

1 Due to missing or insufficiently available data, our Scope 3 emissions do not yet include any figures or estimates for our leased assets.

In Scope 3, we have calculated emissions of 4,183 t CO_2e, accounting for 53 percent (2023: 3,581 t CO_2e; 2022: 4,632 t CO_2e). All Scope 3 data currently exclude emissions from our leased assets. We will provide transparent updates on any future changes and their impact on our reduction targets.[1]

Detailed explanations of the reduction measures are provided in Chapter 3. Group non-financial statement under ESRS E1 – Climate change mitigation and adaptation.

TOP KPI: Greenhouse gas emissions for Scope 1, 2, and 3 and in total measured in t CO_2e in accordance with the GHG Protocol.

Degree of automation in the core leasing process

Given our business model as a financer of small-ticket leases, a key driver in implementing our sustainability strategy is the digitalisation of our business processes. This is especially true for the dimension of environment in terms of a conscious use of resources. It also applies however to social and governance. For example, through 24/7 availability and self-service functions, we increase the service level for our customers and partners and, at the same time, ensure our actions are legally compliant through integrated controls in these processes in an efficient manner. We aim to continue minimising our paper consumption in all paper-intensive processes.

We measure our degree of automation based on the availability of our eSignature and eInvoice solutions, as well as the eContract ratio for new contracts. In the 2024 financial year, digital signature solutions were available in 27 countries (2023: 27 countries). The proportion of lease contracts concluded electronically via eSignature equalled 40.5 percent in the financial year and was slightly above the previous year's level (2023: 40.1 percent).

Our digital invoicing solution continued to be available in 26 countries during the 2024 financial year (2023: 26 countries). Detailed information on the topic of eInvoicing can be found in ESRS E1 – Climate change mitigation and adaptation. In future financial years, we aim to continuously improve the measurability of the degree of automation in the core leasing process, which spans from the initial enquiry to the end of the contract.

The TOP KPI comprises the following:

- // Number of countries with available eSignature solutions
- // Number of countries with available eInvoice solutions
- // eContract ratio, measured by the share of the total number of new lease contracts concluded using eSignature in the financial year

Social contribution

grenke Engagement Score (employee satisfaction)

Our annual employee survey serves as an important basis for evaluating our attractiveness as an employer. We are using detailed questions to calculate the grenke Engagement Score (GES). In one score, the GES measures employee satisfaction and summarises the results in the areas of engagement, identification and retention, as well as the overall satisfaction of employees with the Company. The GES is based on a scale of 1 to 7, where 1 = high satisfaction and 7 = low satisfaction. Our goal in the long term is to achieve a grenke Engagement Score of at least 2.2.

As in last year's survey, this year's survey resulted in a GES of 2.1 (2023: 2.1). The participation rate across the grenke Group was 67.8 percent (2023: 68.4 percent).

TOP KPI: grenke Engagement Score, measured as a quantitative score between 1 and 7 based on the annual employee survey

Fluctuation rate

Another indicator of sustainable human resources management and our attractiveness as an employer is the staff fluctuation rate. This reflects the retention and turnover behaviour relative to the average number of employees, excluding parental leave and unpaid absences. Our objective is to achieve a lower staff turnover rate than the financial and insurance services sector. This industry average was around 16.8 percent in 2022, which means that we remained within our target range in the financial year. In the 2024 financial year, the Consolidated Group's average fluctuation rate was 8.9 percent (2023: 9.7 percent). This represented a further decline of 0.8 percentage points compared to the previous year.

TOP KPI: Percentage fluctuation in the reporting year, measured by retention and turnover behaviour relative to the average number of employees

1 All Scope 3 figures currently do not include any data on emissions from our leased assets. Future changes and their impact on our reduction targets will be reported transparently.

Training days per employee

We offer a comprehensive range of training and further education programmes for the long-term development of our employees. We measure the utilisation of these programmes based on the average number of days each employee spent on voluntary and mandatory training in the reporting period.

Our aim was to increase the average number of training days per employee to 3.5 to 4 days as early as 2023. In the 2024 financial year, the average was 3 days (2023: 3.7 days), with a Group-wide training ratio of a steady 99 percent (2023: 99 percent).

This puts us slightly below the target rate of 3.5 to 4 training days per employee in the 2024 financial year. We remain committed to this target.

TOP KPI: Average number of training and development days per employee in the reporting year, measured on the basis of the total number of employees.

Responsibility and trust

Overall Strategy Awareness (Score)

To best implement our corporate strategy and, in turn, our sustainability strategy, we place a high value on the approval and support of our employees. Our Overall Strategy Awareness (OSA) Score reflects the extent to which our employees identify with our strategy. We measure the OSA score based on questions included in our annual employee survey concerning our strategy, products and innovation. The Overall Strategy Awareness Score is determined on a scale of 1 to 7, where 1 = high awareness and 7 = low awareness. Our goal is to ensure an OSA Score of 2.5 in the long term.

In the 2024 financial year, the OSA was unchanged from 2023, holding steady at a score of 2.6 (2023: 2.6).

TOP KPI: Overall Strategy Awareness Score, measured on a scale of 1 to 7, based on all responses to the Strategy, Products and Innovation sections of the annual employee survey.

Share of top management positions with variable remuneration featuring a sustainability component

To ensure steering along our sustainability strategy across the entire Consolidated Group, we integrate sustainability components into the variable remuneration of top management. We measure this as the proportion of top management positions with variable remuneration featuring sustainability components compared to the total number of top management positions (i.e. the Board of Directors and the first and second management levels).

In the 2022 financial year, variable remuneration components were linked to sustainability targets for the first time for the Consolidated Group's entire Board of Directors. This resulted in a quota of 100 percent for the Board of Directors and 1.7 percent for the Board of Directors and senior management as a whole (2023: 1.8 percent) (see Chapter 3. Group non-financial statement under ESRS 2 – Company profile).

We continue to pursue the integration of sustainability aspects into the variable remuneration of all top management.

TOP KPI: Share of top management positions with variable remuneration featuring sustainability components, measured on the basis of the total number of top management positions (i.e. the Board of Directors and the first and second management levels)

Completion rate of internal audits

We reinforce our governance structure through effective processes and controls to ensure lawful and ethical conduct. To achieve this, we measure the proportion of completed audits compared to the total number of audits planned by Internal Audit for the financial year across the entire grenke Group. Our goal was to increase the completion rate of all audits to 75 percent by 2023, to 85 percent by 2024, and to 90 percent starting in 2025. The completion rate in the 2024 financial year was 65 percent (2023: 81 percent). The lower completion rate of internal audits compared to the previous year was due to the strategic prioritisation of implementing measures during the financial year.

TOP KPI: Proportion of audit reviews completed by the Internal Audit department, measured in percent based on planned audits according to the annual audit planning

Further information can be found in Chapter 3. Group non-financial statement.

1.4 Research and development

Our core capabilities include standardised and highly digitalised processes – particularly in the area of leasing – and the efficient evaluation of lease applications. We continuously optimise our software solutions and applications to maintain these capabilities. A key focus of our technical activities within our “Digital Excellence” digitalisation programme is the transformation of IT operations into a secure cloud infrastructure and the completion of the necessary modular environment for running applications in the cloud. In 2024, we also established important foundations for the secure use of generative AI and piloted it in initial use cases. We are consistently advancing the development and implementation of automated and customer-centric processes for sales and administration. In 2024, for example, we completed our migration of data from all countries to the central customer master data management system. Centrally important to this was GRENKE digital GmbH, which houses all of the digital expertise and develops system solutions for us and our partners. In 2024, GRENKE digital GmbH employed around 190 people (previous year: 164).

Development costs of EUR 2.0 million (previous year: EUR 0.9 million) were capitalised in the reporting year. Amortisation of internally generated software amounted to EUR 4.0 million (previous year: EUR 4.4 million). In addition, we utilise third-party services for research and development purposes. In the 2024 reporting year, such services were mainly used in connection with IT projects and totalled EUR 15.8 million (previous year: EUR 13.7 million), of which EUR 1.0 million (previous year: EUR 0.3 million) was capitalised.

2. Economic report

2.1 Macroeconomic environment

The global macroeconomic and geopolitical environments in 2024 were fraught with persistent and emerging challenges. A weak economy and rising insolvency rates in key regions added to the uncertainty. The ongoing conflicts between Russia and Ukraine, as well as in the Middle East, had direct and indirect widespread impacts on economic activities. Political upheavals, including the U.S. elections, significantly influenced both national and international economic policies. Close to the same time, government crises in Germany, France, and, most recently, Canada further contributed to instability.

In contrast, monetary easing by central banks worldwide, triggered by declining inflation rates, had a stimulative effect on economic activity. Inflation in the euro area at the beginning of 2024 stood at 2.8 percent, remaining above the 2 percent target. As a result, the European Central Bank (ECB) initially maintained its key interest rate at 4 percent. As inflationary pressures eased during the year, the ECB gradually lowered its benchmark rate. The first cut occurred in June 2024, followed by further reductions in September, October, and December, bringing the rate down to 3 percent by the end of the reporting year. Inflation temporarily fell below the 2 percent target, reaching 1.7 percent in September 2024. However, in the months that followed, it slightly exceeded the ECB’s target, with preliminary estimates indicating a rise to 2.4 percent in December 2024. The ECB refrained from providing specific guidance on future rate changes, instead emphasising its intention to make data-dependent decisions in upcoming meetings. During its meeting on December 12, 2024, the ECB continued to classify its monetary policy as restrictive, though credit conditions for businesses and households had already improved over the course of 2024.

According to the ECB's Bank Lending Survey, banks surveyed in the euro area reported that they had tightened corporate lending standards in the fourth quarter of 2024 more than at any time since the third quarter of 2023. This was due to increased risks related to the economic outlook, industry- and company-specific conditions, and a lower risk tolerance on their part. Germany and France were particularly affected while lending standards in Italy eased. For the first quarter of 2025, the surveyed banks expected a further tightening of corporate lending standards.

The United States began its monetary easing slightly later than the euro area. At the beginning of 2024, the U.S. federal funds rate ranged from 5.25 percent to 5.5 percent. The U.S. Federal Reserve (Fed) introduced its first rate cut in September 2024, followed by two additional cuts in November and December. By the end of the year, the federal funds rate ranged from 4.25 percent to 4.5 percent. The U.S. inflation rate, measured by the personal consumption expenditures (PCE) price index, which is relevant for the Fed's inflation target, followed a similar trajectory to that of the euro area. The U.S. inflation rate initially fell during the year (from 2.6 percent in January and 2.8 percent in March to 2.1 percent in September) before rising again toward the year's end, reaching 2.6 percent in December 2024.

In its World Economic Outlook published in January 2025, the International Monetary Fund (IMF) assessed global economic growth in 2024 as generally stable at an estimated 3.3 percent, although growth varied significantly between countries. At 2.8 percent, the United States grew at a similar pace compared to the prior year, supported by strong consumption. The euro area economy, in contrast, showed only a weak recovery, with year-on-year growth of 0.8 percent. The absence of a stronger recovery in the euro area was due to exceptionally high gas prices in Europe and continued weakness in exports and manufacturing. Consumption, on the other hand, had a positive impact due to higher real incomes. Spain benefitted from tourism, recording strong growth at an above-average rate of 3.1 percent. France and Italy generated growth in the middle of the range, reporting 1.1 percent and 0.6 percent, respectively. The German economy, however, shrank 0.2 percent due to high real interest rates, which drove construction costs higher. The United Kingdom, with growth of 0.9 percent, was at a level similar to that of the euro area.

Economic growth according to the IMF

Percent	2024	2023
Worldwide	3.2	3.3
USA	2.8	2.9
Euro area	0.8	0.4
Germany	−0.2	−0.3
France	1.1	1.1
Italy	0.6	0.7
Spain	3.1	2.7
United Kingdom	0.9	0.3

The IMF also observed progressing disinflation in the months leading up to the publication of its outlook. Median global core inflation was slightly above 2 percent during this period, with moderate nominal wage growth a contributing factor. Despite this, the IMF noted persistently high inflation rates in the services sector, particularly in the United States and the euro area, which could complicate the normalisation of inflation rates.

Corporate insolvencies in the eurozone continued to rise, according to an estimate by Eurostat. The corresponding index was estimated at 174.1 points in Q4 2024, representing a 6.5 percent increase compared to the same quarter of the previous year (Q4 2023: 163.5 points). In a country comparison, France recorded a significantly higher figure at 257.8 points (Q4 2023: 233.9 points), well above the aggregated eurozone value. Germany stood slightly below the average at 161.7 points (Q4 2023: 133.8 points), while Spain and Italy performed somewhat better than the eurozone overall, with 131.2 points (Q4 2023: 137.4 points) and 109.5 points (Q4 2023: 91.3 points), respectively. For full-year 2024, Allianz

Trade estimates global insolvency growth at 11 percent compared to the previous year (2023: 7 percent). It forecasts a 25 percent increase in insolvencies for Germany (2023: 22 percent), 22 percent for Italy (2023: 13 percent), 18 percent for France (2023: 35 percent), and 7 percent for Spain (2023: –27 percent). For the entire eurozone, Allianz Trade expects insolvencies to rise by 19 percent (2023: 14 percent).

The Purchasing Managers' Index (PMI) for the manufacturing and services sectors in the euro area was 49.6 points in December 2024, remaining slightly below the 50-point threshold (December 2023: 47.6 points). The index is derived from a monthly survey of purchasing managers in the manufacturing and services sectors, assessing new orders, production, employment, deliveries received, and inventory levels. The PMI serves as a leading indicator, with values above 50 points indicating an increase in production and values below 50 points signalling a decline in production across the sectors surveyed. Starting from a level of 47.6 points in December 2023, the PMI rose steadily until May 2024 but declined again as the year progressed.

The German companies surveyed by the ifo Institute were more pessimistic at the end of 2024 than in the same month of the prior year. The ifo Business Climate Index, which summarises companies' assessments of their current business situation and their expectations for the subsequent six-month period, stood at 84.7 points in December 2024 (December 2023: 86.7 points). This marked the index's lowest level since May 2020. In 2024, the index improved until May but then declined steadily until the end of the year. Growing pessimism was found in all sectors surveyed by the ifo Institute, likely influenced by the potential for U.S. tariffs and political uncertainty in both France and Germany.

Despite the challenging environment, we successfully continued our growth trajectory in leasing new business throughout 2024. We also significantly increased the profitability of our new business compared to the previous year. An unexpected rise in insolvencies in several core markets starting mid-year resulted in a higher loss rate for the portfolio of 1.5 percent in the second half of 2024, compared to 1.1 percent in the first half. For full-year 2024, the loss rate was 1.3 percent (prior year: 1.0 percent).

2.2 Sector environment

The ifo Business Climate Index for Germany's leasing sector stood at 1.8 points in December 2024, marking a net decline over the year (December 2023: 10.8 points). The indicator revealed a volatile trend throughout 2024. In December 2024, leasing companies assessed their current business situation positively, at 18.4 points. This compared to an expected business outlook reading of –13.5 points for the subsequent six-month period. The Federal Association of German Leasing Companies (BDL) positively highlighted the fact that businesses are adopting a long-term perspective on investments in digital and sustainable transformation, with the leasing sector continuing to serve as a reliable financing partner for these initiatives.

Statistics from Leaseurope for the first half of 2024 (full-year figures were not yet available at the time of this report's publication) show that leasing new business for equipment investments (including vehicles) in the European market grew 6 percent year-on-year. This compares to full-year 2023, which had still recorded growth of 11 percent. As the largest leasing market, the United Kingdom grew 4.1 percent year-on-year, Germany recorded an increase of 7.8 percent and France of 5.7 percent.

2.3 Macroeconomic influences on business development

After starting the year 2024 at a benchmark rate of 4 percent, interest rate developments in the euro zone continued to influence our business. The interest environment eased over the course of the year after the ECB's interest rate cuts and the anticipation in the financial markets of further cuts on the horizon. Lower financing costs typically stimulate investment demand; however, recessionary concerns and geopolitical uncertainty tend to have a dampening effect on corporate investments. Since lease instalments are set at the time the investment is made and the contract is concluded, leasing provides our target customers with a reliable basis for financial planning in times of volatile markets and difficult-to-forecast interest rates. At the same time, leasing represents a financing option that preserves liquidity.

Total leasing new business continued to grow in the reporting year, as detailed in Chapter 2.5. This growth was likely due to companies choosing to use lease financing for their investments in replacements and expansion – particularly digitalisation initiatives and green economy objects. Unlike loans, where liquidity is provided upfront and may not necessarily be used for investments, lease contracts are typically linked to operationally essential objects, demonstrating a tangible medium- to long-term investment requirement.

Our refinancing costs were lower in the reporting year due to the decline in interest rates throughout the year. Consequently, the CM2 margin, which serves as an indicator of the projected profitability of our new business, continued to improve over the course of 2024 and, at 17.0 percent, exceeded our target.

As a delayed consequence of the COVID-19 crisis, we observed a sharp increase in insolvencies, particularly in our core markets of France, Spain, and Germany. This in turn led to higher expenses for settlement of claims and risk provision. As a result, the loss rate increased compared to the previous year. For further details, please refer to Chapter 2.6.

The ongoing sanctions against Russia have no direct impact on our business. We are also not directly affected by the wars in Ukraine or the Middle East, as we do not have any operations or engagements in these regions.

Other macroeconomic influences, including the impact of changes in capital market and central bank interest rates on refinancing costs, are discussed in detail in Chapter 5.3.2.2 of the risk report.

2.4 Significant events and transactions

2.4.1 Significant events

On January 31, 2024, we announced our decision to focus on the leasing business going forward and, consequently, to initiate the divestment of the factoring business. The synergies with our core and primary leasing operations that were expected when entering the factoring business had not materialised. Additionally, an in-depth analysis concluded that the existing factoring business could only be operated profitably in the long term with significant additional investments and a multi-fold increase in business volume (assets from the factoring business represented less than 2 percent of the consolidated statement of financial position in 2024). By the end of the reporting year, the divestment process was not yet complete.

On February 6, 2024, we announced that, with the consent of the Supervisory Board, the Board of Directors of grenke AG had decided to launch a share buyback programme. The initiative had already received approval from the German Federal Financial Supervisory Authority (BaFin) (see ad hoc announcement dated November 21, 2023). The programme encompassed a maximum of 2,317,695 shares and a value of up to EUR 70 million (excluding ancillary costs), equivalent to 5 percent of the Company’s share capital as of the authorisation resolution passed at the Annual General Meeting on August 6, 2020. The share buyback programme commenced on February 12, 2024 and was successfully concluded on September 30, 2024.

On March 5, 2024, we announced that the Supervisory Board of grenke AG had appointed Dr Martin Paal as Chief Financial Officer, effective July 1, 2024. Having joined grenke as Vice President of Controlling in June 2022, he was promoted to General Representative in March 2023. As the designated Chief Financial Officer, he oversaw the Accounting & Tax, Controlling and M&A, Treasury, and Reporting departments.

On March 15, 2024, we announced that Dr Konstantin Mettenheimer, member of the Supervisory Board of grenke AG since July 2021 and its Deputy Chair since May 2023, would not stand for re-election to the Supervisory Board at the Annual General Meeting on April 30, 2024.

On April 30, 2024, we held our Annual General Meeting. This meeting resolved a dividend distribution of EUR 0.47 per share (previous year: EUR 0.45), corresponding to a total distribution of EUR 21.6 million at our historical payout ratio of 25 percent of Group earnings. The distribution was based on the dividend-entitled share capital at the time of the Annual General Meeting, taking into account the previous buyback of own shares. Due to the Annual General Meeting, the share buyback programme was paused from April 22, 2024, to May 3, 2024, and resumed on May 6, 2024. The shareholders’ meeting also approved all other agenda items with a large majority. Dr Ljiljana Mitic was re-elected to the Supervisory Board for a five-year term, and Manfred Piontke was elected to the Supervisory Board for a term of three years. In a subsequent meeting, the Supervisory Board elected Moritz Grenke as Deputy Chair of the Supervisory Board.

On May 31, 2024, grenke AG issued its second benchmark bond with a volume of EUR 500 million. The bond is not solely limited to financing green economy objects. The bond has a term of slightly over five years and carries an interest rate of 5.75 percent.

On September 6, 2024, we announced the departure of Isabel Rösler from the Board of Directors of grenke AG at her own request, effective December 31, 2024. She joined the Board on January 1, 2021 as Chief Risk Officer (CRO), overseeing key internal control functions such as risk control, compliance, anti-money laundering, information security, and data protection. In addition, she was responsible for the Credit Center and the Administration department. Until a successor is appointed, CEO Dr Sebastian Hirsch has provisionally taken over all of Ms Rösler's areas of responsibility, except for Internal Audit, which has been transferred to Gilles Christ.

On September 27, 2024, we announced the opening of our second location in the United States in Chicago, Illinois. This office will serve the entire Central, North, and Southeast regions. Since 2019, we have been covering the western part of the United States, the world's largest leasing market, from our location in Phoenix, Arizona.

On September 27, 2024, grenke AG issued a new benchmark bond with a volume of EUR 500 million and maturity in January 2029. This "social bond" is dedicated exclusively to financing SME microcredits of up to EUR 50,000 in countries with unemployment rates above the EU27 average. The bond carries an interest rate of 5.125 percent.

On September 30, 2024, we successfully completed our share buyback programme launched in February 2024 and announced this on October 1, 2024. During the preceding 33 weeks, we had repurchased a total of 2,317,695 shares at an average price of EUR 23.92 per share (excluding ancillary costs), representing 4.98 percent of the outstanding capital.

In its ad hoc announcement on October 29, 2024, the Board of Directors announced an adjustment to the Group earnings guidance for the 2024 financial year. According to this revised forecast, the Company expected Group earnings in the range of EUR 68 million to EUR 76 million (previously: EUR 95 million to EUR 115 million). This revision was attributed to higher expenses for settlement of claims and risk provision, driven by a continued rise in insolvencies, particularly in the core markets of France, Spain, and Germany. The guidance for new business in 2024 of EUR 3.0 billion to EUR 3.2 billion remained unchanged.

2.4.2 Actual and forecast business performance

On March 7, 2024, with the release of the Annual Report 2023, we refined our guidance for leasing new business and Group earnings for the 2024 financial year. The Board of Directors gave a forecast for leasing new business of between EUR 3.0 billion and EUR 3.2 billion, alongside Group earnings of EUR 95 million to EUR 115 million for 2024. With respect to the CM2 margin, the Board anticipated a slight year-on-year increase (2023: 16.5 percent) and identified a mid-term target of approximately 17 percent. The guidance for Group earnings in 2024 assumed that the loss rate would remain below 1.5 percent, consistent with the previous year. Despite planned investments in the digitalisation programme, the Board of Directors aimed for a cost-income ratio (CIR) of under 58 percent in 2024. As in prior years, the Board of Directors forecast an equity ratio on the balance sheet of over 16 percent.

On October 29, 2024, the Board of Directors announced an adjustment to the Group earnings guidance for the 2024 financial year to the range of EUR 68 million to EUR 76 million. The reason for this adjustment was higher expenses for the settlement of claims and risk provision, resulting from the continuously rising number of insolvencies, particularly in the core markets of France, Spain, and Germany, as well as the resulting full impairment of the goodwill of the Spanish subsidiary.

In the 2024 financial year, grenke generated EUR 3.1 billion in leasing new business, meeting the forecasted range of EUR 3.0 billion to EUR 3.2 billion. This represented a year-on-year increase of 18.4 percent. The CM2 margin reached 17.0 percent, in line with the mid-term target of 17.0 percent, as expected, following 16.5 percent in the prior year.

The loss rate stood at 1.5 percent in the second half of 2024 and 1.3 percent for the full 2024 financial year, remaining below the long-term average of 1.5 percent. At 59.2 percent, the cost-income ratio was above the target of under 58 percent.

For the full 2024 financial year, grenke achieved Group earnings after taxes of EUR 70.2 million, in line with the adjusted guidance range of EUR 68 million to EUR 76 million announced in October. The equity ratio equalled 16.1 percent at the year's end, as expected, and was at the long-term benchmark of 16 percent.

Development of grenke Group's guidance in 2024

	Financial year 2024	Guidance 2024 as of October 29	Guidance 2024 as of March 7	Financial year 2023
Leasing new business	EUR 3.1bn	--	EUR 3.0 to 3.2bn	EUR 2.6bn
CM2 margin of new leasing business	17.0%	--	Slightly > 16.5%	16.5%
Loss rate	1.3%	--	< 1.5%	1.0%
Cost-income ratio	59.2%	--	< 58%	59.1%
Group earnings	EUR 70.2m	EUR 68 to 76m	EUR 95 to 115m	EUR 86.7m
Equity ratio	16.1%	--	≥ 16%	19.1%

2.5 New business

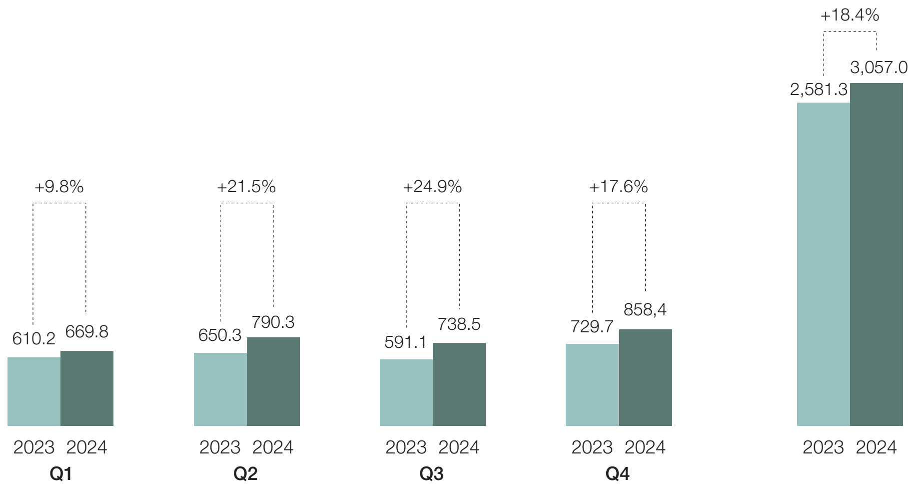
2.5.1 Leasing new business

Leasing new business – defined as the total acquisition cost of newly acquired leased assets – reached a volume of EUR 3,057.0 million in full-year 2024 (previous year: EUR 2,581.3 million). This volume was 18.4 percent higher than in the previous year. We were able to generate a year-on-year increase new business in each quarter of the reporting year. This demonstrates not only how we are consistently following our growth trajectory but, in our estimation, have also grown faster than the market.

A key driver of this performance was our extensive dealer network, which we continued to expand. We currently collaborate with over 39,000 specialist resellers in the more than 30 countries where we operate.

Development of leasing new business by quarter

in EUR million



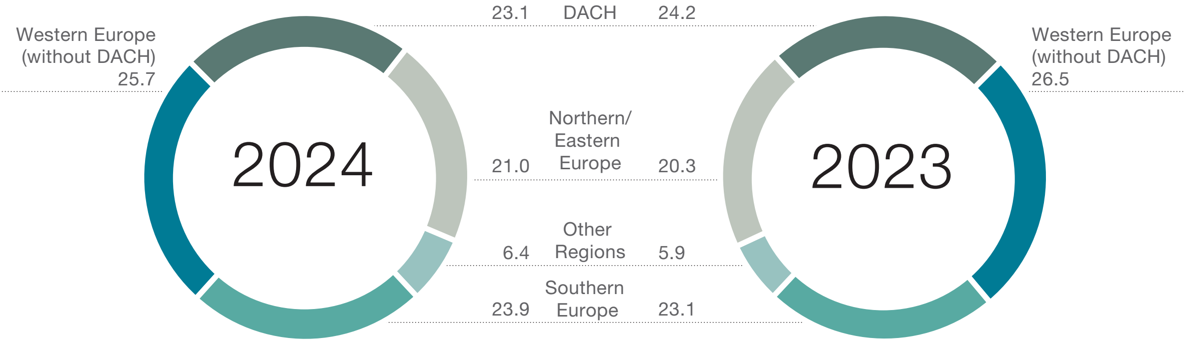
New leasing business

EURm	2024	2023	Change (%)
Leasing new business	**3,057.0**	**2,581.3**	**18.4**
DACH	705.1	625.3	12.8
Western Europe (without DACH)	784.4	683.5	14.8
Southern Europe	732.0	595.7	22.9
Northern/Eastern Europe	640.8	524.7	22.1
Other regions	194.8	152.0	28.1

Regions:
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Italy, Croatia, Malta, Portugal, Slovenia, Spain
Northern/Eastern Europe: Denmark, Finland, UK, Ireland, Latvia, Norway, Poland, Romania, Sweden, Slovakia, Czechia, Hungary*
Other Regions: Australia, Brazil, Chile, Canada*, Turkey, USA, UAE*
** Consolidated franchise companies for which the acquisition of shares is still outstanding as at 31 December 2024.*

Share of leasing new business by region

in percent



We are particularly pleased that we achieved this growth while increasing our profitability at the same time. The contribution margin 1 (CM1) of our leasing new business rose by 35.1 percent in the 2024 financial year to EUR 343.2 million (previous year: EUR 254.1 million). The CM1 margin for the reporting year equalled 11.2 percent, significantly exceeding the previous year's level of 9.8 percent. Despite slightly declining market interest rates, contract prices remained almost unchanged compared to 2023, fuelling the rise in the CM1 margin. This also led to a significant rise in the contribution margin 2 (CM2) of leasing new business in the 2024 financial year by 21.6 percent to EUR 518.5 million (previous year: EUR 426.3 million). The CM2 margin increased from 16.5 percent in the previous year to 17.0 percent, slightly exceeding the annual target. With this increase, we have established a solid foundation for sustainable and profitable growth in 2025.

CM margins in new leasing business

percent	2024	2023	Change (pp)
CM1 margin	**11.2**	**9.8**	**1.4**
CM2 margin	**17.0**	**16.5**	**0.5**
DACH	13.5	12.9	0.6
Western Europe (without DACH)	17.8	17.2	0.6
Southern Europe	16.9	17.2	–0.3
Northern/Eastern Europe	18.3	17.9	0.4
Other regions	21.7	21.0	0.7

Contribution margins in new leasing business

EUR million	2024	2023	Change (%)
CM1	**343.2**	**254.1**	**35.1**
CM2	**518.5**	**426.3**	**21.6**
DACH	95.2	80.9	17.7
Western Europe (without DACH)	139.8	117.4	19.0
Southern Europe	123.8	102.5	20.8
Northern/Eastern Europe	117.6	93.7	25.5
Other regions	42.2	31.9	32.4

As described in Chapter 1.1.1, grenke AG realigned its segments in light of the planned divestment of the factoring business and the related realigned management approach. Under the new segmentation, the leasing segments align with the established division into regions.

The first segment is the **DACH region**, comprising Germany, Austria, and Switzerland. Leasing new business in this region increased by 12.8 percent year-on-year to a total of EUR 705.1 million (previous year: EUR 625.3 million). As a result, the DACH segment was the third largest by volume within the grenke Group. Within the DACH region, Germany, as the largest individual market, recorded new business growth of 14.0 percent, achieving a share of 80.5 percent (previous year: 79.6 percent) of the region's new business volume. Switzerland was the strongest-growing market in the segment, with new business increasing by 18.5 percent. The conversion rate for the DACH region declined to 64.3 percent (previous year: 67.0 percent). The region's CM1 margin in the reporting year was 8.6 percent (previous year: 7.1 percent). The CM2 margin rose slightly in the reporting year to 13.5 percent (previous year: 12.9 percent).

In the **Western Europe without DACH** segment, leasing new business increased by 14.8 percent in the reporting year to EUR 784.4 million (previous year: EUR 683.5 million). Western Europe without DACH accounted for the largest share of Group-wide leasing new business in the reporting year with 25.7 percent. In France, the most important market in this region, the year-on-year increase was 13.3 percent. The Netherlands also made a significant contribution to the region's new business growth with a rise of 23.3 percent, making it the fastest-growing market in the Western Europe without DACH segment. The Netherlands also added further specialist resellers and surpassed the EUR 100 million threshold in new business for the first time. As a result, the Netherlands is the seventh country for grenke exceeding EUR 100 million in new business in a single calendar year, after Germany, France, Italy, the United Kingdom, Spain, and Finland. For the reporting year, the CM1 margin was 11.0 percent (previous year: 9.7 percent), and the CM2 margin also grew slightly, reaching 17.8 percent (previous year: 17.2 percent).

The **Southern Europe** segment recorded the highest percentage increase in the reporting year, with leasing new business growing by 22.9 percent to EUR 732.0 million (previous year: EUR 595.7 million). Italy, the most important market in Southern Europe, contributed substantially to this growth with an increase of 28.9 percent in 2024. Growth in Italy was primarily driven by the expansion of existing and successful business relationships with resellers. Spain was the second most important market in the segment in terms of volume at EUR 177.8 million (previous year: EUR 154.3 million). The CM1 margin for the reporting year was 13.9 percent (previous year: 13.3 percent). The CM2 margin for the reporting year equalled 16.9 percent, a slight decline of 0.3 percent compared to the previous year.

In the **Northern/Eastern Europe** segment, we recorded an increase in leasing new business of 22.1 percent, reaching a volume of EUR 640.8 million (previous year: EUR 524.7 million). The United Kingdom was the strongest individual market in the segment, generating new business volume of EUR 176.5 million (previous year: EUR 156.5 million). In 2024, Finland continued its positive trend, ranking second after the United Kingdom with new business growth of 18.4 percent. Growth in Finland was driven by strong demand for green economy objects, primarily eBikes. The CM1 margin for the reporting year was 10.5 percent (previous year: 8.7 percent). The CM2 margin for the Northern/Eastern Europe segment in 2024 amounted to 18.3 percent, which was slightly higher compared to the previous year (previous year: 17.9 percent).

Other regions recorded a 28.1 percent rise in leasing new business in 2024 to a total of EUR 194.8 million (previous year: EUR 152.0 million). This segment includes the future growth markets USA, Canada, and Australia. Among these, Australia led the segment, with leasing new business volume of EUR 59.1 million (previous year: EUR 46.4 million). Another growth driver for the Other regions segment was Brazil, which contributed an increase in leasing new business of 54.7 percent to EUR 46.9 million in the reporting year (previous year: EUR 30.3 million). The CM1 margin for the reporting year was 14.1 percent (previous year: 12.3 percent), and the CM2 margin, at 21.7 percent (previous year: 21.0 percent), recorded another year of slight growth.

Leasing new business for the consolidated franchise companies in Chile, Canada, and Latvia, which is included in the numbers for the grenke Group but whose shares were not yet acquired by grenke AG as of the reporting date, amounted to EUR 68.5 million in the 2024 financial year (previous year: EUR 54.7 million), equal to a 25.2 percent increase. These companies collectively generated a CM2 of EUR 13.4 million (previous year: EUR 9.4 million). As a result, the CM2 margin for the reporting year was 19.5 percent (previous year: 17.3 percent), exceeding the Group average of 17.0 percent.

Lease applications and contracts

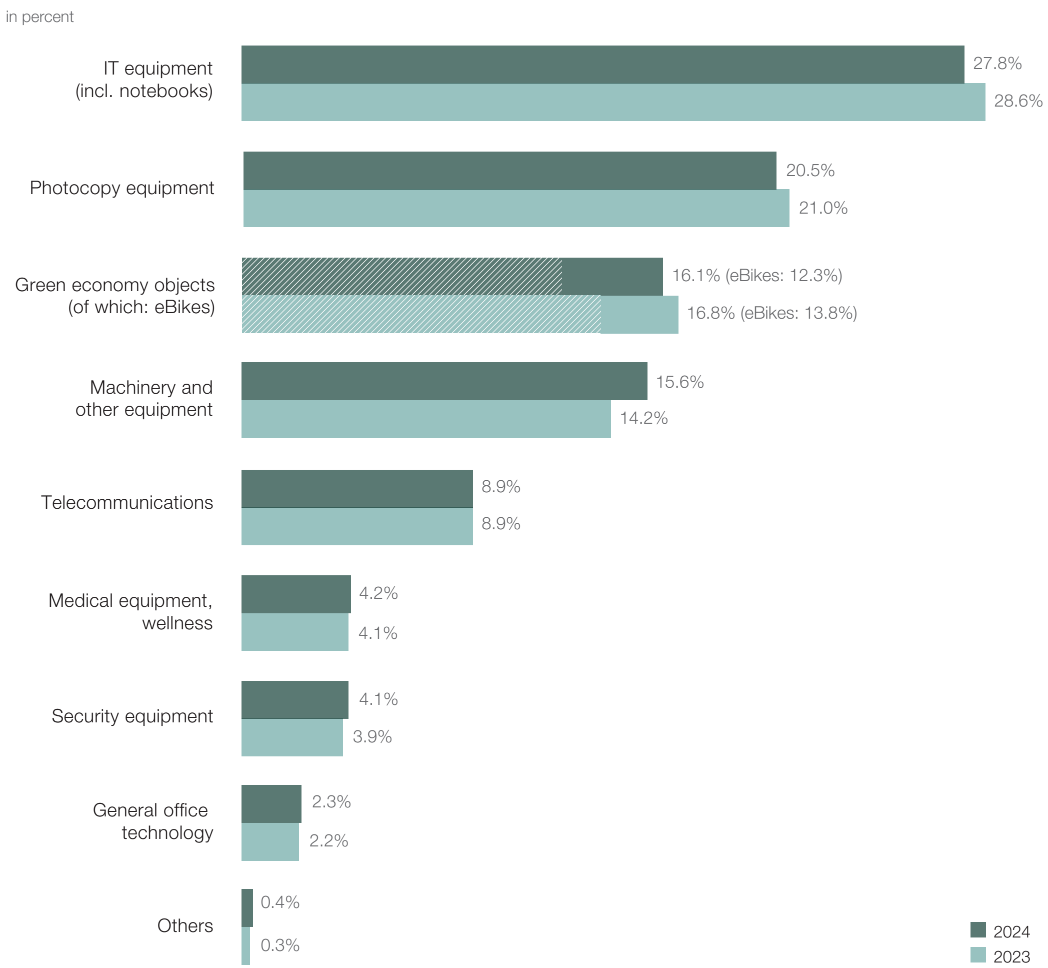
	Unit	2024	2023	Change
Leasing applications	Units	632,572	577,091	9,6%
Leasing contracts	Units	315,901	291,689	8,3%
Conversion rate	Percent	49.9	50.5	–0,6 pp
Average NAV	EUR	9,677	8,849	9,4%
eSignature quota	Percent	40.5	40.1	0,47 pp

Demand for leasing to finance and realise investments, particularly in the small-ticket segment, remains strong internationally. In the 2024 financial year, we continued to see a growing number of leasing applications (632,572) compared to the previous year (577,091), as has been the case over the past four years. This growth has been fuelled primarily by our consistent market development efforts, which included acquiring new partners, expanding existing collaborations, and broadening activities in newer object categories such as green economy objects. The total number of newly concluded lease contracts totalled 315,901 (previous year: 291,689), amounting to a rise of 8.3 percent. This was achieved with a relatively stable conversion rate (applications resulting in contracts) of 49.9 percent (previous year: 50.5 percent). The international markets (excluding DACH) accounted for 520,707 applications (previous year: 469,077), leading to 243,962 (previous year: 219,282) new contracts and a conversion rate of 46.9 percent for full-year 2024 (previous year: 46.7 percent).

The mean acquisition value per lease contract increased 9.4 percent in 2024 to EUR 9,677 (previous year: EUR 8,849). This figure is within the defined target range, reflecting our focus on small tickets with an average ticket size of around EUR 10,000 for full-year 2024. The definition of “small-ticket” now includes investments of up to EUR 50,000, as new technologies in fields such as medical equipment and robotics have led to higher demand for smaller assets up to EUR 50,000. The focus on small tickets continues to remain a key component of our strategy.

The proportion of lease contracts processed entirely digitally using grenke’s standard eSignature process was 40.5 percent in the reporting year, staying close to the 2023 level of 40.1 percent.

Share of object groups in the leasing portfolio by number of contracts



Our portfolio structure remained largely unchanged in 2024 compared to the previous year. The object groups with the largest share continued to be IT equipment, printing and copying technology, as well as green economy objects, which still included a high proportion of eBikes. In 2024 alone, we financed approximately 39,000 eBikes. Significant growth was achieved with photovoltaic systems and drinking water dispensers. The object groups IT equipment, printing and copying technology, and green economy objects saw a minimal year-on-year decline (each less than 1 percent), while machinery and other equipment recorded the highest increase, with a rise of 1.4 percentage points. In the other categories, we observed only minor shifts in demand.

Changes in the average currency exchange rates against the euro compared to the previous year resulted in only minor negative currency effects of EUR 0.2 million on the leasing new business volume for the full year. These effects were primarily attributable to the depreciation of the Brazilian real, with the appreciation of the British pound mitigating these effects.

2.5.2 Factoring and grenke Bank new business

Following the change in segment reporting, the Other segment includes the lending business of grenke Bank AG as well as the factoring business held for sale.

In the 2024 financial year, the factoring business recorded new business with a purchased receivables volume of EUR 910.4 million. Of this amount, 19.0 percent is related to receivables management (without a financing function). Compared to the previous year, this represented an increase of 8.6 percent. At the same time, this receivables volume, with an average term from purchase to maturity of approximately 45 days, means that these receivables are theoretically turned over 8.1 times per year (365 days/45 days). Consequently, the factoring business, based on a balance sheet receivables volume of EUR 84.3 million, continued to account for an insignificant share of the Group balance sheet.

The gross margin of the factoring business is calculated as the income relative to net acquisition values. Due to the revolving purchase of receivables and the resulting lower volume, the refinancing requirement is lower than for refinancing leasing new business. The gross margin decreased slightly in the reporting year to 1.5 percent (previous year: 1.6 percent).

grenke Bank's new lending business primarily consisted of loans granted under the "Mikrokreditfonds Deutschland" (Microcredit Fund Germany) programme. Through this programme, grenke Bank offers government-sponsored microfinancing of between EUR 1,000 and EUR 25,000. The total lending business of grenke Bank decreased in the reporting year by 16.1 percent to EUR 37.8 million (previous year: EUR 45.0 million).

2.6 Results of operations

The selected disclosures from the consolidated income statement for the current financial year are explained at the Consolidated Group level and on the basis of the segment results.

In the 2024 financial year, the structure of our income statement and segment reporting were revised. The change in segment reporting follows the announcement on January 31, 2024 of the strategic decision to focus on the leasing business and, consequently, our intention to divest the factoring business. As a result, the segment reporting has been revised to reflect leasing's regional segments, and the activities of grenke Bank and the factoring business will no longer be reported as a separate segment.

With the new structure of the income statement, we are in line with standard reporting practices in the financial industry. The changes enhance the comparability within the sector and allow for a more straightforward calculation of the cost-income ratio from the financial data.

Interest and similar income from financing business is dependent on lease receivables from current contracts. At the beginning of the 2024 financial year, lease receivables from current contracts amounted to EUR 5.7 billion, compared to EUR 5.3 billion at the beginning of the 2023 financial year. By the end of the 2024 financial year, lease receivables had grown to EUR 6.5 billion. As a result, interest and similar income from financing business in the 2024 financial year amounted to EUR 574.3 million, or 22.9 percent higher year-on-year (EUR 467.4 million). The continued strong growth in new business from previous years is reflected in the interest income on lease receivables. Due to the higher refinancing requirements associated with the increased volume of new business and the generally elevated interest rates, particularly in 2023, interest expenses increased by 68.8 percent to EUR 217.6 million (previous year: EUR 128.9 million). Net interest income in the reporting year amounted to EUR 356.7 million, which was 5.4 percent lower year-on-year (2023: EUR 338.5 million). For further information, please refer to Note 4.1 Net interest income in the notes to the consolidated financial statements.

Selected information from the consolidated income statement

EURk	2024	2023	Change (%)
Interest and similar income from financing business	574,348	467,412	22.9
Expenses from interest on refinancing and deposit business	217,611	128,879	68.8
Net interest income	**356,737**	**338,533**	**5.4**
Profit from service business	146,400	135,109	8.4
Profit from new business	61,080	46,560	31.2
Gains (+) / losses (–) from disposals	11,830	2,597	> 100
Income from operating business	**576,047**	**522,799**	**10.2**
Staff costs	198,209	176,007	12.6
of which total remuneration	162,593	144,468	12.5
of which fixed remuneration	139,140	126,009	10.4
of which variable remuneration	23,453	18,459	27.1
Selling and administrative expenses (excluding staff costs)	117,889	106,465	10.7
of which IT project costs	14,795	13,384	10.5
Total operating expenses	**341,019**	**308,940**	**10.4**
Operating result before settlement of claims and risk provision	**235,028**	**213,859**	**9.9**
Result from settlement of claims and risk provision	131,012	90,829	44.2
Group Earnings before taxes	**89,402**	**110,403**	**–19.0**
Group Earnings	**70,158**	**86,714**	**–19.1**
Earnings per share (in EUR; basic/diluted)	**1.44**	**1.79**	**–19.6**

Profit from service business improved by 8.4 percent in the reporting year, reaching EUR 146.4 million (previous year: EUR 135.1 million). The stable development was due, among others, to the high volume of new business in the current and previous financial years. Profit from new business increased by 31.2 percent in the 2024 financial year to EUR 61.1 million (previous year: EUR 46.6 million), primarily due to the capitalisation of initial direct costs. Gains/losses from disposals amounted to EUR 11.8 million (previous year: EUR 2.6 million), mainly due to gains resulting from proceeds generated from leased assets after the originally agreed lease term through follow-on leases and sales. This effect is amplified by the portfolio structure resulting from weak new business portfolios in 2020 and 2021, directly following the COVID-19 pandemic.

Due to the higher net interest income, profit from service business, profit from new business and gains/losses from disposals, income from operating business rose by 10.2 percent in the 2024 financial year to EUR 576.0 million (previous year: EUR 522.8 million). The prior-year figure was adjusted in accordance with the explanations at the beginning of this chapter and under Note 2.3 of the notes to the consolidated financial statements.

Staff costs, which is the Consolidated Group's greatest expense item in absolute terms next to interest expenses, increased by 12.6 percent in the reporting year to EUR 198.2 million (previous year: EUR 176.0 million). This increase was primarily due to a higher number of employees, as well as salary adjustments and a Group-wide inflation-related increase in base compensation in August 2023, in addition to a further adjustment to the variable compensation component in 2024. The remuneration model consists of two components: a fixed component and a variable component. Fixed remuneration increased by 10.4 percent year-on-year, reaching EUR 139.1 million (previous year: EUR 126.0 million). Variable remuneration rose by 27.1 percent year-over-year to EUR 23.5 million (previous year: EUR 18.5 million). The average number of employees in the 2024 financial year was 2,196 (based on full-time equivalents), representing an increase of 6.2 percent compared to the previous year's average of 2,068 employees.

Selling and administrative expenses increased by 10.7 percent in the financial year to EUR 117.9 million (previous year: EUR 106.5 million). This was primarily due to additional licence fees and data line costs resulting from the ongoing cloud migration within the scope of our digitalisation programme, as well as higher marketing expenses and increased sales costs driven by strong new business growth. IT project costs also increased by 10.5 percent to EUR 14.8 million (previous year: EUR 13.4 million). The rise compared to the previous year was due to ongoing activities within the Digital Excellence Programme. These activities include the design and implementation of automated processes for customer due diligence and anti-money laundering, as well as the gradual development of a suitable cloud infrastructure. Offsetting this rise, maintenance costs declined, driven by the digitalisation programme and the related phasing out of physical IT infrastructure.

This also brought down depreciation and amortisation by 5.8 percent to EUR 24.9 million (previous year: EUR 26.5 million).

As a result, total operating expenses amounted to EUR 341.0 million, representing a year-on-year increase of 10.4 percent compared to the previous year's level of EUR 308.9 million.

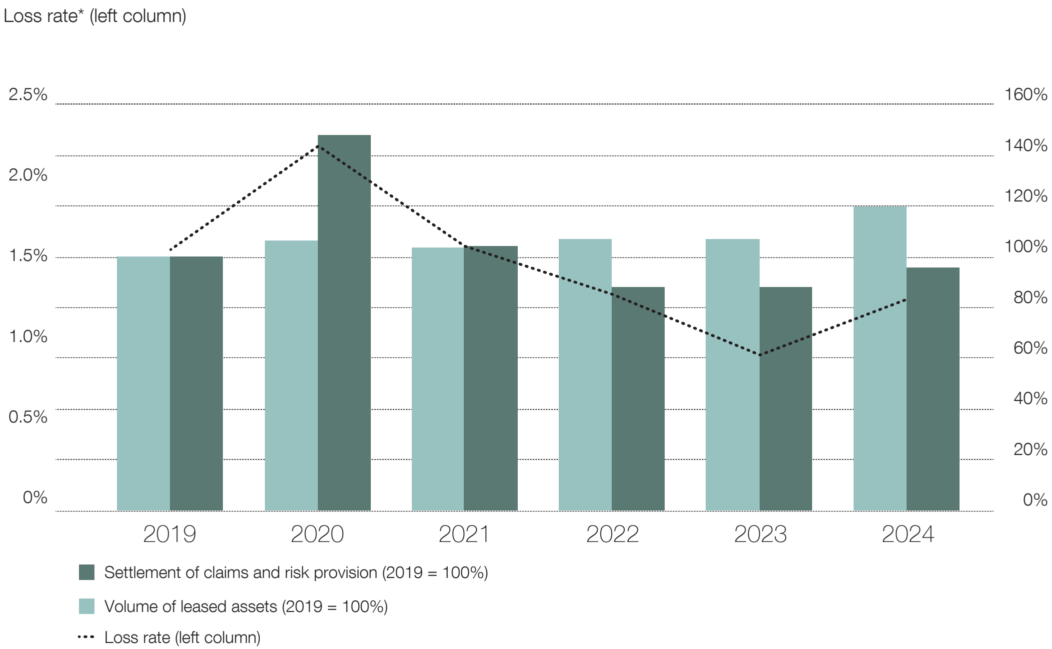
Despite the positive development in the 2024 financial year, the cost-income ratio remained at the previous year's level at 59.2 percent (previous year: 59.1 percent), exceeding our target level for the full year of just under 58 percent. Due to the changes in the structure of the income statement (see Note 2.3 of the notes to the consolidated financial statements), the cost-income ratio can now be derived directly from the income statement in accordance with the calculation method commonly used in the banking/financial sector. The prior-year figure has been adjusted, as goodwill impairment is no longer included in operating expenses.

The operating result before settlement of claims and risk provision increased by 9.9 percent to EUR 235.0 million compared to the previous year's level of EUR 213.9 million.

Expenses for settlement of claims and risk provision deteriorated substantially by 44.2 percent in the 2024 financial year to EUR –131.0 million (previous year: EUR –90.8 million). This item consists of the derecognition of bad debts and impairments for expected losses as risk provisions. The deterioration is attributable to the macroeconomic environment and a continuously increasing number of insolvencies, particularly in our core markets of France, Spain, and Italy. This increase is also evident when considering the higher leasing volume. Additionally, the previous year included reversals of provisions due to the prior conservative risk approach. The determination of expected credit losses is based on a three-level approach in accordance with IFRS 9. If a significant deterioration in the credit risk (Level 2) or an impairment in creditworthiness (Level 3) occurs, a risk provision in the amount of the expected losses over the entire remaining term of the contract must be recognised. For information on the method for determining the impairment of lease receivables, see the disclosures in Note 5.2 Lease receivables in the notes to the consolidated financial statements. In contrast, expenses for losses actually incurred and recognised defaults in receivables from non-performing lease contracts decreased to EUR 95.3 million in the 2024 reporting year (previous year: EUR 104.7 million) and are contained in the line item "settlement of claims and risk provision". The actual losses realised essentially include expenses in connection with the derecognition of receivables, legal costs and income from the sale of items from terminated leases.

Of the total expenses for the settlement of claims and risk provision, EUR 135.1 million (previous year: EUR 86.9 million) was attributable to the Leasing business, EUR –7.3 million (previous year: EUR –5.8 million) to the Bank's lending business and EUR 1.2 million (previous year: EUR 7.9 million) to the Factoring business. For further information on the composition of the expenses, please refer to the information in Note 4.8 Settlement of claims and risk provision in the notes to the consolidated financial statements.

Development of the loss rate, settlement of claims and risk provision, and volume of leased assets



The loss rate (expenses for the settlement of claims and risk provision in relation to the volume of leased assets on the respective reporting date) increased to 1.3 percent in the 2024 financial year (previous year: 1.0 percent). The loss rate was thus below its average value since 2019 of 1.5 percent. The volume of leased assets (sum of the net acquisition values of all current leasing contracts) increased by 7.5 percent as of December 31, 2024 due to higher new business volume and reached EUR 10,122 million (December 31, 2023: EUR 9,415 million).

Before revising the income statement (see Note 2.3 of the notes to the consolidated financial statements), goodwill impairment was included in the line item depreciation, amortisation and impairment. Total goodwill impairment in the reporting year amounted to EUR 4.4 million (previous year: EUR 0.6 million) and, as in the previous year, related to the cash-generating unit in the leasing business in Spain. Goodwill impairment in the 2024 financial year resulted from deteriorating return prospects, which are partly due to a worsening of the development of losses.

Other operating result remained nearly unchanged at EUR –9.6 million (previous year: EUR –9.5 million). Other operating income and other operating expenses both declined.

Other operating expenses decreased by 4.8 percent in the 2024 financial year to EUR 17.5 million (previous year: EUR 18.4 million). This decline resulted primarily from lower foreign currency translation differences from the translation of the Turkish lira (TRY), amounting to EUR 2.8 million, which, among other factors, resulted from the effects of hyperinflation accounting under IAS 29. In addition, the translation of the Chilean peso (CLP) resulted in foreign currency translation differences of EUR 1.1 million; the Polish zloty (PLN) of EUR 1.2 million; the Hungarian forint (HUF) of EUR 0.9 million; and the Australian dollar (AUD) of EUR 0.9 million. These differences mainly arose from derivative hedging transactions, which balance out economically over the full period. This was partially offset by currency translation recognised directly in equity through other comprehensive income. As this mainly relates to the translation of lease receivables in foreign currency countries, this effect is shown in a different line item than the aforementioned translation effects from derivatives. In addition, lease receivables are translated at the exchange rate on the reporting date, whereas derivatives are measured at fair value based on the forward exchange rates applicable on the reporting date. This difference and the resulting valuation effect balance each other out over the term of the hedging relationships.

Other operating income decreased in the 2024 financial year to EUR 7.9 million (previous year: EUR 8.8 million), primarily due to a lower level of reversal of other provisions, lower capital gains from the sale of non-current assets, and lower miscellaneous income from lessees. Offsetting this and contributing to an increase in other operating income was higher revenue from late payment fees.

The operating result declined by 20.3 percent in the 2024 financial year to EUR 90.0 million (previous year: EUR 112.9 million).

The balance of other interest income and interest expenses improved to EUR 2.9 million (previous year: EUR 1.8 million), primarily owing to the general recovery in interest rates and higher central bank balances.

Our earnings before taxes declined 19.0 percent in 2024 to EUR 89.4 million (previous year: EUR 110.4 million). The tax rate remained unchanged from the previous year at 21.5 percent.

Our Group earnings decreased accordingly by 19.1 percent to EUR 70.2 million (previous year: EUR 86.7 million).

As a result, earnings per share declined to EUR 1.44 in the reporting year (previous year: EUR 1.79).

Segment development

Segment reporting has been revised in line with the Consolidated Group's new structure, which is centred on the leasing business. Five reportable segments have been identified: DACH, Western Europe (without DACH), Southern Europe, Northern/Eastern Europe, and Other regions. For further details, see Note 8 Segment reporting, and Note 9.8 Events after the reporting date, in the notes to the consolidated financial statements.

The external operating income of the leasing companies, as a whole, developed positively, driven primarily by interest income from the growing new business of past years, as well as improved profit from service business, profit from new business, and gain/losses from disposals.

External operating income from the leasing business increased by EUR 52.5 million to EUR 562.4 million in the 2024 financial year (previous year: EUR 509.9 million), primarily due to the continued positive development of new business and the resulting increase in interest income. A notable increase was recorded in the Northern/Eastern Europe segment of 24.4 percent, in Western Europe (without DACH) of 9.3 percent, and in Other regions totalling 21.1 percent. This growth was mainly driven by positive interest income developments in France (Western Europe without DACH) and Finland (Northern/Eastern Europe).

Operating selling expenses, consisting of staff costs, selling and administrative expenses, and depreciation and amortisation, increased by 10.9 percent to EUR 320.3 million (previous year: EUR 289.0 million). These expenses are allocated to the segments based on internal cost accounting. An increase was recorded across all segments, with the largest absolute increase of 16.1 percent coming from the Western Europe (excluding DACH) segment, followed by 13.8 percent from Northern/Eastern Europe, driven by intensified sales activities.

The result from settlement of claims and risk provision of the leasing companies deteriorated by 54.5 percent to EUR –137.1 million (previous year: EUR –88.8 million). This development was observed in almost all segments. The Southern Europe segment in particular experienced a significant deterioration due to an increase in insolvencies in Spain and Italy.

The following table presents the performance of the individual regions:

EURk	2024	2023	Change (%)
External operating income			
DACH region	102.7	102.5	0.2
Western Europe (without DACH)	170.7	156.1	9.3
Southern Europe	132.6	124.5	6.5
Northern/Eastern Europe	108.6	87.3	24.4
Other regions	47.8	39.5	21.1
Operating expenses			
DACH region	–70.7	–66.8	5.9
Western Europe (without DACH)	–69.0	–59.4	16.1
Southern Europe	–77.1	–72.0	7.2
Northern/Eastern Europe	–72.2	–63.4	13.8
Other regions	–31.3	–27.4	14.3
Result from claims settlement and risk provision			
DACH region	–11.6	–14.8	–21.8
Western Europe (without DACH)	–46.0	–38.9	18.3
Southern Europe	–35.6	–5.8	> 100
Northern/Eastern Europe	–27.1	–19.5	39.1
Other regions	–16.8	–9.8	72.4
Segment result			
DACH region	20.4	20.9	–2.4
Western Europe (without DACH)	55.7	57.8	–3.7
Southern Europe	19.8	46.7	–57.5
Northern/Eastern Europe	9.3	4.4	> 100
Other regions	–0.4	2.3	< –100

2.7 Financial position

The planned and expected decline in the equity ratio to 16.1 percent is primarily due to the significant increase in total assets and the share buyback programme in the reporting year.

Our diversified refinancing mix gives us a solid liquidity position.

Cash flow from operating activities is significantly higher than in the prior year.

Increasing lease receivables reflect continued strong new business growth.

2.7.1 Capital structure

At the grenke Group, we place a particular focus on maintaining an adequate level of liquidity to give us the flexibility to respond to market conditions. Regulatory requirements also require the Consolidated Group to maintain a liquidity buffer.

On the liabilities side of the balance sheet, the rise in total assets was largely attributable to the increase of EUR 1,090.7 million in financial liabilities to a total of EUR 6.5 billion (December 31, 2023: EUR 5.4 billion). Current and non-current liabilities from refinancing continued to account for the largest share of our financial liabilities, increasing to EUR 4.3 billion compared to the end of 2023 (December 31, 2023: EUR 3.8 billion). Current and non-current liabilities from grenke Bank's deposit business also increased by EUR 611.4 million to EUR 2.2 billion (December 31, 2023: EUR 1.6 billion).

Current and non-current derivative financial instruments with a negative market value increased to EUR 26.1 million in the 2024 financial year (December 31, 2023: EUR 22.3 million).

As of December 31, 2024, equity recorded a moderate decline to EUR 1.3 billion (December 31, 2023: EUR 1.4 billion), primarily due to the completed share buyback in the amount of EUR 55,551k according to the statement of changes in equity. The Group earnings generated in the reporting period amounted to EUR 70.2 million and were offset mainly by the dividend payment (EUR 21.6 million), interest payments on hybrid capital (EUR 15.0 million), transactions with non-controlling interests (EUR 3.8 million) related to subsequent purchase price payments for the acquisition of franchise shares, and effects from the market valuation of hedging instruments (EUR 5.9 million). Due to the increase in total assets relative to the decline in equity, the equity ratio decreased to a level of 16.1 percent as of December 31, 2024 (December 31, 2023: 19.1 percent) but remained above the Consolidated Group's self-set target of a minimum of 16 percent.

EURk	Dec. 31, 2024	Dec. 31, 2023	Change (%)
Current liabilities	**3,466,543**	**2,042,649**	**69.7**
of which financial liabilities	3,198,394	1,831,589	74.6
Non-current liabilities	**3,429,344**	**3,702,022**	**−7.4**
of which financial liabilities	3,311,214	3,587,328	−7.7
Equity	1,323,173	1,354,870	−2.3
Total liabilities and equity	**8,219,060**	**7,099,541**	**15.8**
Equity ratio (in percent)	16.1%	19.1%	−3.0 pp

2.7.2 Cash flow

Cash flow from operating activities increased in the 2024 financial year to EUR 394.0 million (previous year: EUR 329.3 million). This increase was primarily driven by two factors: the unchanged stable payment behaviour and proceeds from lessees amounting to EUR 2,583.2 million in the 2024 financial year (previous year: EUR 2,409.7 million) and the expansion of refinancing and related proceeds, particularly from the issue of two new benchmark bonds and the growth of deposit business at grenke Bank. The selected disclosures from the consolidated statement of cash flows and their development are explained below.

In the presentation below, cash flow from new business includes investments in new lease receivables. These include the net acquisition values of lease objects and the costs directly associated with the conclusion of the contract. Due to the higher new business volume, investments in new lease receivables increased in the 2024 financial year to EUR 3,148.1 million (previous year: EUR 2,656.3 million). These were offset by proceeds from increased refinancing totalling EUR 3,505.2 million compared to EUR 2,319.4 million in the prior year. Additionally, grenke Bank AG's deposit business grew to EUR 611.4 million, up from EUR 466.4 million in the prior year. In total, cash flow from investments in new business increased to EUR 968.5 million (previous year: EUR 129.5 million).

In the 2024 financial year, a total of EUR 3,214.3 million (previous year: EUR 2,272.3 million) was repaid to refinancers. Cash flow from existing business declined to EUR –631.1 million (previous year: EUR 137.4 million) due to higher repayments to refinancers.

Cash flow from investing activities totalled EUR –12.1 million in the 2024 financial year (previous year: EUR –33.3 million). This includes subsequent purchase price payments of EUR 3.6 million for the two former leasing franchise companies in Australia (previous year: EUR 24.1 million for the acquisition of the former leasing franchise companies in Australia and Singapore as well as the factoring franchise companies in Ireland, the United Kingdom, Poland, and Hungary). Payments for the acquisition of property, plant, and equipment and intangible assets totalled EUR 8.6 million (previous year: EUR 7.0 million). Additionally, this item included proceeds of EUR 0.1 million from the sale of property, plant, and equipment and intangible assets (previous year: EUR 0.9 million).

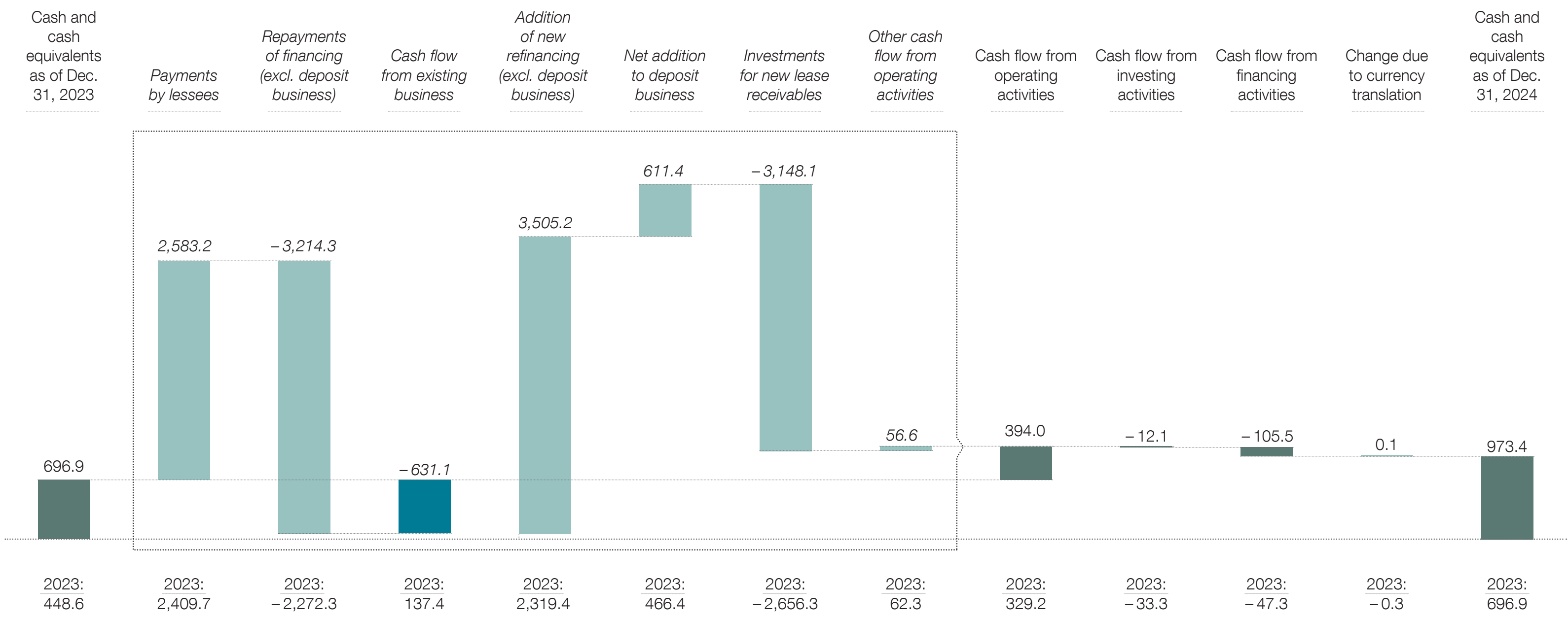
Cash flow from financing activities amounted to EUR –105.5 million in the 2024 financial year (previous year: EUR –47.3 million). The change was primarily due to a payment of EUR 55.6 million for the purchase of treasury shares (previous year: EUR 0 million). The dividend payment for the 2023 financial year amounted to EUR 21.6 million, compared to EUR 20.9 million in the previous year.

Interest payments on hybrid capital amounted to EUR 15.0 million (previous year: EUR 12.9 million). Additionally, the repayment of lease liabilities resulted in a cash outflow of EUR 13.3 million (previous year: EUR 13.4 million).

As a result, total cash flows in the 2024 financial year amounted to EUR 276.4 million (previous year: EUR 248.6 million). Cash and cash equivalents increased accordingly to EUR 973.4 million as of December 31, 2024, compared to EUR 696.9 million at the end of the 2023 financial year.

Cash flow statement

In EUR millions



2.7.3 Liquidity

Thanks to our diversified refinancing structure, we met our payment obligations at all times during the past financial year.

We have a wide range of refinancing instruments at our disposal that we utilise depending on the market conditions as part of our overall strategy. Our debt financing is essentially based on three pillars: senior unsecured instruments, such as bonds, debentures and commercial paper, which are primarily based on our ratings; the deposit business, including grenke Bank AG development loans; and receivables-based financing, consisting primarily of asset-backed commercial paper (ABCP) programmes. We avoid maturity transformation at portfolio level and thus minimise interest rate and follow-up financing risks. Thanks to our broad refinancing mix, we can utilise the individual pillars in a targeted manner and expand or reduce the share depending on requirements and the market situation. At the same time, we want to be active in all three pillars for strategic reasons.

The refinancing mix as of the reporting date based on the grenke Group's refinancing pillars was distributed as follows:

EURm	Dec. 31, 2024	Share in %	Dec. 31, 2023	Share in %
grenke Bank	2,211	33.6	1,624	29.3
Senior unsecured	3,135	47.6	2,748	49.7
Asset-backed	1,234	18.8	1,163	21.0
Total	**6,580**	**100**	**5,535**	**100**

The increase of EUR 1,045.4 million in refinancing volumes to EUR 6,579.9 million (December 31, 2023: EUR 5,534.5 million) was mainly attributable to higher new business and the resulting increased refinancing requirements for our leasing business. This was largely funded by our issue of two new benchmark bonds of EUR 500 million each in the second and third quarters.

Refinancing via customer deposits at grenke Bank AG amounted to EUR 2,228.5 million as of December 31, 2024, compared to EUR 1,617.1 million at the end of 2023. This represented a 37.8 percent increase due to the increased use of grenke Bank as a refinancing pillar.

In the 2024 financial year, two new EUR bonds were issued in the second and third quarters. With a nominal volume of EUR 500 million each, both bonds are classified as benchmark bonds. In addition, an existing bond was increased by EUR 50.0 million. Alongside the scheduled bond repayments made during the reporting year, a voluntary early partial redemption of bonds with a total nominal volume of EUR 263.2 million was also carried out. Further information on the bonds can be found in the notes to the consolidated financial statements in Note 5.11 and on our company website at www.grenke.com/en/investor-relations/debt-capital/issued-bonds/.

Additionally, in the 2024 financial year, four new CHF promissory notes and one new GBP promissory note were issued with a total nominal volume of CHF 37,500k and GBP 30,000k. The repayment of the promissory notes in the reporting year was carried out on schedule.

A syndicated revolving credit facility with a volume of EUR 400,000k also remains in place (drawdowns can be partially made in Swiss francs and British pounds). The credit facility has a term of three years with an option to extend for a further two years.

Further information on the refinancing instruments and the refinancing measures implemented in the reporting year can be found in the notes to the consolidated financial statements in Note 5.11 “Current and non-current financial liabilities”.

The Consolidated Group's unutilised credit lines (i.e. bank lines plus available bond volumes) amounted to EUR 3,323.1 million, HUF 540.0 million and PLN 40.0 million as of the reporting date (December 31, 2023: EUR 3,667.4 million, HUF 540.0 million and PLN 40.0 million).

We use various refinancing instruments and stagger their maturities over several periods. This allows the Consolidated Group to react flexibly to changes in the refinancing markets. The table below shows the expected cash outflows resulting from the contractual obligations existing as of December 31, 2024. Of the total financial debt of EUR 1.7 billion due in 2025, EUR 514.8 million is attributable to liabilities from ABCP programmes and EUR 1,143.6 million to bonds, debentures and private placements. Details on the maturities of the individual instruments are presented in Note 5.11 Current and non-current financial liabilities in the notes to the consolidated financial statements.

The grenke Group's off-balance sheet obligations totalled EUR 1,030.1 million as of December 31, 2024 (previous year: EUR 869.5 million). In addition to the usual purchase obligations in the course of ordinary business activities, these include irrevocable loan commitments and obligations from pending transactions. Leasing and rental agreements are only off-balance sheet to the extent that a lease liability does not have to be recognised in accordance with IFRS 16. Further details on off-balance sheet obligations can be found in Note 9.2 Contingent liabilities and other financial obligations in the notes to the consolidated financial statements.

Expected cash outflows from contractual obligations

			Payment due			
EURk	**Dec. 31, 2023 total**	**Dec. 31, 2024 total**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**after 5 years**
Financial liabilities	4,368,462	5,060,165	680,307	1,037,325	3,288,622	53,911
ABCP related liabilities (denominated in EUR)	1,028,439	1,082,434	113,273	306,205	660,644	2,312
ABCP related liabilities (not denominated in EUR)	173,337	298,437	25,327	69,986	197,931	5,193
Bonds, debentures, private placements (denominated in EUR)	2,649,288	3,161,319	468,620	560,604	2,122,013	10,082
Bonds, debentures, private placements (not denominated in EUR)	370,008	423,131	50,515	63,837	272,645	36,134
Sales of receivables agreements (denominated in EUR)	3,417	5,300	607	1,503	3,190	0
Sales of receivables agreements (not denominated in EUR)	104,503	70,236	13,862	28,776	27,598	0
Payments related to bank liabilities	39,470	19,308	8,103	6,414	4,601	190
Hybrid bond	259,550	244,562	14,989	0	229,573	0
Leases and rentals	51,901	54,704	4,668	15,956	29,101	4,979
Irrevocable credit commitments	7,360	6,968	6,968	0	0	0
Purchase obligations[1]	838,856	1,003,986	710,558	293,428	0	0
Obligations from onerous contracts	8,268	6,386	1,568	3,167	1,542	109
Total contractual commitments	**5,534,397**	**6,376,771**	**1,419,058**	**1,349,876**	**3,548,838**	**58,999**

[1] *The obligations include those payment obligations that the Consolidated Group cannot avoid even if it exercises contractual termination options. Legally binding obligation to accept goods and services and trade payables.*

2.8 Net assets

Compared to the end of the 2023 financial year, our total assets increased by EUR 1.1 billion to EUR 8.2 billion as of December 31, 2024 (December 31, 2023: EUR 7.1 billion).

The increase in our total assets as of December 31, 2024 was mainly attributable to the increase in current and non-current lease receivables. Our largest balance sheet item, lease receivables, rose by EUR 816.4 million to EUR 6.5 billion compared to the end of the 2023 financial year (December 31, 2023: EUR 5.7 billion) due to the continued positive development of new business. For further details on the development of lease receivables in the 2024 financial year, please refer to Note 5.2 Lease receivables in the notes to the consolidated financial statements.

EURk	Dec. 31, 2024	Dec. 31, 2023	Change (%)
Current assets	**3,980,428**	**3,180,347**	**25.2**
of which cash and cash equivalents	974,551	697,202	39.8
of which lease receivables	2,594,088	2,076,719	24.9
Non-current assets	**4,238,632**	**3,919,194**	**8.2**
of which lease receivables	3,922,154	3,623,135	8.3
Total assets	**8,219,060**	**7,099,541**	**15.8**

Cash and cash equivalents increased by EUR 277.3 million to EUR 974.6 million (December 31, 2023:

EUR 697.2 million). As of December 31, 2024, EUR 790.7 million (December 31, 2023: EUR 484.7 million) of the cash and cash equivalents were held in Deutsche Bundesbank accounts.

The decline in other current and non-current financial assets to EUR 181.8 million (December 31, 2023: EUR 215.2 million) is attributable to a reduction in receivables from the lending business, which amounted to EUR 118.7 million (December 31, 2023: EUR 134.6 million). Additionally, factoring receivables of EUR 24.6 million were classified as held for sale under IFRS 5 at the end of the 2024 financial year as the plan is to divest the factoring business in the short term. These receivables are presented under other financial assets.

Within non-current assets, property, plant, and equipment increased by EUR 9.6 million to EUR 98.4 million (December 31, 2023: EUR 88.8 million). This was primarily due to an increase in leased assets under operating leases, which rose by EUR 9.7 million to EUR 63.8 million in the reporting year (December 31, 2023: EUR 54.1 million). The decline in other intangible assets by 19.2 percent to EUR 9.8 million (December 31, 2023: EUR 12.2 million) was the result of low investments in the reporting year (EUR 2.8 million), which were offset by amortisation of EUR 5.1 million. Goodwill decreased to EUR 30.1 million (December 31, 2023: EUR 34.4 million) due to an impairment loss of EUR 4.4 million related to the cash-generating unit in Spain. For further details, see Note 5.7 Goodwill in the notes to the consolidated financial statements.

2.9 Overall statement on the Consolidated Group's business performance and position

The 2024 financial year was another challenging year for grenke AG. On a global scale, the wars in Ukraine and the Middle East weighed on the world economy. In response to economic weakness in the eurozone and decreasing inflationary pressures, the ECB initiated a shift in its interest rate policy, lowering the benchmark rate in four steps from 4 percent to 3 percent between June and the end of 2024. Typically, more favourable financing conditions stimulate corporate investment demand.

Despite the impact of macroeconomic uncertainty on economic activity and investment behaviour throughout the 2024 financial year, we were successful in recording strong growth in leasing new business in every quarter as planned, continuing the previous year's growth trajectory. With approximately EUR 3.1 billion in leasing new business, we remained in our target range. In addition to expanding our leasing volume, we also focused on profitability. As a result, we achieved a CM2 margin of 17.0 percent, meeting our mid-term target of 17 percent and exceeding our 2024 goal of slightly above 16.5 percent.

The overall quality of our portfolio remained high throughout the 2024 financial year. However, the rise in corporate insolvencies across the broader economy led to an increase in payment defaults in our core markets of Germany, France, and Spain. As a result of this development and the corresponding increase in settlement of claims and risk provision and the goodwill impairment of our Spanish subsidiary, on October 29, 2024, we announced an adjustment in our Group earnings forecast for the 2024 financial year. The guidance was revised from the previous range of EUR 95 million to EUR 115 million to the new range of EUR 68 million to EUR 76 million.

The loss rate increased from 1.0 percent in the previous year to 1.3 percent in the reporting year. In the second half of the year, the loss rate stood at 1.5 percent, which was higher than the previous year, yet still within the long-term average.

In September 2024, we successfully completed our share buyback programme, which we began in February 2024. During this period, we repurchased 4.98 percent of our outstanding capital.

To refinance our ambitious growth targets, we successfully issued two further benchmark bonds in May and September of the reporting year, each with a volume of EUR 500 million.

In November 2024, S&P Global Ratings reaffirmed our investment grade rating of BBB/stable/A-2. Fitch Ratings also reaffirmed our investment grade rating of BBB/stable/F2 in June 2024. Based on our solid equity ratio of 16.1 percent at year-end 2024 and our traditionally well-diversified refinancing options, the Board of Directors is confident that the planned growth in leasing new business can also be financed at competitive market conditions in the year ahead.

3. Group non-financial statement 2024

3.1 ESRS 2 – Company profile

Regulatory framework

This Group non-financial statement of grenke AG (hereinafter referred to as the non-financial reporting) is a legal requirement in accordance with Section 315b (1) HGB and Section 315c HGB, as well as the provisions of Article 8 of the EU Regulation 2020/852 (EU Taxonomy) and the associated delegated acts. The Group non-financial statement is part of the Group Management Report for the reporting period from January 1, 2024, to December 31, 2024. The reporting date for all sustainability information mentioned in the report is December 31, 2024.

In the 2024 financial year, we continued to develop our non-financial reporting in preparation for the application of EU Directive 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), and the application of Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU (NFRD), the European Sustainability Reporting Standards (ESRS). In the case of the mandatory application of the CSRD, the selection of the auditor for the non-financial reporting is made by the Annual General Meeting. Accordingly, our Annual General Meeting in 2024 decided to appoint BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditor of the mandatory CSRD reporting to obtain limited assurance.

Due to the fact that the CSRD has not yet been transposed into German law as of December 31, 2024, grenke AG is not required to apply the CSRD or ESRS for the 2024 financial year. As in previous years, the requirements for the non-financial reporting result from the legal framework created by the CSR-RUG. As a company with a reporting obligation, within this legal framework we are permitted to use European frameworks[1], among others, to prepare the non-financial reporting. Due to its adoption into EU law, the ESRS is to be regarded as a generally recognised framework provided the reporting obligations under commercial law pursuant to Sections 315b and 315c HGB have been met.

In preparation for the future mandatory application of the CSRD, we have decided to voluntarily prepare the 2024 non-financial reporting with partial application of the first set of ESRS and in accordance with the requirements of the HGB in the form of the CSR-RUG. At this time, we are refraining from estimating Scope 3 emissions in Category 13 (leased assets) according to the GHG Protocol. From our perspective, the current availability of data does not allow for a reliable estimate of the Scope 3 emissions figure for the portfolio of leased assets. In 2025, we will take further measures, such as collecting primary data from manufacturers and conducting ESRS-compliant estimates, to include this information in future reports and fully report in accordance with ESRS.

We have also decided to voluntarily subject our non-financial reporting to a limited assurance review by our auditor, BDO AG Wirtschaftsprüfungsgesellschaft.

The partial application of the ESRS as of 2024 replaces the reporting standards of the Global Reporting Initiative (GRI SRS) used in the 2022 and 2023 reporting years.

General principles for preparation

BP-1, BP-2: Information related to specific circumstances

Consolidation

Unless otherwise stated, the following information relates to the grenke Group; the non-financial information takes into account the companies included in the IFRS-compliant scope of consolidation. The same applies to the disclosures on the EU Taxonomy (see Chapter 3.3.1 Disclosures in accordance with Article 8 of the EU Taxonomy for details).

Methodology

In this non-financial reporting, we provide information on the development status of our sustainability strategy, as well as the related management approaches, governance structures, key measures, and progress made during the fiscal year along our upstream and downstream value chain (see Chapter 1 Group fundamentals under Business model analysis). No secondary data from indirect sources or sector data is used for these sections. Data gaps in our GHG emissions and consumption figures were closed through extrapolations. The non-financial reporting may also include information related to intellectual property or the results of innovations.

1 Due to their incorporation into EU law, the ESRS are considered generally recognized frameworks.

We assess our sustainability-related impacts, risks, and opportunities over short-term (up to one year), medium-term (one to five years), and long-term (more than five years) horizons. We adhere to the principles underlying the ESRS in this report: relevance, faithful representation, comparability, verifiability, understandability, materiality, and stakeholder engagement.

Our double materiality assessment (DMA), updated in the reporting year, forms the basis for the selection of five of ten specific ESRS topic standards E1 Climate protection and climate adaptation, E5 Circular economy, S1 Own workforce, S4 Consumers and end-users and G1 Business conduct (see the chapter ESRS 2 Sustainability strategy – Double materiality assessment and the list of specific standard requirements in Chapter 3.6 Appendices).

Phase-in

We describe the use of phase-in regulations for data requirements that we partially or fully do not yet meet in the index tables for the individual topic standards (see Chapter 3.6 Appendices).

Partial application of ESRS

We measure our Scope 1, 2, and 3 greenhouse gas emissions based on the Greenhouse Gas Protocol (see chapter ESRS E1 Climate change mitigation and adaptation – Targets). In addition to the information provided in this report, we are continuously improving our measurement methods. Gathering emissions data from our value chain is particularly challenging: grenke specialises in small-ticket leasing for small and medium-sized customers. In this segment, we work with over 39,000 specialist reseller partners worldwide, spread across 31 countries. Our leasing portfolio is highly diversified, comprising over 300 types of objects and thousands of manufacturers. Emissions data for our leased assets depend not only on manufacturing details but also heavily on the specific usage behaviour of our lessees.

These unique aspects of our business model make calculations based on primary data practically impossible. Our previous attempts to derive estimates using external data sources have also shown that secondary data is currently only available in fragmented form for accurate calculations or estimates. At this point in time, and despite reasonable efforts, we have not achieved sufficient data coverage to provide reliable estimates for Scope 3 emissions from our leased assets. We expect data availability to expand and improve in the coming years. To enable disclosure in future reporting years, we will implement additional measures in 2025 to establish more reliable estimation methodologies, for example, integrating different external databases to aggregate average data for our key asset categories.

References to other EU legislation

In the index of this non-financial reporting (see Chapter 3.6 Appendices), we also provide references to further data resulting from other EU legislation in accordance with ESRS 2 Appendix B. These include the Sustainable Finance Disclosure Regulation (SFDR), Pillar 3, Benchmark Regulation and the European Climate Law.

Information relating to special circumstances

We continued to develop our non-financial reporting in 2024 to comply with the structure required by the ESRS. Further adjustments have been based on the results of our updated materiality analysis, particularly the analysis of our sustainability-related impacts, risks and opportunities (IRO) along our entire value chain (see ESRS 2 Sustainability strategy – Double materiality assessment). We specifically highlight any changes to calculation methods and prior-year figures in the respective chapter.

ESG organisation and management

We ensure responsible corporate behaviour by embedding sustainability in our organisation and governance.

GOV-1: **The role of the administrative, management and supervisory bodies**

Board of Directors and Supervisory Board

As a stock corporation under German law, grenke AG has a Board of Directors, Supervisory Board and Annual General Meeting. The Board of Directors is responsible for managing the Company. It is monitored and advised by the Supervisory Board. Our commitment to sustainability is an integral component of our business strategy. Responsibility for sustainability lies with our CEO Dr Sebastian Hirsch. We continued to develop and update our sustainability strategy in the 2024 financial year. The strategy's implementation was also accompanied by regular reports to the full Board of Directors in the 2024 financial year. The topics discussed at the meetings included, among others, the implementation and results of the IRO analysis, the further development and management of the sustainability strategy, and the achievement of its objectives.

Since 2022, Dr Mitic, as the Sustainability Officer, has been responsible for sustainability within the Supervisory Board. As an expert in sustainable corporate development, she supports and monitors the ESG transformation of the grenke Group (see the information on the competence assessment of Supervisory Board members in the Report of the Supervisory Board).

Audit Committee

The Audit Committee (PrüfA) is responsible for auditing and monitoring the non-financial reporting in accordance with the requirements of the CSRD.

For information on the personnel changes in the Board of Directors and Supervisory Board, see Chapter 4 Changes in the Company's governing bodies, where we explain in detail the number of members of the Board of Directors and Supervisory Board and their competences. The competence and efficiency review conducted in 2024 in accordance with Section 25d (11) nos. 3 and 4 KWG did not identify any conflicts of interest among members of the Board of Directors and Supervisory Board other than those previously disclosed to the Chair of the Supervisory Board (see Report of the Supervisory Board).

ESG area

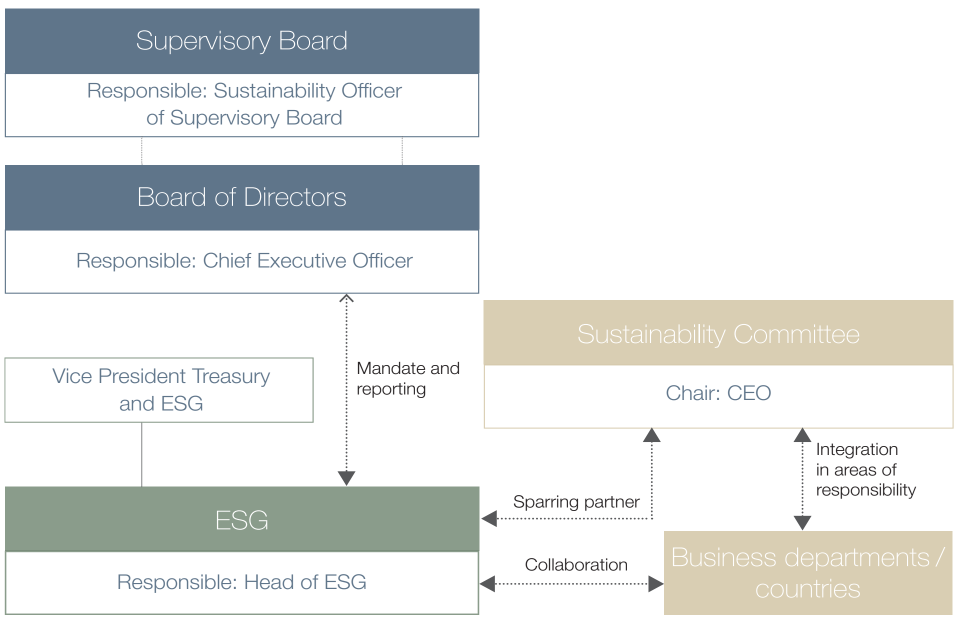
The operational management of the sustainability strategy is the responsibility of the ESG department at grenke. This includes both the continued development of the strategic direction and the coordination of Group-wide ESG-related activities. The Head of ESG reports to the VP Treasury and ESG.

Sustainability Committee

The Sustainability Committee serves as a driving force for the integration of sustainability issues into the material subject areas. The ten-member committee comprises the areas of ESG, Refinancing, Human Resources, Purchasing and Portfolio Management, Sales, Risk Management, Accounting and Taxes, as well as Investor Relations. It also includes the Sustainability Officer on the Supervisory Board and the CEO, who also chairs the Committee.

At its quarterly meetings, the Committee discusses relevant issues relating to the implementation of the sustainability strategy and the impact on the risk management process.

ESG organisation chart



GOV-2:
Provision of information for corporate bodies and sustainability-related topics

The Head of ESG reports to the full Board of Directors as part of quarterly updates on important progress. In preparation for the non-financial reporting, a report was also submitted to the Audit Committee in 2024.

GOV-2, 26c)
List of material impacts, risks and opportunities addressed by the Board of Directors and Supervisory Board

As part of the IRO analysis, the Board of Directors, the Vice Presidents as the first management level below the Board of Directors, and the Sustainability Committee analysed the material impacts, risks and opportunities in relation to our business model and to people and the environment (see ESRS 2 – Sustainability strategy – Description of the process for identifying and assessing material impacts, risks and opportunities, as well as the tables with IRO results).

GOV-3:
Integration of sustainability-related benefits into incentive systems

In addition to the organisational anchoring, we underline the high relevance of the topic of ESG by linking top management remuneration to the achievement of sustainability targets. We measure the proportion of top management positions with a sustainability component in variable remuneration as a TOP KPI (see Chapter 1. Group fundamentals in the management report under 1.3.3 Non-financial performance indicators). Since the 2022 financial year, variable remuneration components for the entire Group Board of Directors have been linked to sustainability targets. This results in a quota of 100 percent for the Board of Directors for all three financial years. Climate-related components have not yet been included in these remuneration elements. Since his appointment as General Representative on March 1, 2023, the sustainability targets have also been applied to Dr Martin Paal, who has been serving as CFO since July 1, 2024. In 2024, the ratio for the overall assessment of the Board of Directors and top management was 1.69 percent (2023: 1.8 percent) and thus remained relatively stable compared to the previous year. We will maintain this in 2025 as well.

For the first management level below the Board of Directors (Vice Presidents), we will also take sustainability-related factors into account in the variable remuneration as of January 1, 2025. For further details on remuneration, please refer to our remuneration report (see remuneration report), which is also available on our website.

GOV-4:
Declaration on due diligence (Sustainability due diligence)

A complete table on the due diligence declaration, ESRS GOV-4, AR 10 can be found at the end of this report in Chapter 3.6 Appendices.

Sustainable corporate governance

Policies and frameworks

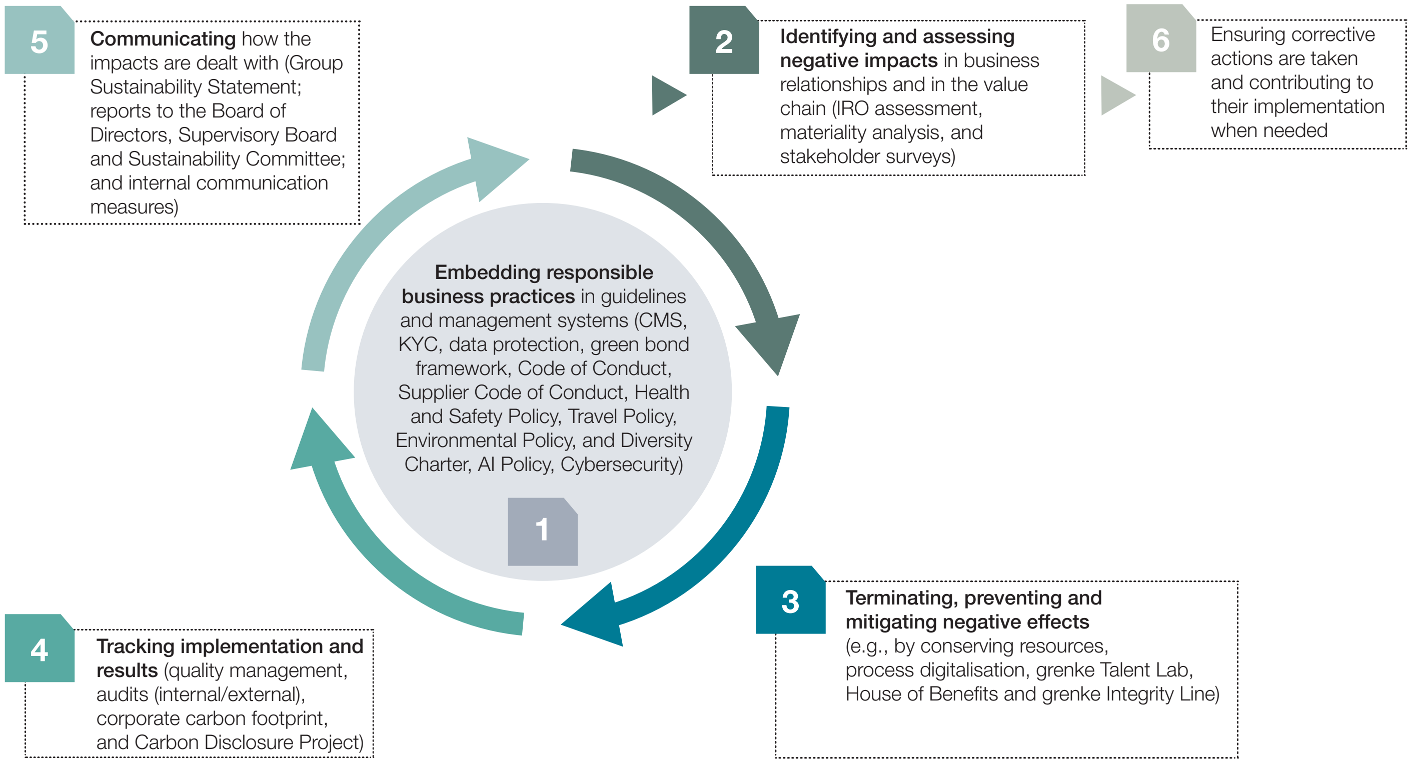
We base our sustainability strategy and activities on internationally recognised frameworks and standards as well as on policies we have implemented ourselves and integrate these into our business activities. The following lists some of the most important guidelines and principles:

International frameworks and standards

UN Sustainable Development Goals
We take responsibility for sustainable development across all of our business activities and have integrated the United Nations Sustainable Development Goals (SDGs) into our sustainability strategy (see chapter ESRS 2 Sustainability strategy – Strategic goals and areas of action).

Diversity Charter
Equal opportunity and diversity are fundamental components of our corporate culture. In the 2022 financial year, we signed the Diversity Charter and are actively committed to further anchoring the concept of diversity in our organisational structure. We are also committed to a corporate culture characterised by mutual

Due diligence processes and supporting measures



respect and appreciation and align our HR processes to appropriately honour the diverse skills of our employees. We recognise diversity within and outside our company and use the associated potential to further develop our company.

German Corporate Governance Code

grenke AG fulfils the main legal requirements for the management and supervision of listed companies set out in the German Corporate Governance Code (GCGC) and, as far as possible, the standards for good and responsible corporate governance recommended by the GCGC (see Chapter 8. Corporate Governance Statement – Corporate Governance Report). We were recognised for our efforts in this area in 2024 by being awarded first place among the companies in the SDAXs (2023: third place).

Guidelines and voluntary commitments

grenke Code of Conduct

We have set out the basis for our compliance and grenke-compliant behaviour in our Code of Conduct. These are available to download from our website. The Code of Conduct is the binding guideline for our values and our behaviour. It is binding for all people working at grenke. This means for the Board of Directors, the Supervisory Board, the management of our subsidiaries, managers and every employee. In order to offer this broad target group clear and simple instructions for action, the Code of Conduct summarises the rules and regulations that are important for our Group in a low-threshold manner. With the published Code of Conduct, we also reaffirm to the outside world that we conduct our business activities in accordance with the relevant national legal standards, key international legal standards, conventions and declarations, such as the International Bill of Human Rights, the core labour standards of the International Labour Organization (ILO) and the UN Guiding Principles on Business and Human Rights (UN Global Compact), but also on the basis of firm ethical values and principles such as integrity, credibility and reliability. In the individual chapters that follow, we also address the use of the grenke Code of Conduct in the various work and subject areas (see the chapters ESRS S1 Own workforce, ESRS S4 Consumers and end-users, and ESRS G1 Business conduct).

grenke Supplier Code of Conduct

For us, transparency and trust are the basis of good cooperation. We also expect our suppliers to comply with our Code of Conduct by implementing similar standards for themselves and their suppliers and subcontractors. Among other things, our Supplier Code of Conduct requires our suppliers to comply with labour and human rights as well as environmental protection laws (see the chapters ESRS S4 Consumers and end-users and ESRS G1 Business conduct); these are also available to download from our website.

Environmental Policy

The Environmental Policy summarises our efforts in environmental protection. We are committed to continuously improving our environmental management system in line with regulatory and compliance obligations. This includes ensuring that we fulfil the requirements of environmental law and customary market standards. It is also a guideline for the implementation of measures and strategic fields of action to minimise our own corporate footprint and to support SMEs in making sustainable investments. We discuss these measures in detail in the following chapters. These policies are available to download on our website.

Travel guideline (Travel Policy) and vehicle fleet guideline (Car Policy)

Our employees' selection and use of different means of transportation (car, train, airplane) and the associated reduction in CO_2 emissions are covered in both our Travel Policy and Car Policy. These policies support our CO_2 emission reduction targets outlined in our Climate Action Plan. We also highlight the related measures separately in the relevant section of this non-financial reporting (see ESRS E1 Climate change mitigation and adaptation – Actions regarding the Company fleet and employee business travel).

Organisational Health and Security Policy (OHS Policy)

The aim of this guideline, which applies to all grenke companies in Germany, is to maintain, improve and promote the health and safety of our employees through efficient and systematic occupational health and safety. This is further supplemented by company health support measures. This policy is available to download from our website.

MDR-P: **Operationalising of the sustainability strategy and integration into the business organisation**

We take appropriate initiatives, measures and concepts to operationalise the sustainability strategy and integrate it into the business organisation and processes.

Enterprise portfolio management

Company-wide project portfolio management controls the recording, monitoring and prioritisation of projects within the Company. When recording new projects, we also analyse their relevance to our material sustainability topics. In the 2024 financial year, our Company-wide project portfolio comprised 163 ESG-related projects. A total of 108 of these projects are related to the material topic "Digitalisation and resource conservation." A total of 23 ESG-related projects were completed in 2024.

GOV-5:
Risk management and internal controls over sustainability reporting

The financial sector has a key role to play in achieving the European Sustainable Development Goals. Financial institutions are obliged to support the financing of the sustainability transformation. As part of this transformation, financial institutions may also be exposed to physical and transitory risks that need to be identified, assessed and managed. The risk management requirements for largely grenke arise from the “Information sheet on dealing with sustainability risks” dated December 20, 2019 (amended on January 13, 2020) and from the Minimum Requirements for Risk Management (MaRisk). We describe the integration of ESG risks in risk management in the risk report contained in this Annual Report (see Chapter 5. Risk report).

Internal control system

We explain the key components of our internal control system in Chapter 5. Risk report and there in relation to the Group accounting process under 5.3.5 and, in relation to the Group, under 5.3.6. The controls within the scope of our non-financial reporting are based on clearly defined processes and responsibilities, as well as the documentation of procedures. The ESG department is responsible for preparing the non-financial reporting. More than 24 departments were involved in the preparation of the non-financial reporting in 2024.

With our “Easy Go ESG” format, we support ESG data management throughout the year through training and information events on disclosure requirements with the departments involved. The continuous dialogue on our material sustainability topics ensures the availability of the required ESG data.

3.2 ESRS 2 – Sustainability strategy

Strategic goals and areas of action

SBM-1:
Strategy, business model and value chain

We see our non-financial commitment as a key success factor for our future viability and performance, as well as our long-term strong positioning in the market. Sustainability has been an integral part of our corporate activities since our foundation more than four decades ago.

grenke’s business model makes it easier for SMEs to utilise the latest resource-saving technologies by offering a range of financing options. At the same time, our solutions ensure that the leased assets can continue to be used or optimally utilised after the contract expires.

We have already embedded sustainability in our corporate strategy. Derived from this, our sustainability strategy describes our sustainability vision: To be a pioneer for sustainable SMEs.

MDR-A[2], MDR-T[3], MDR-P:
In line with this vision, our sustainability strategy sets out our ESG objectives and initiatives along the three dimensions of **climate and environment, social contribution, and responsibility and trust**. This covers our entire upstream and downstream value chain and the 31 countries in which grenke operates (grenke countries).

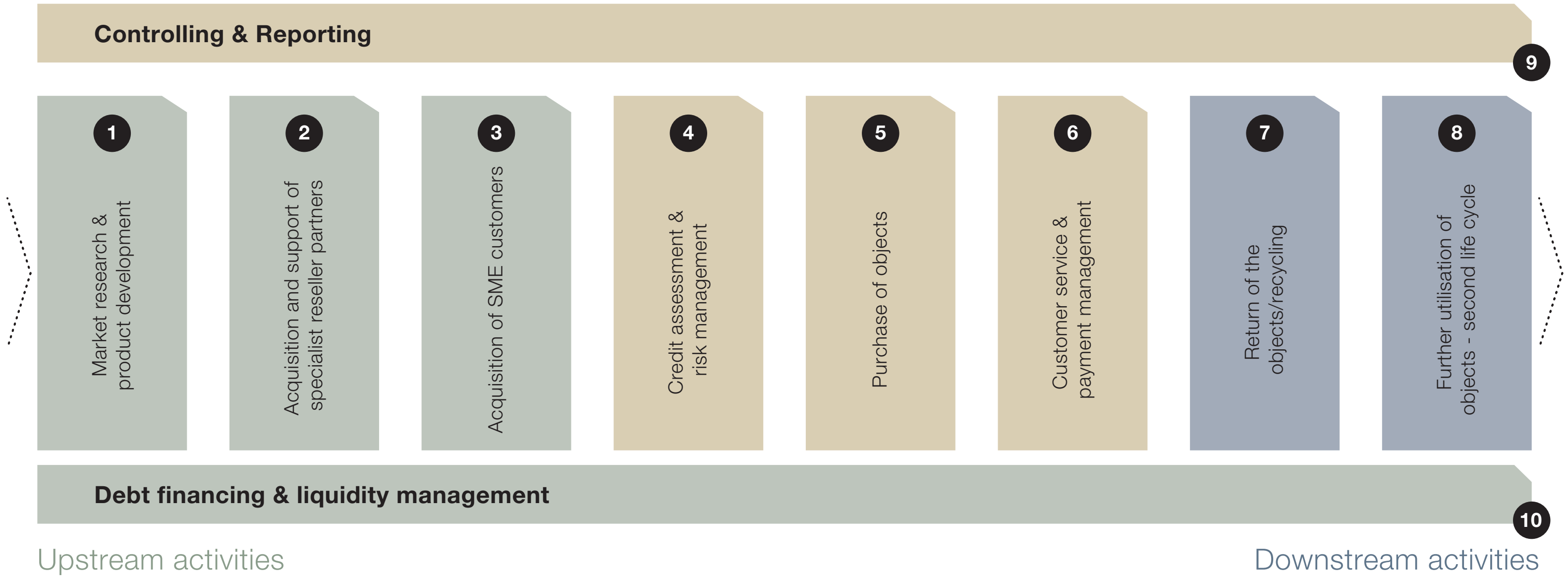
The grenke value chain includes all activities from refinancing and establishing relationships with our specialist trade partners to the entire core leasing process, as well as activities aimed at transitioning leased assets into a second lifecycle. Our value chain (see graphic “Value chain”) encompasses both upstream activities (1. Market research and product development; 2. Acquisition and support of specialist reseller partners (SRPs); 3. Acquisition of customers; 10. External financing and liquidity management) and downstream activities (7. Return of objects/recycling; 8. Continued use of objects – second lifecycle).

Further details on our business model, operations, segments, and the ownership structure of grenke AG can be found in Chapter 1. Group Fundamentals. Information on the cost structure and revenues of the business segments, in accordance with IFRS 8 disclosure requirements, is provided in Chapter 2. Economic report.

2 Actions and resources related to material sustainability aspects
3 Tracking the effectiveness of strategies and measures through targets

We have defined a strategic ambition for each dimension. We derived the strategic focus topics for our strategy from the analysis of our material topics. We base the design of our strategic ambitions on the United Nations Sustainable Development Goals (SDGs). Our sustainability strategy focuses on nine of the 17 goals of the 2030 Agenda of the United Nations. We monitor the objectives of our strategic areas of action using our nine TOP KPIs (see the chart grenke Sustainability strategy).

Value chain



Enabler for sustainable SMEs

	Climate & Environment	**Social Contribution**	**Responsibility & Trust**
What are our strategic goals? Our strategic ambitions	We accelerate the **transformation to a green future** by **providing sustainable financial services and facilitating green investment choices.**	We promote **equal opportunities and innovation** for our **customers, business partners** and **employees** alike.	We promote **transparent communication** and are creating a **sustainable corporate structure** and **culture**.
	ESG products & services Circular economy Digitalisation & resource conservation	Employer appeal Customer security & satisfaction Innovation & partnerships	Risk management Reporting & transparency Data protection & compliance
UN Sustainable Development Goals	7 Affordable and clean energy 12 Responsible consumption and production 13 Climate action	3 Good health and well-being 4 Quality education 5 Gender equality	8 Decent work and economic growth 9 Industry, innovation and infrastructure 17 Partnerships for the goals

How do we measure our progress?
Our TOP KPI
	// GHG emissions (Scope 1, 2 and 3)
	// Degree of automation in the leasing core process
	// Share of ESG products & services in the overall portfolio
		// grenke Engagement Score
		// Fluctuation rate
		// Number of days of further training for employees
			// Overall Strategy Awareness (Score)
			// Percentage of top management positions with a sustainability component in the variable remuneration
			// Completion rate of internal audits

What is our orientation?
Governance & guidelines
	// Transition plan
	// grenke environmental guideline
	// Carbon Disclosure Project (CDP)
		// Health and Safety Policy
		// grenke Code of Conduct
		// Responsible financial services
			// grenke Supplier Code & grenke Code of Conduct
			// Compliance management system & risk management
			// ESG organisation/corporate governance

How do we report? ESRS	// ESRS E1 + E5	// ESRS S1 + S4	// ESRS G1 + ESRS 2

Climate and environment

Our ambition in the climate and environment dimension is to accelerate the transition to a green economy by offering sustainable financial services and making it easier for SMEs to make environmentally conscious investment decisions. This ambition also particularly aligns with our strategic focus topics in the climate and environment dimension:

// **ESG products and services** – This topic describes our ability to enable SMEs to invest in their sustainability and to offer sustainable (leasing) financing and services ourselves (see chapter ESRS E1 Climate change mitigation and adaptation – Actions).

// **Circular economy** – This topic deals specifically with the reuse and recycling of leased objects at the end of the contract term to support a circular economy (see ESRS E5 Circular economy).

// **Digitalisation and resource conservation** – This topic describes our ability to digitalise processes and workflows, thereby minimising the use of resources (see ESRS E1 – Climate change mitigation and adaptation – Actions for a description of further actions).

We measure our efforts with the following TOP KPIs:

Strategic areas of action: Climate & Environment			
Strategic target	**TOP KPI**	**Action**	**Reference in the report**
Net zero by 2050	GHG emissions (Scope 1, 2 and 3)	Transition plan for decarbonisation; Scope 1, 2 and 3 accounting	ESRS E1 – Climate change mitigation and climate change adaptation
Reduce paper-intensive processes and strengthen digitalisation	Degree of automation in the leasing core process	Reduction of paper-intensive processes through digital offerings such as eSignature, eContract, digital customer portal	ESRS E1 – Climate change mitigation and climate change adaptation
Increase share of green economy objects	Share of ESG products & services in the overall portfolio	Sustainable leasing contracts through objects that contribute to the sustainable transformation of our customers' business	ESRS E1 – Climate change mitigation and climate change adaptation

Social contribution

We see our contribution to society in the promotion of equal opportunities and innovative strength for our SME customers, business partners and employees alike. This includes our strategic focus topics in the social contribution dimension:

// **Employer attractiveness** – This topic measures our ability to attract qualified employees and retain them with appropriate measures for promotion and personal development as well as target group-oriented offers (see ESRS S1 Own workforce).

// **Customer safety and satisfaction** – The focus here is on our ability to create targeted customer experiences and ensure a high level of customer satisfaction by offering SMEs attractive and equal access to financing. The two topics of customer safety and wellbeing and financial inclusion have been summarised in this topic due to their similarity (see ESRS S4 Consumers and end-users).

// **Innovation and partnerships** – This topic describes the development and maintenance of targeted partnerships as part of our commitment to promoting a sustainable society and innovative solutions (see ESRS S1 Own workforce).

We measure our progress with the following TOP KPIs:

Strategic areas of action: Social Contribution			
Strategic target	**TOP KPI**	**Action**	**Reference in the report**
Increase employee satisfaction and women’s representation and diversity	grenke Engagement-Score	Annual survey of our employees on the topics of commitment and identification, loyalty and overall satisfaction with the company	Chapter ESRS S1 – Own workforce
Increase employee loyalty	Fluctuation rate	Indicator of sustainable HR management and employer attractiveness, offers to grow employee loyalty (see House of Benefits)	Chapter ESRS S1 – Own workforce
Promote and develop talent	Number of days of employee further training	Expansion and improvement of qualified training programmes (see House of Benefits - Development)	Chapter ESRS S1 – Own workforce

Responsibility and trust

We have summarised our striving for a sustainable corporate structure and transparent, reliable and trustworthy corporate governance under responsibility and trust. Our strategic focus topics in the responsibility and trust dimension can be summarised as follows:

- **Risk management:** This addresses our ability to assess, manage, and minimise risks that could potentially impact the company's position and development (see ESRS G1 Business conduct and ESRS 2 Company profile – Risk management and internal control system).
- **Reporting and transparency:** The focus here is on ensuring transparency in corporate communication as well as financial and non-financial reporting (see ESRS G1 Business conduct – Actions).
- **Compliance and data protection:** This topic covers the protection of data by the grenke Group and compliance with applicable laws and regulatory requirements (see ESRS G1 Business conduct – Strategic approach and objectives and key figures).

Here we measure our further development using the following TOP KPIs:

Strategic area of action Responsibility and Trust

Strategic target	TOP KPI	Action	Reference in the report
Increase identification with corporate strategy	Overall Strategy Awareness (Score)	Annual employee survey for identification of the employees with the strategy	Chapter ESRS G1 – Business conduct
Integrate ESG aspects into corporate management	Proportion of top management positions with variable remuneration containing a sustainability component	For the entire Group Management Board variable remuneration components are linked to sustainability targets	Chapter ESRS 2 and ESRS G1 – Business conduct
Strengthen internal controls and increase compliant behaviour	Completion rate of the internal audit reviews	Increase in actual vs planned number of audits completed by Internal Audit	Chapter ESRS G1 – Business conduct

Stakeholder dialogue

SBM-2[4]: Stakeholders' interests and positions

We maintain an ongoing dialogue with our key stakeholders, particularly capital market participants, academia, authorities, associations, our employees, customers and partners. In the 2024 reporting year, we included nature as a "silent stakeholder".

In view of the increasing importance of sustainability and its anchoring in our corporate strategy, these topics are an integral part of our stakeholder dialogue. We take our stakeholders' feedback into account in our strategic decisions. We communicate with our stakeholders using various target group-specific communication formats and channels. The following table illustrates the different formats used for each stakeholder group:

Stakeholder engagement

Stakeholder	Formats, channels and frequency	Purpose/utilisation of results
Stakeholder internal		

Management and employees
// Supervisory Board
// Board of Directors and top management
// Employees
	Management meetings, CEO letter, ESG Committee, quarterly town hall meetings, regular employee information (intranet), annual employee survey, campaigns on occupational health and safety; social media (LinkedIn, Xing, Facebook), workshops and ESG projects, Sustainability Committee, ESG SharePoint, ESG newsroom, Sustainfluencer	Determining the impacts, risks and opportunities through surveys and risk inventory; utilisation in strategy and for CSRD implementation in the Group Sustainability Statement, collaboration and knowledge sharing

Stakeholder external		

Business partners
// Lessees and customers
// Resellers for the Leasing segment and partners for the three business segments Leasing, Factoring and Banking
	Visits and workshops, regular contact by phone, email and on-site appointments, welcome calls, customer loyalty measures, customer and partner magazine, satisfaction surveys	Further development of business relationships and customer loyalty, solution-driven adjustments to object and service offers

Capital market
// Investors (debt and equity)
// Banks/financial analysts
	Annual reports, the Annual General Meeting, analyst and investor conferences, road shows and capital market conferences, ESG ratings (ISS ESG, S&P Global, Sustainalytics, MSCI, and EthiFinance)	Improvement and further development of relationships with analysts and investors

Supervisory authorities and regulators
// Regulatory authorities
// Regulators
// Auditing firms
// National/international legislators (including standard setters)
	Supervisory discussions, notifications and reporting, annual reports/other reporting, dialogue with development banks such as Kreditanstalt für Wiederaufbau for development programmes and the German Federal Ministry of Labor and Social Affairs regarding microcredits	Influence the design of the non-financial reporting, increase own transparency

Civil society
// Potential employees
// Media representatives
// Local stakeholders
// Non-profit institutions
// Associations
	Social media presence on LinkedIn, Xing, Facebook and kununu, corporate reporting (press releases/guest articles), exchange with media representatives, customer and partner magazine, exchange in non-profit projects	Further development of corporate communications

Stakeholder silent		
Nature & environment	Research results SBTi, CO_2 balance according to Greenhouse Gas Protocol, 1.5 degree target UN/SDGs	Climate change mitigation, climate change adaptation through own business activities and organisation of the product portfolio, transition plan

4 Stakeholders' interests and positions

As part of the quarterly report to the Board of Directors, the Board is informed about the results of the dialogues and perspectives of our internal and external stakeholders. The results are subsequently incorporated into the further development of the corporate strategy.

Partner survey

In 2024, we moved forward with the development of a global and comparable partner survey. The survey focuses on the topics of satisfaction, recommendation, image and the relevance of grenke as a partner. The target group for the survey includes both lessees (customers) and our specialist reseller partners. We summarise the survey results in the ESRS S4 Consumers and end-users – Strategic approach.

Exchange with public institutions, municipalities and social organisations

As a financial services provider for lease financing, our stakeholders also include customers from the public and social sectors. Here too, our aim is to provide our customers with easy access to financing. We report details on customer and partner loyalty in the chapter entitled ESRS S4 Consumers and end-users.

Sustainfluencer

We want to strengthen the dialogue with our internal stakeholders and promote innovative approaches and ideas at an international level. The Sustainfluencer format serves as an exchange to bring sustainability topics to the grenke countries and develop new ideas as part of a global internal ESG network. The first virtual Sustainfluencer meeting is scheduled for February 2025.

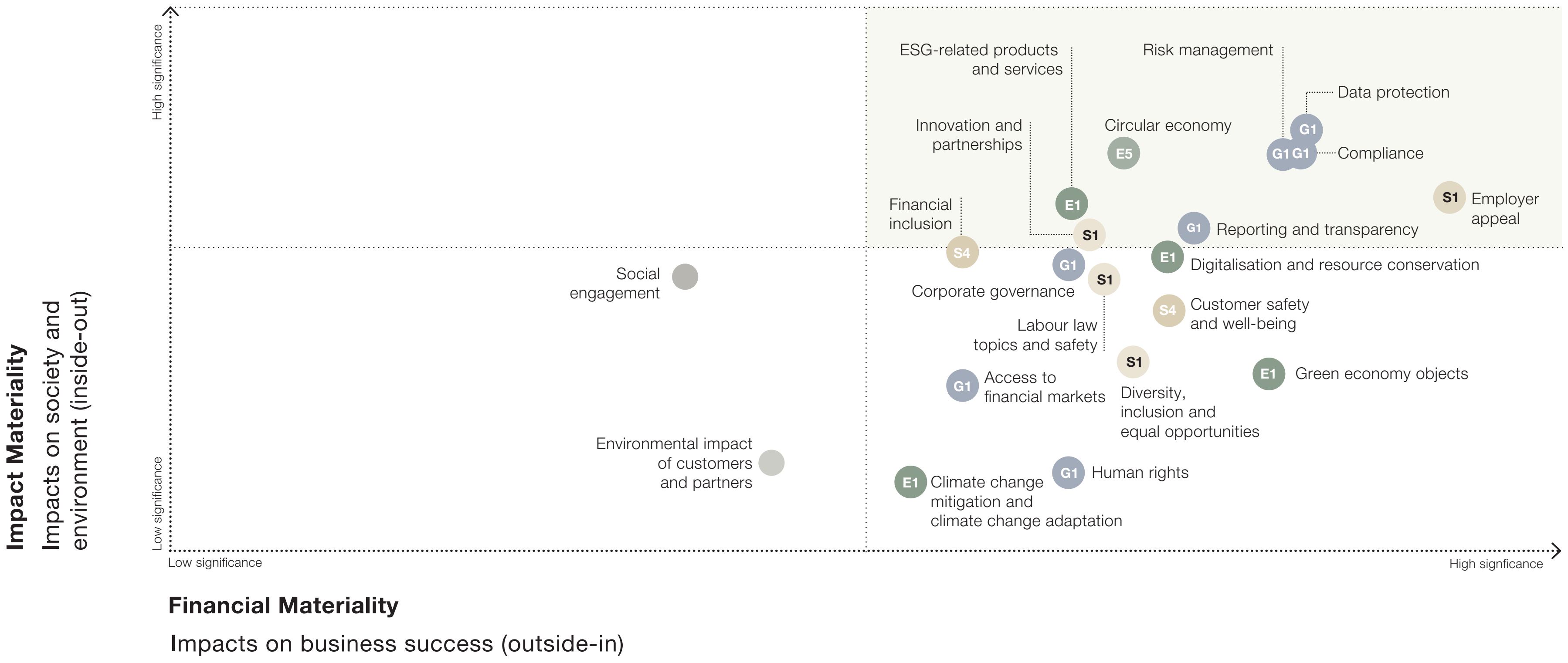
Double materiality assessment (DMA)

SBM-3: Materials impacts, risks and opportunities in conjunction with strategy and business model

We organise our materiality analysis in accordance with the requirements of the double materiality principle in accordance with the European CSRD Directive and its ESRS reporting standards as well as national legislation in accordance with Section 289c (3) HGB. We consider sustainability issues from both an inside-out and an outside-in perspective. The inside-out perspective describes grenke's impact on society and the environment, while the outside-in perspective looks at the impact of non-financial topics on the business performance, business results and position of the grenke Group (see the diagram "Materiality matrix").

Our materiality analysis and the associated materiality matrix from 2022 form the basis for the material focus topics of our sustainability strategy (see ESRS 2 Sustainability strategy) and therefore also for this non-financial reporting. We update and review our materiality analysis annually. The process is relaunched at least every five years on the basis of a comprehensive survey of internal and external stakeholders. As part of the update in the 2024 financial year, we expanded the process to include an analysis of our positive and negative impacts, risks and opportunities (IROs) in accordance with ESRS (see the chapter ESRS 2 Sustainability strategy – Description of procedures for the identification and assessment of material impacts, risks and opportunities).

Materiality matrix



E1 Climate protection and climate change adaptation | **E5** Circular economy | **S1** Own workforce | **S4** Consumers and end-users | **G1** Business conduct

SBM-3:
Material sustainability-related impacts, risks and opportunities

The following tables illustrate the sustainability-related impacts, risks and opportunities that were categorised as material as part of our double materiality assessment in 2024.

IRO outcomes: Environmental standards

ESRS E1 - Climate change				
	Material impact, risk and opportunity	**Scope**	**Time horizon**	**Description**
Climate change mitigation				
Positive impact	Enabling SME investments in sustainability	Actual	Short term	Expanding our portfolio with green economy objects empowers SMEs to invest in sustainability, strengthens our market position, and accelerates the transition to a greener economy.
Negative impact	Resource consumption in our core leasing business	Actual	Medium term	We aim to reduce paperwork and resource use in our small-ticket leasing through digital processes.
Negative impact	GHG emissions from our own business activities	Actual	Long term	Our own business operations lead to GHG emissions that negatively impact our climate. By reducing our CO_2 emissions (Scope 1, 2, 3) and achieving climate neutrality until 2050 in our own operations, we want to make a contribution to climate protection and adaptation to climate change.
Negative impact	Utilisation of natural resourc-es and waste generation	Potential	Long term	The acquisition of new technologies requires the use of raw materials and natural resources. Without appropriate measures, this can result in significant waste production.
Negative impact	Lack of funding for sustain-able transformation	Potential	Medium term	A lack of financial resources could slow the sustainable transformation of our SME cus-tomers, hindering progress toward a sustainable economy.
Opportunity	Development of new markets / growth potential through green economy object		Medium term	By financing green economy objects, we expand our portfolio, address rising demand for sustainable investments, and unlock new market opportunities. This positions us strongly in a growing segment while fostering future growth.
Climate change adaptation				
Risk	Chronic physical climate-re-lated risks related to gren-ke's credit portfolio		Long term	Chronic climate changes can affect credit risk and lead to defaults. However, short con-tract terms and ongoing monitoring allow us to address long-term developments early.
Risk	Transitory climate-related risks related to our credit portfolio and business model		Long-term	Transitory climate-related risks, such as changes in consumer behaviour, technologies or climate policy, can endanger some business areas. Such risks also affect our loan portfolio, as climate policy promotes economic changes that can increase the probability of borrower default.
Risk	Negative effects on our business operations due to acute physical climate-relat-ed risks		Long term	The increase in extreme weather events caused by climate change presents risks to grenke, such as flooding that could disrupt operations through system failures.

Energy				
Negative impact	Resource consumption in our core leasing business	Actual	Medium term	Please see above.
Negative impact	GHG emissions from our own business activities	Actual	Long term	Please see above.

ESRS E5 - Resource use and circular economy				
	Material impact, risk and opportunity	**Scope**	**Time horizon**	**Description**
Resource inflows, including resource use & Resource outflows related to products and services & Waste				
Positive impact	Usage-oriented financing and promotion of the circular economy	Actual	Long term	grenke's leasing model emphasises use over ownership, incorporating circular economy principles by enabling the reuse and optimal utilisation of returned assets, extending their lifecycle and reducing the need for new production. This contributes to resource conservation and environmental protection.
Opportunity	Expansion and support of solutions for the circular economy		Long term	Through its own grenke asset brokers, grenke enables lease objects to be transferred to a second product life cycle after the end of the lease term. This strengthens our market position and enhances grenke's resilience.

IRO outcomes: Social standards

ESRS S1 - Own workforce				
	Material impact, risk and opportunity	**Scope**	**Time horizon**	**Description**
Working conditions				
Positive impact	Secure jobs/attractive work environment	Actual	Medium term	Promoting various work schedule models for healthy work-life-balance and creating a safe work environment. Includes also other labour-related rights regarding child labour, forced labour, adequate housing and data protection.
Negative impact	Lack of health and safety measures in the workplace	Potential	Medium term	Non-compliance with safety, work hour regulations and unfair pay can lead to higher staff turnover and a loss of productivity.
Risk	Negative effects on our business operations and strategic agenda due to social risks		Long term	A negative work environment and dissatisfaction among our employees weaken grenke's reputation as an attractive employer.
Equal treatment and opportunities for all				
Positive impact	Promoting innovation and productivity through a diverse working environment	Actual	Long term	Commitment to diversity, equity and inclusion in the workplace has a positive impact on the environment and our business operations.
Positive impact	Career opportunities and further development of our employees	Actual	Medium term	Our training programmes support employees' career growth, equip them for a changing work environment, and strengthen grenke’s innovation and long-term competitiveness.
Positive impact	Advancement/promotion of women in leadership positions	Actual	Medium term	We promote gender diversity in management, set ambitious targets, and actively work to achieve a representative leadership level.
Other labour-related rights				
See above under "Secure jobs and attractive work environment".				

ESRS S4 - Consumers and end-users				
	Material impact, risk and opportunity	**Scope**	**Time horizon**	**Description**
Information-related impacts for consumers and/or end-users				
Opportunity	Long-term relationships with our partners and customers		Long term	We ensure stability and support our strategic growth by building long-term partnerships. Through custom solutions and an expanded product range, we attract new customers and strengthen our position as a leading leasing provider.
Risk	Loss of trust and reputational risk due to disregard for customer needs		Long term	Customer complaints and dissatisfaction risk damaging grenke's reputation, trust, and customer loyalty, potentially hindering growth.
Social inclusion of consumers and/or end-users				
Positive impact	Giving SME customers access to financing	Actual	Long term	We support SMEs with straightforward and quick financing solutions and personalised service. Alongside our core leasing business, grenke Bank's complementary offerings help over half a million customers achieve their investment needs.

IRO outcomes: Governance standards

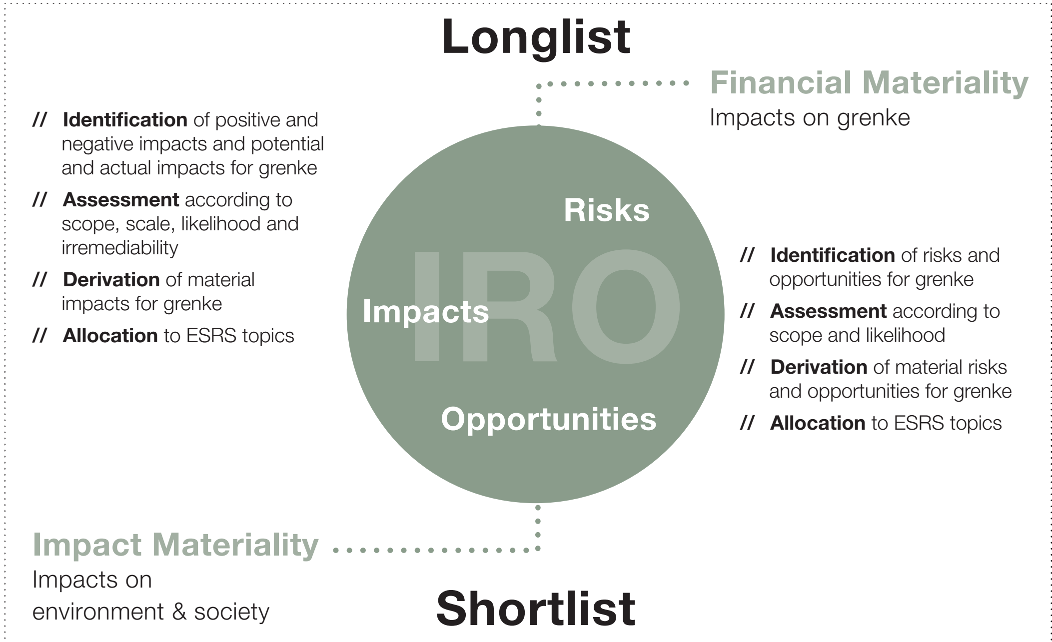
ESRS G1 - Business conduct				
	Material impact, risk and opportunity	**Scope**	**Time horizon**	**Description**
Corporate culture & protection of whistleblowers				
Positive impact	Transparent and healthy corporate culture and strengthening of trust	Potential	Long term	Our strategy map fosters transparency and responsible action. By using employee feed-back and promoting open communication, we build trust among customers, partners, and investors.
Negative impact	Insufficient measures to prevent money laundering and combat corruption	Potential	Long term	Non-compliance with regulations and ethical standards or inadequate measures and controls can favour corruption and money laundering.
Opportunity	Good management of our relationships with resellers, partners and suppliers		Long term	Our partnerships follow legal, ethical, and compliance standards, guided by our Supplier Code of Conduct, which ensures respect for human rights and labor laws as well stable business activities.
Opportunity	Ensuring compliance, mea-sures against corruption and strengthening whistleblower and data protection		Long term	By ensuring compliance, data protection, and transparent communication, we build stakeholder trust, especially among investors, while promoting ethical business practices.
Risk	Reputational, legal and economic damage as a re-sult of non-compliance and violations of international, national or local laws and regulations, as well as ethical standards		Long term	Due to the high level of regulation, a large number of constantly new regulations and guidelines must be complied with.
Risk	Loss of trust and reputation-al damage due to non-trans-parent business practices		Long term	Intransparency or non-compliance with governance requirements damaging grenke's reputation and trust, potentially hindering capital market access or increase interest rates for refinancing.
Political engagement & management of relationships with suppliers				
None				

IRO-1:
Description of the procedures for identifying and assessing the material impacts, risks and opportunities

The process for identifying our material impacts, risks and opportunities (IRO) comprises five key steps:

1. **Creation of the longlist:** The ESRS topics[5] potentially relevant to grenke were compiled based on the results of our materiality analysis from 2022 and 2023.
2. **Identification of potential impacts, risks and opportunities:** Based on our strategic analyses, we identified potential short-, medium- and long-term impacts, risks and opportunities along grenke's entire value chain. Impacts can be negative or positive and can include actual or potential impacts. According to our analyses, our business activities as a small-ticket leasing financier for SMEs do not give rise to an increased risk of negative impacts.
3. **Determination of the scale and threshold value:** The scales defined in accordance with ESRS are used for the assessment. For the actual impact, we recorded the scope, scale and irremediability, while the probability of occurrence was also assessed for potential impacts. Risks and opportunities were assessed in terms of their potential financial impact on grenke and their probability of occurrence. The assessment is based on a scale of 1 to 4. The Company carrying out the assessment must only define the threshold above which an issue is categorised as material. grenke set this at 2.5.
4. **Materiality assessment of impacts, risks and opportunities:** The materiality assessment was carried out via an online survey. This was sent to the Board of Directors, the Vice Presidents (first management level below the Board of Directors) and the Sustainability Committee. The internal stakeholders also act as liaisons and represent the interests of external stakeholders, based on findings and feedback from the ongoing dialogue with them (see chapter ESRS 2 Sustainability strategy – Stakeholder dialogue).
5. **Evaluation and acceptance of results:** The results of the survey were analysed and the IROs identified as material were assigned to the corresponding ESRS topics. Topics above the threshold are material topics for grenke. The procedure and the results were then validated and approved by our Sustainability Committee and reported to the Board of Directors.

IRO assessment



5 *For this purpose, both the ESRS topics and their subtopics and sub-subtopics were considered.*

List of disclosure requirements

IRO-2[6], MDR-M[7], MDR-T[8]:
According to the results of our materiality analysis, five of the ten ESRS topic standards are material for grenke and decisive for reporting:

ESRS 2:
// Risk management

ESRS E1:
// ESG products and services
// Climate mitigation and adaptation

ESRS E5:
// Circular economy

ESRS S1:
// Employer desirability
// Labour law topics and safety
// Innovation and partnerships

ESRS S4:
// Customer satisfaction and safety

ESRS G1
// Human rights
// Compliance and data protection
// Reporting and transparency
// Access to financial markets

The following table provides an overview of the allocation of topics according to the structure under Section 289c HGB.

Environmental matters:
// ESG products and servicess
// Circular economy
// Digitalisation and resource protection
// Climate mitigation and adaptation

Workforce matters:
// Employer desirability
// Labour law topics and safety

Social matters:
// Customer safety and satisfaction
// Innovation and partnerships

Respect for human rights:
// Human rights

Combating Bribery and corruption:
// Compliance and data protection

Sustainable business conduct:
// Risk management
// Reporting and transparency
// Access to financial markets

In the following chapters, we explain the strategies, guidelines, measures, targets and metrics relating to our material sustainability topics. The measures described include those planned for the 2024 financial year and the future. The chapters also summarise the positive effects along the entire value chain and opportunities for grenke's business model.

In this reporting year, we are utilising the phase-in regulation in accordance with ESRS for reporting on the financial impact of the individual material sustainability topics. This is particularly the case for the expected financial impact of material physical and transition risks and potential climate-related opportunities (E1-9), for example, in connection with resource utilisation and the circular economy (E5-6). We also apply the phase-in regulation to disclosures on people with disabilities (S1-12) and remuneration metrics (S1-16).

The disclosures in accordance with ESRS 2, E1, E5, S1, S4 and G1 are presented in a table at the end of the non-financial reporting. The disclosure requirements of the ESRS topic standards that are not classified as material are not included. We also supplement in Chapter 3.6 Appendices tables on our sustainability metrics and further references to additional disclosures under other EU directives.

6 Disclosures required by the ESRS that are covered by the Company's sustainability statement.
7 Parameters related to material sustainability aspects.
8 Monitoring the effectiveness of strategies and measures through target setting.

3.3 Climate and environment

3.3.1 Disclosures in accordance with Art. 8 of the EU Taxonomy Regulation (2020/852)

Regulation 2020/852 ("EU Taxonomy") is an EU-wide classification system for categorising sustainable economic activities. The EU Taxonomy is intended to channel investments into sustainable activities that contribute to achieving the EU's climate targets and promote a sustainable economy. In accordance with Article 8 of the EU Taxonomy, in conjunction with the Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act, DDA), the European legislator prescribes standardised Europe-wide disclosure of sustainability-related key performance indicators (Taxonomy KPIs) as part of the non-financial reporting.

The prescribed Taxonomy KPIs take account of sectoral specifics by distinguishing between non-financial and financial companies. grenke AG is the parent company of a banking group as defined by Sections 10a and 25a KWG. This means that the grenke Group is considered a financial holding company in accordance with Section 1 (35) KWG in conjunction with Article 4 (1) No. 20 CRR. This also means that grenke AG is not a financial company according to Article 1 DDA and is subject to the requirements for non-financial companies.

As the parent company of the grenke Group, the categorisation of grenke AG as a non-financial company is decisive for Group reporting under Article 8 of the EU Taxonomy. Accordingly, the grenke Group must report annually the share of

// revenue (turnover),
// capital expenditures (CapEx), and
// operating expenses (OpEx).

in the consolidated financial statements that is attributable to taxonomy-eligible and taxonomy-aligned ecologically sustainable economic activities.

Commission Notice 2024/6691 – Question 12 introduces "mixed group reporting" as part of the EU Taxonomy for groups that consolidate both non-financial and financial entities. As the subsidiary grenke Bank AG, as a CRR credit institution, is a financial company, the grenke Group would fall under "mixed group reporting". However, the provisions of Commission Notice 2024/6691 are not mandatory, as a corresponding legal basis within the scope of EU Taxonomy is still outstanding. The grenke Group is monitoring its activities in this area and is not yet applying the voluntary "mixed group reporting".

Taxonomy-eligible and taxonomy-aligned

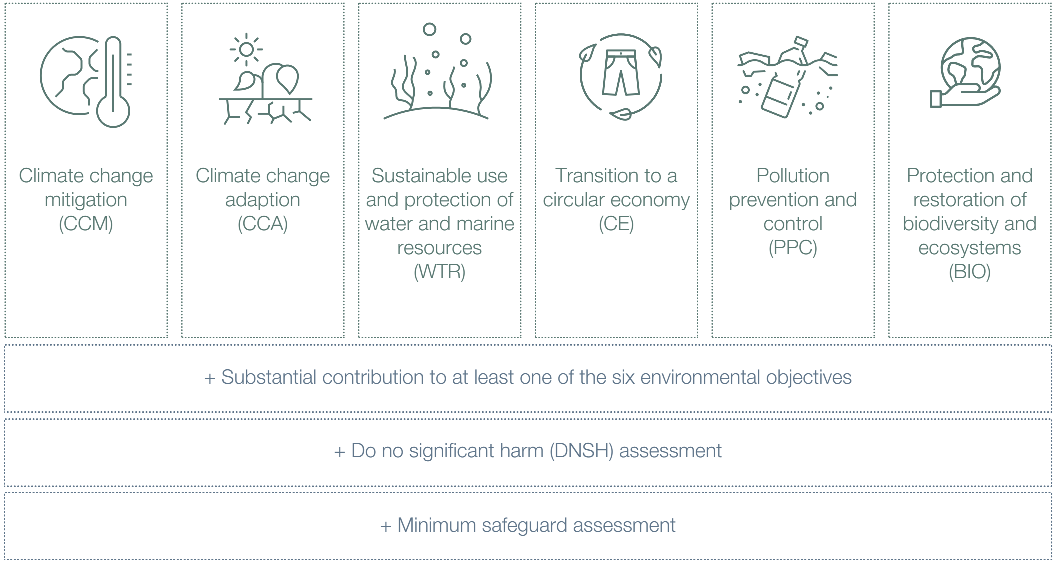
The Taxonomy KPI survey initially provides for the delimitation of economic activities that are generally taxonomy-eligible. Taxonomy eligibility presupposes that the economic activity is named in the delegated acts of the EU Taxonomy and is therefore assigned to one of the six EU environmental objectives. This means that technical screening criteria (TSC) are defined for the economic activity.

An activity, according to Article 3 of the EU Taxonomy, is considered taxonomy-aligned if it is taxonomy-eligible and makes a significant contribution to one of the six environmental objectives of the EU Taxonomy. At the same time, it must be ensured that none of the other objectives are significantly impaired ("do no significant harm" – DNSH) and the minimum standards ("minimum safeguards", MS) are complied with (see the diagram "Objectives of the EU Taxonomy").

An economic activity makes a significant contribution to one of the environmental objectives if the activity fulfils the defined TSC. The TSCs are defined in the Climate Delegated Act (EU) 2021/2139 (CDA) supplemented by the amendments to the Climate Delegated Act (EU) 2023/2485 for the environmental objectives 1 – Climate change mitigation and 2 - Climate change adaptation and in the Environmental Delegated Act (EU) 2023/2486 (EDA) for environmental objectives 3-6.

The assessment of taxonomy eligibility was already mandatory for all six environmental objectives in the 2023 reporting year. The review of taxonomy compliance in the 2023 reporting year was only mandatory for the first two environmental objectives. Since the 2024 reporting year, all six environmental objectives must be included in the taxonomy alignment check.

Objectives of EU Taxonomy



Ensuring minimum protection
The requirements for minimum protection are based on internationally recognised frameworks such as the

// OECD Guidelines for Multinational Enterprises,
// the United Nations Guiding Principles on Business and Human Rights,
// the core labour standards of the International Labour Organization, and
// the Universal Declaration of Human Rights.

Compliance with the frameworks within the grenke Group is underpinned by the Company Code of Conduct and Supplier Code of Conduct (see the chapter ESRS 2 Company profile – Policies and commitments). Labour law issues and occupational safety are also ensured through appropriate measures within the business operations (see the chapter ESRS S1 – Own workforce). Compliance with the requirements to prevent corruption and bribery and to strengthen fair competition is ensured by the compliance management system (see the chapter ESRS G1 Business conduct).

3.3.1.1 Taxonomy eligibility and alignment of our activities

The proportion of revenue, investment and operating expenses identified for the grenke Group in connection with environmentally sustainable economic activities are presented below. If an economic activity contributes significantly to several environmental objectives, the most relevant environmental goal is specified for the calculation of the KPI in accordance with the EDA. There is no double counting.

For the 2024 financial year, reporting in accordance with the EU Taxonomy generally includes all companies in the accounting-related scope of consolidation of the grenke Group. On January 31, 2024, we announced our focus on the leasing business going forward and, therefore, our intention to divest all factoring companies (the share of assets from the factoring business accounted for less than 2 percent of the Group's balance sheet in 2024). By the end of the reporting year, the divestment process had not yet been completed. Due to the ongoing divestment process of the factoring companies, these are not included in the EU Taxonomy reporting and the calculated taxonomy KPI.

Data collection for all key Taxonomy KPIs – revenue, capital expenditure and operating expenses – was advanced by an interdisciplinary team. In order to provide transparent and meaningful information, the quantitative data is supplemented by qualitative explanations. The requirements of the EU Taxonomy stipulate the disclosure of the previous year's figures, which are shown in the required places, to ensure comparability.

The mandatory information to be disclosed for the 2024 financial year in accordance with Art. 10 (4) and (6) DDA is as follows for the reporting date December 31, 2024.

Combined Management Report
Group fundamentals
Economic report
Non-Financial Statement 2024
Changes in the Company's governing bodies
Risk report
Opportunities and outlook report
Acquisition-related disclosures
Corporate Governance Statement/ Report on Corporate Governance
Management Report of grenke AG

3.3.1.1.1 Proportion of taxonomy-aligned revenue (Turnover KPI)

The turnover KPI is calculated as the proportion of taxonomy-aligned revenue in relation to the Group's total net revenue. Net revenue takes into account all revenue of the Group companies to be included.

For the purposes of EU Taxonomy reporting, net revenue is defined in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), and includes:

Designation	Business segment
Interest income from the leasing business	Leasing
Income from operating leases	Leasing
Income from Protect and Services	Leasing
Income from down payments and processing fees	Leasing
Interest income	Banking
Commission income from the lending business	Banking
Other operating income	Banking

The revenue for 2024, as defined above, amounts to EUR 804,593k at the Group level, with 3.6 percent attributable to taxonomy-aligned activities (e.g., bicycle leasing) and 77.3 percent to taxonomy-eligible activities (see revenue table). Bicycle and eBike leasing in particular was increasingly utilised by customers throughout the financial year. This resulted in a slight increase in taxonomy-aligned activities (3.6 percent) compared to the previous year (3.1 percent). The leasing of taxonomy-eligible activities saw an absolute increase in the 2024 financial year due to strong new business, with revenue of EUR 593,173k (2023: EUR 509,057k). The percentage share of taxonomy-eligible activities has decreased compared to the previous year. This is due to the fact that the revenue of grenke Bank AG was included in the total figures for non-taxonomy-eligible activities and overall activities in this reporting year in contrast to the prior year (see the section entitled “Procedure with regard to activities of grenke Bank AG”).

A further breakdown of the numerator for explanatory purposes in accordance with Annex I No. 1.2.3.1 DDA is not conducive to the leasing-focused business model and is therefore not presented separately. The turnover KPI does not include any taxonomy-aligned activities that serve grenke's own use.

In September 2023, the grenke Group issued a green bond (ISIN XS2695009998) with an issue volume of EUR 500 million. This grenke green bond is a use-of-proceeds bond, with the proceeds earmarked for refinancing assets considered sustainable. The eBike business accounts for a significant portion of the volume.

Due to the issue of the green bond to finance certain taxonomy-aligned activities, an adjusted turnover KPI is required to be published in under Annex I No. 1.2.3.1 DDA to avoid double counting. As of December 31, 2024, 1 percent of the turnover KPI of taxonomy-aligned activities within the grenke Group were not refinanced through the green bond.

Through our social bond, no taxonomy-aligned activities were directly refinanced in the 2024 financial year, as the taxonomy-aligned eBike business is included in the green bond.

Turnover

Financial year 2024		**2024**		**Substantial contribution criteria**						**DNSH criteria ('Do No Significant Harm')**									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023* (18)	Category enabling activity (19)	Category transitional activity (20)
		EURk	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4.	29,165	3.6%	J	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.1%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**29,165**	**3.6%**	**3.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**3.1%**		
Of which enabling		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**	**E**	
Of which transitional		**0**	**0.0%**	**0.0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Operation of personal mobility devices, cycle logistics	CCM 6.4.	112	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	1,009	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	592,052	73.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								79.1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**593,173**	**73.7%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**73.6%**	**0.0%**								**79.3%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**622,338**	**77.3%**	**3.7%**	**0.0%**	**0.0%**	**0.0%**	**73.6%**	**0.0%**								**82.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**182,254**	**22.7%**																
TOTAL		**804,593**	**100%**																

* *Values for 2023 were not subject to the regular audit for this year.*

The following table presents the taxonomy -aligned and taxonomy-eligible shares of total revenue for each environmental objective.

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	3.6%	3.7%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	73.6%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

3.3.1.1.2 Procedure with regard to leasing activities

Our leasing and rental solutions enable SME customers to make the necessary investments in their own business operations. In line with the nature of small-ticket financing and due to the broad-based sales network of independent specialist reseller partners, grenke's object portfolio includes a wide variety of different items.

Taxonomy-eligible leasing activities
In order to review the economic activities that are taxonomy-eligible for grenke, a leasing object-oriented approach is pursued. This means that the leasing of a type of asset must be assigned to an activity specified in the delegated act in order to be assessed as taxonomy-eligible (see table "Examples of our taxonomy-eligible leasing activities"). Different product models or variations are grouped under a single item type.

Examples of our taxonomy-eligible and -aligned leasing activities:

Example of type of lease object	Environmental objective of the EU Taxonomy	Taxonomy-eligible economic activity	Taxonomy-aligned
eBikes, bicycles	Climate change mitigation	Operation of personal mobility devices, cycle logistics	yes
IT hardware, medical devices, solar panels	Circular economy	Product-as-a-service and other circular use- and result-oriented service models	no

Taxonomy-aligned leasing activities
The assessment of taxonomy alignment is carried out as a two-step process. The first step is to analyse the leasing activity identified as taxonomy-eligible for its material contribution to one of the environmental objectives. The second step is to analyse this activity to ensure that it does not meaningfully impair the achievement of the other environmental objectives. If both test steps have been carried out successfully and if grenke AG complies with the minimum safeguards described above, the leasing activity is classified as taxonomy-aligned. Revenue is classified for taxonomy eligibility and alignment on the basis of the associated object type.

In accordance with the definition explained above, revenue from leasing activities, as defined by the EU Taxonomy, consists of several items. Due to different systems and data structures, some revenue components are only available at the lease level when preparing the report. If a lease encompasses more than one leased object, the revenue from the 2024 financial year is allocated pro rata to the leased objects included in the contract. The partial values of the leased objects were set in relation to the net acquisition volume of the overall contract. This approach facilitates the best possible allocation of revenue to economic activities in accordance with the EU Taxonomy.

3.3.1.1.3 Procedure with regard to the activities of grenke Bank AG

As a financing partner primarily for SMEs in Germany, the banking segment comprises the activities of grenke Bank AG, particularly with regard to facilitating microloans and development loans as well as the deposit business. The income of grenke Bank AG therefore comes primarily from general loans that are granted without a specific purpose. As a result, no taxonomy-eligible economic activities can be identified according to the approach for non-financial undertakings as outlined in Article 1(5) and Annex II of the DDA. Consequently, the relevant revenue positions of grenke Bank AG are included in the "Non-taxonomy-eligible activities" total line (B) in the revenue table. Unlike the previous year, this means that the table voluntarily included in the Annual Report 2023 under Chapter 3.5.2.1.2, which detailed the revenue of grenke Bank AG, is no longer presented.

3.3.1.2 Proportion of taxonomy-aligned investments – CAPEX

The calculation of the CapEx KPI is based on the proportion of taxonomy-aligned capital expenditures relative to total capital expenditures. The capital expenditures within the meaning of the EU Taxonomy for grenke[9] include additions recorded based on the following standards:

// IAS 16 Property, Plant and Equipment, paragraph 73, letter (e), subparagraph (i) and subparagraph (iii)
// IAS 38 Intangible Assets, paragraph 118, letter (e), item (i)
// IFRS 16 Leases, paragraph 53, letter (h) (additions to right-of-use assets)

When determining CapEx, only the additions to the relevant positions within the reporting financial year are generally included, before depreciation and revaluations. In the two markets with operating lease agreements, Croatia and Turkey, the leased assets are capitalised and reported under IAS 16 Property, Plant and Equipment, which means they are included in the calculation of CapEx under the EU Taxonomy. The leasing business at grenke mainly pertains to finance leases, for which lease receivables are recognised in accordance with IFRS 16. According to the above definition, finance leases are therefore not included in the CapEx calculation.

Additions to right-of-use assets in accordance with IFRS 16 through leases in which grenke is the lessee, as well as other additions to intangible assets and Property, Plant and Equipment, are considered when calculating the CapEx KPI.

The calculation of the taxonomy-eligible and taxonomy-aligned investment expenditure for grenke in accordance with the components specified in the DDA is as follows:

// Component a): The direct allocation of assets or processes to taxonomy-aligned economic activities cannot be applied to grenke. Our business model and our ambition to be a partner for SMEs' investment projects is based on diversified portfolios at both location and country level. A clear allocation of CapEx to taxonomy-aligned activities, such as the leasing of eBikes, is not possible as such.

// Component b): grenke also does not have a specific CapEx plan for the expansion or conversion of taxonomy-eligible economic activities into taxonomy-aligned economic activities due to the aforementioned explanation.

// Component c): However, the acquisition of production from taxonomy-aligned economic activities, such as renovation work on existing buildings, which corresponds to the economic activity "renovation of existing buildings", is relevant.

9 grenke does not record any capital expenditures for the other positions referenced in the DDA: IAS 40 Investment Property, paragraph 76 (a) and (b) (for the fair value model); IAS 40 Investment Property, paragraph 79 (d)(i) and (ii) (for the cost model); and IAS 41 Agriculture, paragraph 50 (b) and (e).

Examples of taxonomy-eligible investments:

Description of the taxonomy-eligible purchase of output	Corresponding economic activity
Equipment for our employees and operating leases for eBikes and bicycles	Operation of devices for personal mobility, bicycle transport logistics
Purchase of various operating and office equipment and oparating leases.	Manufacture of electrical and electronic equipment
Employee equipment and operating leases for cars	Transportation via motorbikes, passenger cars and light commercial vehicles
Renovation and conversion work as part of the modernisation of existing buildings and New Work concepts	Renovation of existing buildings

The acquisition of production can be classified as taxonomy-aligned CapEx if the manufacturing company can prove that the product fulfils the TSC and can therefore be classified as taxonomy-aligned. The capitalised eBikes and bicycles were identified as taxonomy-aligned CapEx. We equip our employees with these bikes, and additions stem from operating leases.

For the acquisition of production, the fragmented business model does not allow for a consolidated confirmation of the taxonomy compliance of the manufacturing companies for the 2024 financial year.

In 2024, total capital expenditures amounted to EUR 55,503k, of which 0.1 percent were attributable to taxonomy-aligned activities and 51.6 percent to taxonomy-eligible activities. The change in the share of taxonomy-eligible activities compared to the previous year (December 31, 2023: 69.1 percent) is mainly due to our diversified product portfolio and the phasing out of business in Turkey. Last year, leasing activities from Turkey were almost entirely classified as taxonomy-eligible. Due to the phasing out of business, there were no additions to capital expenditures.

As of December 31, 2024, capital expenditures totalling EUR 55,503k consisted of the following:

in EUR million	2024	2023
IFRS 16 - Right of use	11.2	9.4
Property, Plant and Equipment - operating leases	37.3	32.6
Other Property, Plant and Equipment and Intangible Assets	7.0	6.7
Total	**55.5**	**48.7**

The CapEx figures have been determined based on the definition of the EU Taxonomy and therefore do not fully align with the contents of the IFRS cash flow statement.

Our green bond does not refinance operating lease transactions, and as a result, no adjusted CapEx KPI is disclosed.

CapEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023* (18)	Category enabling activity (19)	Category transitional activity (20)
		EURk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4.	73	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**73**	**0.1%**	**0.1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.2%**		
Of which enabling		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**	**E**	
Of which transitional		**0**	**0.0%**	**0.0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4.	448	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Electricity generation using solar photovoltaic technology	CCM 4.1.	7	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Electricity generation using concentrated solar power (CSP) technology	CCM 4.2.	3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.7%		
Operation of personal mobility devices, cycle logistics	CCM 6.4.	204	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	2,939	5.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.1%		
Renovation of existing buildings	CCM 7.2 / CE 3.2.	1,219	2.2%	EL	N/EL	N/EL	N/EL	EL	N/EL								2.8%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Acquisition and ownership of buildings	CCM 7.7.	8,171	14.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.9%		
Manufacture of electrical and electronic equipment	CE 1.2.	15,547	28.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								42.2%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**28,541**	**51.4%**	**23.4%**	**0.0%**	**0.0%**	**0.0%**	**28.0%**	**0.0%**								**69.1%**		

CapEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023* (18)	Category enabling activity (19)	Category transitional activity (20)
		EURk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		28,621	51.6%	23.5%	0.0%	0.0%	0.0%	28.0%	0.0%								69.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		26,890	48.4%																
TOTAL		55,511	100%																

* *Values for 2023 were not subject to the regular audit for this year.*

The following table presents the taxonomy-aligned and taxonomy-eligible shares of total CapEx for each environmental objective.

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.1%	23.5%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	30.2%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

3.3.1.3 Proportion of taxonomy-aligned operating expenses – OPEX

The OpEx KPI is calculated as the proportion of taxonomy-aligned operating expenses in relation to the total operating expenses of the Group companies to be included. In accordance with the requirements of the EU Taxonomy related to Appendix No. 1.1.3 DDA, the relevant cost items of operating expenses include the following line items:

	Costs (in EURk)	Total costs (%)
Research and development	–	–
Building refurbishment measures	–	–
Short-term leasing	159	0.01 %
Maintenance and repair	4,907	2.2 %
All other direct expenses relating to the day-to-day maintenance of property, plant and equipment by the entity or third parties to whom activities necessary to ensure the continuous and effective functioning of these assets are outsourced	–	–
Total	**5,066**	**1.5 %**

In accordance with Appendix I No. 1.1.3 DDA, the EU Taxonomy allows simplified reporting of operating expenses if they are not material to the reporting company's business model. grenke's business model is heavily dependent on revenue and IT capabilities and expertise. The relevant operating expenses according to the EU Taxonomy therefore only represent a small proportion of the total direct, non-capitalised costs.

Of the total operating expenses of EUR 340,935k in 2024, only EUR 5,066k was attributable to the cost items relevant for EU Taxonomy reporting. This corresponds to a proportion of 1.5 percent. The costs in question are not considered to be material for grenke's business model.

According to this assessment, grenke considers the conditions for exemption from the detailed calculation of the OpEx KPIs to be met. In the reporting template, the taxonomy-aligned activities are therefore shown as 0. Only the total amount of the relevant operating expenses is disclosed in the template at EUR 5,066k.

OpEx

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023* (18)	Category enabling activity (19)	Category transitional activity (20)
		EURk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0														-		
Of which enabling		0	0														-	E	
Of which transitional		0	0														-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%														-		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0.0%														-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0.0%																
TOTAL		5,066	100%																

* *Values for 2023 were not subject to the regular audit for this year.*

3.3.1.4 Nuclear energy and fossil gas

The review of economic activities did not identify any activities of the grenke Group in the nuclear and gas activities, as defined in the Complementary Climate Delegated Act (EU) 2022/1214 (CCDA) (see Template 1 Activities in the areas of nuclear energy and fossil gas).

With regard to the classification of grenke Bank AG, an assessment is conducted to determine whether the activities mentioned in sections 4.26 – 4.31 of Annexes I and II of the CCDA are related to the financing of nuclear energy and fossil gas. The basis for this assessment is the economic sector of grenke Bank's counterparties. The analysis did not identify any counterparties assigned to a relevant economic sector in the nuclear energy and fossil gas sector.

Template 1 - Nuclear and fossil gas related activities

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Climate & Environment

ESRS E1
ESRS E5

We accelerate the transformation to a green future by providing sustainable financial services and facilitating green investment choices.

STRATEGY & GOVERNANCE

// Enable our SME customers to invest in sustainable transformation
// Reduce resource consumption in the core leasing process
// Reduce GHG emissions from our own business operations
// Mitigate climate-related risks

GHG Protocol
CDP
Transition plan
Travel-Policy & Car-Policy
SBTI
Environmental policy

ACTIONS

// Transition plan
// Scenario and resilience analysis
// ESG products and services
// Green economy objects
// GSI (grenke Sustainability Index)
// Digitalisation of core leasing processes and resource conservation
// Circular economy and asset broker

TARGETS & KPI

2050
Net zero

7.8 %
Green economy objects contributing to new business volume in EUR

40.5 %
Contracts with electronic signature

Digital customer portal in
27
countries

–50 %
Reduction of our Scope 1 and 2 emissions by 2030

POSITIVE IMPACTS

// Development of new markets through green economy
// Utilisation-oriented financing and promotion of the circular economy
// Reduction of resource consumption in the core business
// Increasing resilience to climate risks

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 ACTION

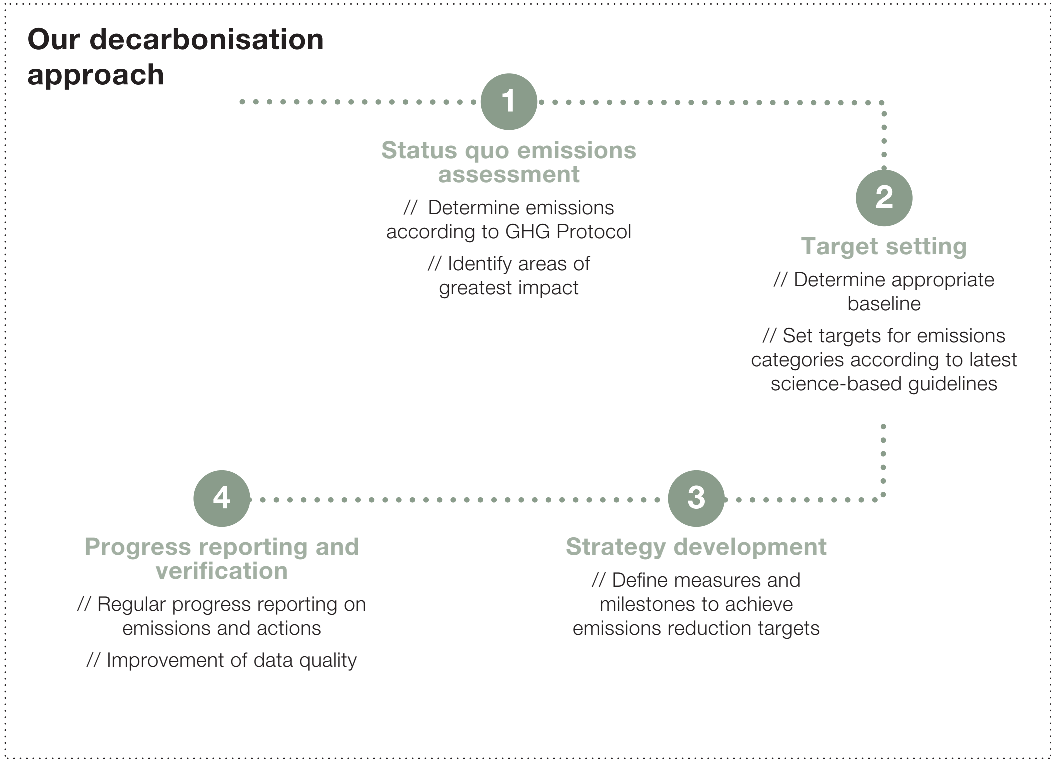
3.3.2 ESRS E1 – Climate change mitigation and adaptation

E1-1: Transition plan for climate protection

We want to make a contribution to climate protection and climate change adaptation by reducing our CO_2 emissions (Scope 1, 2 and 3) and achieving climate neutrality. In doing so, we want to contribute to shaping a sustainable future for all our stakeholders. This includes our SME customers, business partners, employees and investors alike.

In 2024, we further developed our climate targets taking into account the recommendations of the Science Based Target initiative (SBTi) and the science-based approach of limiting global warming to 1.5 degrees Celsius. In accordance with the requirements of the Science Based Target initiative (SBTi), we formulated reduction targets with a medium-term horizon up to 2030 and a long-term horizon up to 2050, based on the cross-sector reduction pathway. Our targets cover all of our relevant Scope 1, 2 and 3 activities in accordance with the Greenhouse Gas Protocol.

Our approach to decarbonisation



Our Climate Goals

- // Realigning our climate targets with the 1.5-degree goal of the Paris Agreement
- // Achieving net-zero emissions for our business operations by 2050
- // Reducing direct emissions from our fleet and office operations by 50% by 2030 (Scope 1)
- // Reducing indirect emissions from purchased energy by 50% by 2030 (Scope 2)
- // Reducing indirect emissions from business travel, commuting, purchased goods and services, and transportation by 25% by 2030 (Scope 3)

Our Climate Action Plan initially describes our roadmap and measures to achieve the climate targets by 2030 and 2050 and will be expanded in subsequent years. Our Climate Action Plan is available to download from our website.

Our reduction measures focus primarily on the areas in which we generate the most emissions. In Scope 1 and 2, these are the company fleet and our electricity procurement. For Scope 3, we have also launched initial measures to reduce our emissions in the areas of business travel, employee commuting and our downstream transport and will continue to develop these further. We also want to further increase the completeness of our Scope 3 emissions data. We also aim to further strengthen the completeness of our Scope 3 emissions data, for example, regarding estimates of the emissions from our leased assets (see chapter ESRS 2 Company profile – Greenhouse gas emissions) and to enhance our Climate Action Plan with corresponding targets.

Our initial Climate Action Plan is integrated into our overarching climate governance. It is reviewed and developed on an ongoing basis by the Sustainability Committee. The ESG team manages the reduction measures at an operational level together with the responsible departments. The ESG team also reports on climate protection measures to the Board of Directors, which decides on Group-wide climate protection measures. Due to our business model and our Corporate Carbon Footprint (CCF), we have not identified any material financial impact from the implementation of our reduction targets described above. We take the investment costs for emission reduction measures into account as part of our overall cost planning.

We explain our measures, objectives and key figures in the following chapter.

Scenario analysis and resilience analysis

The sustainable transformation of the economy and the challenges of climate change present banks with new and complex risks. At the same time, they open up opportunities to strengthen the resilience of financial systems. We analyse the impact of global developments on the resilience of our business model as part of a scenario analysis. We use the resilience analysis to examine how robust our business model, our operational processes and our loan portfolio are in relation to the dynamic requirements of global climate and sustainability goals (see Chapter 5. Risk report).

Scenario analysis

We carry out scenario analyses as part of our stress tests for risk-bearing capacity. In doing so, we analyse the effects of delayed and tightened climate policy on our credit portfolio, particularly on emissions-intensive sectors. We also analyse the consequences of rising CO_2 prices, stricter regulatory requirements and sectoral distortions on the economic viability of our customers. The analyses are based on scientifically sound assumptions, as well as the scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS).

Another important component of the scenario analyses is the classification of the customer portfolio based on an ESG score. Both physical and transitory climate risks, which are especially relevant for emissions-intensive sectors, were considered. The effects of country considerations and sectoral differences with regard to ESG risks are also included in the overall analysis.

Results of the 2024 scenario analysis

Overall, our scenario analysis showed low risks for our business. This is primarily due to the high diversification of our portfolio across 31 countries, the large number of individual small-ticket financing with SME customers from a wide range of sectors, and our broadly diversified object portfolio.

// **Potentially higher default risks for certain sectors:** The potential default risk for certain borrowers may increase due to the rise in both physical and transitory risks. "Mining and quarrying", "Energy supply", "Water supply; sewage and waste disposal and remediation of environmental pollution" and "Transport and storage" were identified as particularly risk-exposed sectors. These sectors accounted for just 4.29 percent of the leasing business in 2024, measured on the basis of all current leasing contracts (2023: 4.26 percent). Due to this low proportion, the potential risk can be assessed as very low.

// **Physical climate risks in grenke countries:** Physical climate risks, particularly in the context of a country analysis, influence the risk profile of our portfolio. We analyse this using a score that reflects the regional differences in exposure to physical climate risks. This shows that certain countries and sectors are exposed to higher physical climate risks. We also identified sectors with a higher ESG score, although these sectors should be considered as a low risk for the overall business due to their low proportion of the portfolio. Give our broad diversification, the customer portfolio has a low overall risk profile in terms of ESG risks (see Chapter 5. Risk report).

ESG Risks

	Dimension	Sustainability Factors

Physical Climate Risks	**Chronic Climate Change**	// Average temperatures
		// Average wind speeds
		// Precipitation amount
		// Fire weather index

	Acute Climate Change	// Fire days
		// Frost days
		// Heat days
		// Extreme wind speeds
		// Extreme precipitation
		// Drought extent
		// Drought duration
		// Heating degree days
		// Cooling degree days
		// River flood index
		// Extreme sea level

	Transition Risks	// Hazardous waste production
		// Non-hazardous waste production
		// Total water consumption
		// Energy consumption
		// Greenhouse gas emissions

	Governance (G)	// Undeclared work // Corruption

// **Expenses due to higher regulatory requirements:** Climate risks could also have an impact on the capital risks and capitalisation of grenke. Increased regulatory sustainability requirements could lead to a slight increase in operating costs and make access to capital more difficult. We explain our measures to avoid this in chapter G1 Business conduct under "Access to financial markets".

Resilience analysis

The resilience analysis focuses on the following key questions:

// How resilient to and affected by ESG risks is our loan portfolio?
// How resilient to and affected by ESG risks are our locations?

The analysis of the individual risk categories considered both the direct (bank perspective) and indirect (customer perspective) impact on the assessment of short, medium and long-term sustainability factors.

Possible effects on the grenke Group

ESG risks arise for the grenke Group mainly in an indirect manner via customers and can have a direct impact on the financial assets and earnings position of grenke AG. Physical ESG risks, for example, in the form of operating, reputational or legal risks can have a direct impact on the customer's creditworthiness and thus increase the probability of default. Given our business model, it is important to assess ESG risks in the context of our portfolio. While ESG risks generally have a long-term impact, the impact on our business is limited due to the relatively short durations our lease contracts. Transitory risks can only become relevant to a limited extent during the term of the contract. In addition, the structuring of our financing solutions and the requirement of property insurance for the lease object help to minimise physical risks. The geographic diversification of our customer base also helps to reduce physical risks, as extreme weather events are generally localised. For this reason, it is extremely unlikely that physical risks will affect several countries or the entire portfolio at the same time.

Utilisation of results from the resilience analysis

The results of our resilience analysis provide valuable insights that help make long-term adjustments to our business models, develop sustainable financing solutions and support the transformation towards a more resilient, climate-friendly economy. At the same time, we keep our long-term stability and competitiveness in mind.

The results of the analysis were also consistent with the results of the IRO analysis (see chapter ESRS 2 Sustainability Strategy - Description of the methods used to identify and assess material impacts, risks and opportunities) as part of our materiality analysis concerning the material sustainability topics. The findings from both analyses are incorporated into the design of the business, risk and sustainability strategy. We explain our actions in accordance with the selected topic standards in the following non-financial reporting.

Strategic approach, guidelines and concepts

E1-2: Strategies related to climate change mitigation and adaptation

Our aim is to support the transformation to a green future with our range of sustainable financial services and make it easier for our customers to make environmentally conscious investment decisions (see grenke Sustainability strategy and the chapter ESRS 2 Sustainability strategy – Strategic targets and areas of action). Acquiring new technologies requires the use of raw materials and natural resources. Without the appropriate measures in place, this can lead to significant waste production, which would have a strong negative impact on our environment. We intend to steadily increase the proportion of green economy objects in our leasing new business and thereby finance the sustainable investment needs of our SME customers, including objects for the generation and storage of renewable energies. The development of local green economy expertise and partner networks paves the way for effective risk management and seizing growth opportunities (see ESRS E1 Climate change mitigation and adaptation – Actions under "ESG products and services"). We also want to further develop our own product range in line with ESG criteria and offer our SME customers a sustainable leasing contract in the sense of the circular economy and resource conservation (see ESRS E1 Climate change mitigation and adaptation – Actions under "ESG products and services"). The digitalisation of our business processes plays a key role in reducing our environmental footprint. We have also embedded this in our Environmental Policy (see ESRS 2 Company profile - Policies and frameworks).

We aim to make the sustainability of our leasing portfolio measurable and transparent. The grenke Sustainability Index (GSI) aids our sales team in talking to our partners and SME customers specifically about sustainability issues and raising the awareness of sustainable investment opportunities.

In our first Climate Action Plan, we explain our concepts for climate change adaptation and protection. This plan includes conserving resources and increasing renewable energies and energy efficiency (see Climate Action Plan, available for download on our website). The Climate Action Plan's areas of action and measures are strategically supported by the Environmental Policy, the Car Policy and the Travel Policy in areas such as reducing emissions from employee business trips and the company fleet. To achieve our climate targets (see the chapter ESRS E1 Climate change mitigation and adaptation – Targets and metrics), we measure our Corporate Carbon Footprint (CCF) annually using the Diligent ESG tool and take appropriate reduction measures (see the chapter E1 Targets and metrics).

In preparing our Corporate Carbon Footprint, we are guided by the GHG Protocol Corporate Standard as a recommendation for companies and have chosen the "operational control approach". The companies included therefore correspond to the scope of consolidation on which this Annual Report is based.

Scope 1

Our Scope 1 emissions include the direct greenhouse gas emissions resulting from our Company vehicle fleet. We also record the heating and cooling of our own space in Scope 1. In order to differentiate between our own and rented offices in accordance with the Greenhouse Gas Protocol (GHG Protocol) and to reflect the lack of influence on heat procurement in rented offices, we have been recording emissions from purchased heat under Scope 2 (previously in Scope 1) since our CCF 2023. With this clarification, we have further developed our CCF.

Scope 2

Scope 2 includes indirect emissions from the supply of electricity and the purchase of heat. In accordance with the GHG Protocol, we distinguish between the location-based and market-based methods in the calculation. The location-based method takes into account average emission factors for the electricity grids in the respective country. The market-based method takes into account contractual agreements under which the organisation purchases electricity from certain sources, such as fossil, renewable or other generation plants. If this information is not known, a mix factor is used in the calculation. The emissions result therefore differs depending on the method chosen.

Scope 3

Scope 3 covers indirect emissions from daily operations and along the value chain. In the grenke Group, Scope 3 emissions result primarily from goods and services purchased, business travel, employee commuting and downstream transportation, as these categories are within our sphere of influence. Our waste we generate are also included in this scope.

The included category "Fuel and energy-related Activities (not included in Scope 1 or Scope 2)" includes emissions related to the production of fuels and energy that grenke purchased and consumed during the reporting period and that are not included in Scope 1 or Scope 2 (see also ESRS E1 Targets and metrics in the table "Total GHG emissions").

Currently, the available data on emissions from the manufacturing and use of our lease objects is insufficient to provide reliable estimates of Scope 3 emissions as defined by Category 13 Downstream Leased Assets of the GHG Protocol. Future estimates are expected to account for a significant portion of our Scope 3 emissions. We are working towards providing estimates in upcoming reporting years that align with both the ESRS and the GHG Protocol (see ESRS 2 Company profile – Regulatory framework) and taking appropriate measures to manage these emissions.

Actions

E1-3: Actions and resources in connection with the climate strategy

Our key measures related to our climate targets are:

// Electrification of the company fleet
// Purchasing electricity from renewable or emission-free energy sources

Electrification of the company fleet

Our company fleet is a major source of emissions. In order to reduce these emissions, we are promoting a switch to electromobility through our Car Policy and at the same time ensuring the mobility of our sales force and employees. Again, in the 2024 financial year, we increased the proportion of electric vehicles (plug-in hybrid electric vehicles – PHEVs; battery electric vehicles – BEVs) in our vehicle fleet across the Group to 38 percent (2023: 27 percent of total fleet). The share of fully electric vehicles tripled in this period. In Germany, this figure was as high as 50 percent in the financial year.

Among the vehicles newly ordered in Germany during financial year 2024, the share of electric vehicles remained at 64 percent (2023: 64 percent) (see grenke Car Policy, chapter ESRS 2 Company profile – Policies and frameworks). Since the 2023 financial year, the pool vehicles at the Baden-Baden (headquarters) and Karlsruhe (GRENKE digital GmbH) locations are fully electric. This means that regular journeys between the locations can be carried out in a climate-friendly manner. In November 2024, we further expanded the charging infrastructure for electric vehicles at our headquarters. A total of 40 charging stations are available in the underground car park at our headquarters in Baden-Baden.

The momentum behind the decarbonisation of our company fleet is linked to the development of new drive technologies. In 2024, we achieved a 17 percent year-on-year reduction in our fleet emissions and expect to achieve a 60 percent reduction in our fleet emissions by 2030 compared to the 2022 baseline year.

Purchase of electricity from renewable and emission-free energy sources

Our own energy consumption is one of the greatest contributors of our CO_2 emissions to date. We are continuously working to reduce the energy consumption at our locations and make them more efficient. The measures we are taking are based on our Environmental Policy and our CO_2 emissions reduction targets as part of our sustainability strategy.

As part of our effort to achieve our climate targets, we are constantly modernising our own buildings and upgrading them to the latest energy standards. The Company buildings we rent in Germany always have an energy certificate. We also regularly commission energy audits in Germany to determine the Company's energy efficiency and, if necessary, introduce measures to increase it. In the 2021 financial year, DIN EN 16247 energy audits were carried out by TÜV SÜD at our headquarters in Baden-Baden and at other branches in Germany.

In 2024, we continued to pursue our goal to source the electricity for all our locations from renewable and emission-free energy sources. A related resolution was passed for the Group, and with the exception of a few branches, we purchase electricity at our locations ourselves and are pursuing the switch to sustainable tariffs at the earliest possible opportunity (see Sustainability strategy and Environmental Policy). By the end of the 2024 financial year, a total of 22 out of 35 locations in Germany had already switched to green electricity. We were also able to reduce our electricity emissions by 26 percent compared to the previous year. By 2030 we aim to reduce our electricity-related emissions by 90 percent compared to the baseline year 2022. We have also introduced initial measures to lower emissions across our value chain, which will be further enhanced in the coming years.

Organisation of business trips

Our Travel Policy promotes a transition from CO_2-intensive business trips to more environmentally friendly forms of communication such as video and audio conferencing. By permanently establishing a hybrid way of working, i.e. a mix of remote working and working at our locations, the use of digital audio and video conferencing remains high.

Our Travel Policy recommends favouring rail and all public transport over air travel for business trips. To raise employee awareness, CO_2 emissions are displayed in our digital travel booking and invoicing tool Concur when planning trips to emphasise the attractiveness of these modes of transportation.

In the 2024 financial year, 511 train journeys (2023: 359 train journeys) and 110 flights (2023: 118 flights) were made in Germany. We further improved the ratio of flights to train journeys to 1:5 (2023: 1:3) (see grenke Travel Policy, chapter ESRS 2 Company profile – Policies and frameworks). Although we recorded higher emissions from business travel in 2024, we intend to reduce these emissions by 27 percent before 2030 despite an increase in our workforce.

Our employees' commute to work

To help reduce our carbon footprint, we show our employees the possibilities for reduction related to their commute to work. We offer our employees the option to work remotely (see chapter ESRS S1 Own workforce – Actions) and sustainable options for commuting to work. Specific examples are our offers to lease bikes or take advantage of subsidised job tickets in Germany (see chapter ESRS S1 Own workforce – Actions).

In the 2023 financial year, our subsidiary GRENKE Locazione S.r.l. in Milan launched a project to promote the use of public transport. The aim is to support 50 percent of the employees through measures such as prepaid subscriptions for local transport and interest-free salary deductions. The plan is to extend the programme to Other regions in Italy by 2025.

In 2024, we recorded an increase in emissions from commuting but expect an 8 percent reduction by 2030 (see grenke Environmental Policy and Travel Policy, as well as chapter ESRS 2 Company profile – Policies and frameworks).

Downstream transportation of our objects

In some cases, if the customer does not keep the lease object at the end of the contract and it is not returned to the dealer, we take back the object ourselves and sell it if possible. We organise transportation to bring the items either from the customer to us or from us to the buyer. Our goal is to make these trips climate-neutral and therefore we work with climate-neutral services such as DHL GoGreen. The challenge is the availability of emissions data, and we are discussing this matter with our suppliers. We expect to be able to reduce our transportation emissions by 25 percent by 2030 using climate-friendly logistics solutions (see grenke Environmental Policy, chapter ESRS 2 Company profile – Policies and frameworks).

Purchased goods and services for our day-to-day business

We are forging sustainable purchasing partnerships and ensuring that our decommissioned IT devices go through a second life cycle. We will also begin developing further initiatives for the procurement of goods and services in order to reduce emissions by 27 percent by 2030.

We annually measure our target achievement as part of our greenhouse gas emissions (Scope 1, 2, 3 – TOP KPI). Our progress is presented in chapter ESRS E1 Climate change mitigation and adaptation – Targets and metrics.

Additional measures to implement our strategic areas of action within our sustainability strategy include:

- // Reducing paper-intensive processes to a minimum and promoting digitalisation
- // Supporting the sustainable transformation of our SME customers through ESG products and services
- // Reduce paper-intensive processes to a minimum and advance digitalisation and resource conservation

Reduce paper-intensive processes to a minimum and drive digitalisation forward

As a provider of small-ticket lease financing, our business model traditionally involves a high volume of paperwork and documentation. As part of our sustainability strategy, we are pursuing the automation of our core leasing processes (see Chapter 1.3.3 Non-financial performance indicators). We are working to reduce paper consumption in our paper-intensive processes to a minimum.

Digital customer portal

Through our digital customer portal, our lessees can manage their contracts, invoices and data online at any time. In the 2024 financial year, the portal continued to be available in 27 countries[10] (2023: 27 countries). It will be rolled out in other grenke markets in the future.

Invoices are largely sent digitally and therefore paperless, and this was done in 26 countries (2023: 26 countries). We also use electronic invoicing in our collaboration with public institutions. According to the EU Directive (2014/55/EU), all EU countries must gradually introduce eInvoicing, at least in the business-to-government (B2G) sector. We are currently implementing eInvoicing in the B2G area in Germany, France and Portugal. In addition to B2G and the countries mentioned, we are already implementing eInvoicing in the business-to-business (B2B) area in the following

10 Australia, Belgium, Brazil, Denmark, Germany, Finland, France, United Kingdom, Ireland, Italy, Croatia, Luxembourg, Latvia, Malta, Netherlands, Austria, Poland, Portugal, Romania, Switzerland, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary, United Arab Emirates.

countries: Italy, Sweden, Turkey, Romania and Finland, as well as in our franchise subsidiary in Chile.

We regularly carry out format adjustments. Overall, the abovementioned measures further reduced the number of invoices sent by post at grenke in 2024 (see Chapter E1 Climate protection and adaptation – Target and metrics).

eSignature

grenke introduced the eSignature back in 2015, and usage figures have been rising ever since. The process, which is free of charge for specialist reseller partners and customers, simplifies the conclusion of financing agreements. The documents are sent electronically and signed with legal validity. This solution allows us to save paper for printouts and envelopes. eSignature was initially introduced in Germany and France and is currently available in a total of 27 markets (2023: 27). We use two standard market solutions: DocuSign and BankID via Verified. BankID is used as a digital signature solution in three markets and DocuSign in the remaining 24. To further develop the eSignature via DocuSign, the qualified electronic signature was introduced in Germany in the second quarter of 2022. In addition to the signature, this method also includes digital identification via the VideoIdent procedure.

grenke's AI challenge

The topic of artificial intelligence (AI) is also a high priority at grenke and will become even more important in the years ahead. This year's AI challenge kicked things off by inviting all employees worldwide to submit specific AI use cases to improve day-to-day work. The active involvement of our employees was a key aspect to promote innovation from within our own ranks. The use cases submitted were evaluated and analysed in the 2024 financial year. The first ideas are already realised for implementation.

Digital personnel files

With a digital personnel file, we give our employees access to their personnel documents from anywhere and at any time. We also ensure the legally compliant handling of deletion and retention periods. The digital personnel file also makes it possible to process and manage important formalities such as payslips or holiday applications in paperless form.

New Work policies

We endeavour to use our building space in a way that is efficient and conserves resources (see grenke Environmental Policy, chapter ESRS 2 Company profile – Policies and frameworks). This is our response to the changes in the working world brought about by digitalisation (New Work). At the same time, it increases the attractiveness of our workplaces for employees. In our New Work concepts, we take care to adapt our building and space designs to the changing environmental and climate conditions, which also results in a continual reduction in our consumption of resources.

The location of the Italian subsidiary "De Castillia 23" in Milan has served as a model since 2022, as has the location in Melbourne since 2023. In 2024, our teams in Hamburg and Frankfurt, as well as grenke Bank, moved to new premises that were remodelled in line with the New Work principle. Further remodelling is planned for 2025.

We measure our progress in digitalisation and resource conservation using our TOP KPI on the degree of automation in the core leasing process (see chapter ESRS E1 Climate change mitigation and adaptation – Targets and metrics).

Promoting the sustainable transformation of our SME customers through ESG products and services

As part of our sustainability strategy, we focus on financing solutions tailored to small and medium-sized enterprises (SMEs) and their investment needs. We see it as our responsibility to finance and offer ESG products and services to support the sustainable orientation of our company. To meet the needs of SMEs, our leasing and rental products cover a wide range of leasing assets, ensuring the diversification of our portfolio (see the diagram "Composition of our lease object portfolio"). Given the overall economic shift towards sustainability, we are also striving to make our object portfolio more sustainable.

By financing green economy objects, we contribute to the sustainable transformation of our customers' business operations and the economy as a whole. We define green economy objects as, for example, equipment for the generation and storage of renewable energy, sustainable mobility solutions, or resource management. In addition to our eBike business, this now also includes photovoltaic systems, energy storage units, wall boxes, and charging infrastructure. Our sales team continuously develops our green economy market approach, focusing in particular on engaging and acquiring new specialist reseller partners and customers.

In the context of ESG, we also contribute to healthcare by enabling the financing of medical technology equipment for doctors' offices and medical facilities.

Pillars of green economy objects

Renewable Energy

- // Photovoltaic systems/ solar panels
- // Battery storage units
- // LED lightning
- // Heat production
- // Inverter

Sustainable Mobility

- // eBikes
- // Other e-mobility
- // Charging points (cars and bikes)
- // Stationary battery systems

Resource and Waste Management

- // Recycling machines
- // Water management
- // Cleaning machines

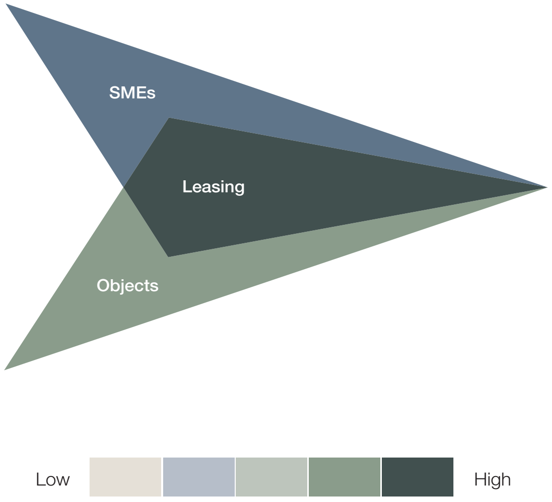
grenke Sustainability Index (GSI)

While we are not directly involved in the production of goods and products as a financing partner, we strive to exert influence on sustainability criteria in both upstream and downstream processes (see grenke Supplier Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

As a supporting measure to increase the share of ESG products and services in our overall portfolio, we developed the grenke Sustainability Index (GSI) in collaboration with the Karlsruhe Institute of Technology (KIT). This index considers various components relevant to the lifecycle of a leasing contract, including parameters related to the leasing asset (e.g. asset category or usage duration), the contract (e.g., digitalisation of processing workflows), and our lessees (e.g. industry classification). The GSI serves as a tool for our sales team to facilitate targeted discussions on sustainability aspects with our SME customers and partners. It evaluates our financing activities while taking into account the specific characteristics of asset-based financing. The assessment criteria are uniquely defined and do not correspond to or derive from the criteria for sustainable financial products as outlined in the Sustainable Finance Disclosure Regulation (SFDR). We opted to define the GSI ourselves due to the absence of standardised criteria for sustainable leasing contracts.

Combined Management Report

grenke Sustainability Index



grenke Sustainability Index

In cooperation with the Karlsruhe Institute of Technology (KIT), we are developing the grenke Sustainability Index (GSI). The GSI will evaluate every leasing contract in terms of its sustainability. It will create transparency for us, our customers and our partners and raise the awareness of sustainable investment opportunities.

The development of the GSI was completed in financial year 2024. We gathered initial insights during a pilot phase conducted in selected countries. Global training sessions for our sales teams commenced in the fourth quarter, with further training planned for 2025 to strengthen the use of the GSI in communications with our specialist reseller partners.

In France, GRENKE LOCATION SAS has been supporting selected specialist reseller partners since July 2023 through the so-called SEED programme. In cooperation with EcoVadis, partners can improve their sustainability policies over twelve months through audits and training. The goal was to involve around 50 partners by the end of 2024 and strengthen long-term partnerships. Initial results show that the programme supports our specialist reseller partners in implementing their ESG strategies. Some partners are already in their second evaluation cycle. We aim to further increase the number of participants in 2025. With the SEED programme, we contribute to supporting SMEs in their sustainable transformation (see grenke Sustainability strategy, chapter ESRS 2 Sustainability strategy).

Significant capital expenditures were incurred in implementing measures for the digitalisation of processes. We report on these expenditures in Chapter 1.4 Research and Development in this Group management report.

Targets and metrics

E1-4: GHG emission reduction targets

Our first Climate Action Plan outlines our emission reduction targets for 2030 and 2050, as well as key measures to achieve them for our major emission sources (see Climate Action Plan). The baseline year 2022 serves as our reference year. To create a complete baseline, we supplemented the 2022 emission data with conservative projections. This accounts for any data gaps identified through further developments in 2023 and 2024. As a result, the reported emission data for our 2022 baseline year differs from the CCF data presented in the previous year's report.

We have aligned our emissions reduction targets with the principles of the Science Based Target initiative in order to meet the minimum requirements for achieving the 1.5-degree target using science-based approaches.

On the path to net zero by 2050, we have initially set interim targets for all three scopes based on the baseline year 2022, with goals set for 2030:

We aim to reduce our Scope 1 and Scope 2 emissions by 50 percent each by 2030.

For our Scope 3 emissions, we aim to achieve a 25 percent reduction by 2030.

E1-5: Energy consumption and energy mix[11]

Our overall energy mix of our calculated consumption is distributed as follows:

Energy consumption and mix	**2024**	**2023**
Thermal energy consumption from heating oils and gases (MWh)	2,495	2,608
District heating purchased (MWh)	340	363
Electricity from fossil sources (MWh)	1,620	2,378
Total fossil energy consumption (MWh)	**4,455**	**5,349**
Share of fossil sources of total energy consumption (%)	81%	86%
Energy consumption from nuclear sources (MWh)	**425**	**513**
Share of consumption from nuclear sources of total energy consumption (%)	8%	8%
Energy consumption from renewable sources (MWh)	475	195
Consumption of self-generated non-fuel renewable energy (MWh)	136	153
Total renewable energy consumption (MWh)	**611**	**348**
Share of renewable sources of total energy consumption (%)	19%	14%
Total energy consumption (MWh)	**5,491**	**6,210**

11 Consumption based on invoices and projections.

Total GHG emissions

E1-6[12]: Development of GHG emissions

In the 2024 financial year, we continued to develop the calculation of our Corporate Carbon Footprint (CCF). Our CO_2 emissions were previously calculated using data from the prior year. This approach was taken specifically due to the time lag in our receipt of key data from utility bills, among others. In the financial year, we improved the collection of our corporate footprint data and now use the data from the respective financial year. In 2024, we calculated a Corporate Carbon Footprint based on the emissions and consumption of both the 2023 and 2024 financial years.

To calculate our emissions data, we use the consumption figures available for the reporting year. Alongside the data for the baseline year, incomplete data is supplemented by conservative extrapolations based on the areas of our sites or the previous year's figures. We calculated 94 percent of our Scope 1 data using real data, 75 percent of our Scope 2 data, and 68 percent of our Scope 3 data.

To compare the calculations for the years of 2024 and 2023 with the information from our last non-financial reporting, we show the information on our CCF from the last three financial years 2024, 2023 and 2022 (baseline year) in this report.

For the calculation, we use the Diligent ESG tool. This enables us to apply the corresponding emission factors for Scope 1, 2 and 3 activities consistently and as automatically as possible. The tool-supported calculation of the emission results strengthens the consistent application of the defined methodology. Greenhouse gas emissions are measured in accordance with the GHG Protocol and are based on the Kyoto Protocol list. The term GHG emissions is usually used for simplicity. These are rounded to tonnes of CO_2 equivalents (t CO_2e).

Our Scope 1 emissions accounted for around 34 percent of our total emissions. As part of the calculation of our CCF 2024[13] , the Scope 1 emissions amounted to around 2,690 t CO_2e (2023: 3,184 t CO_2e; 2022: 3,407 t CO_2e). Of this amount, 2,495 t CO_2e (2023: 2,989 t CO_2e; 2022: 3,051 t CO_2e) from our company fleet represented the largest proportion.

Our Scope 2 emissions accounted for around 12 percent of our total emissions. According to the location-based method, Scope 2 emissions in CCF 2024 amounted to 960 t CO_2e (2023: 1,197 t CO_2e; 2022: 1,498 t CO_2e) and according to the market-based method to 1,440 t CO_2e (2023: 1,778 t CO_2e; 2022: 2,089 t CO_2e) The majority of these Scope 2 emissions (607 t CO_2e) stem from our electricity consumption (2023: 818 t CO_2e; 2022: 843 t CO_2e). Overall, we were able to reduce our Scope 1 and Scope 2 carbon footprint by around 17 percent compared to the previous year (see ESRS E1 Climate change mitigation and adaptation – Strategic approach).

The assessment of our Scope 3 emissions, which began in 2022, was further developed in 2024. The emissions reported in the current financial year now cover all our sites and utilised spaces (2023: 77 percent; 2022: 60 percent) and total 4,183 t CO_2e (2023: 3,581 t CO_2e; 2022: 4,632 t CO_2e). As a result, our Scope 3 emissions account for approximately 53 percent of our total emissions[14].

Biogenic emissions

These further emissions are required to be reported separately in accordance with the GHG Protocol, as they are not included in the CCF due to their climate-neutral nature. Other emissions are those resulting from the use of biofuels. In the 2024 financial year, France and Italy increasingly refuelled with such fuels. As a result, the proportion increased to 105 t CO_2e (2023: 22 t CO_2e; 2022: 8 t CO_2e).

12 GHG gross emissions for Scope 1, 2, and 3 categories as well as total GHG emissions.

13 The CCF 2024 includes data from the period January 1, 2024, to December 31, 2024, along with projections based on floor area.

14 Due to missing or insufficiently reliable data, our Scope 3 emissions do not yet include information or estimates for our leased assets.

Development of GHG total emissions

Accounting for our corporate footprint in accordance with the GHG Protocol and ESRS E1, AR. 48 (table)

	Retrospective				Milestones and target years		
	Base year 2022	2023	2024	Change in %	2030	2050	Annual % target/ Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (t CO_2e)	3,407	3,184	2,690	–16%	1,704	0	42
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (t CO_2e)	1,498	1,197	960	–20%	749	0	72
Gross marked-based Scope 2 GHG emissions (t CO_2e)		1,778	1,440	–19%			
Significant Scope 3 GHG emissions							
Total Gross indirect Scope 3 GHG emissions (t CO_2e)	4,632	3,581	4,183	17%	3,474	0	39
1. Purchased goods and services		1,146	1,435	25%			
2. Capital goods*	-	-	-	-	-	-	
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)		914	772	–16%			
4. Upstream transportation and distribution *	-	-	-	-	-	-	
5. Waste generated in operations		68	141	107%			
6. Business traveling		360	437	21%			
7. Employee commuting		1,080	1,383	28%			
8. Upstream leased assets*	-	-	-	-	-	-	
9. Downstream transportation		13	15	14%			
10. Processing of sold products*	-	-	-	-	-	-	
11. Use of sold products*	-	-	-	-	-	-	
12. End-of-life- treatment of sold products*	-	-	-	-	-	-	
13. Downstream leased assets*	-	-	-	-	-	-	
14. Franchises*	-	-	-	-	-	-	
15. Investments*	-	-	-	-	-	-	
Total GHG emissions							
Total GHG emissions (location-based) (t CO_2e)	9,537	7,962	7,833	–2%	5,927	0	47
Total GHG emissions (marked-based) (t CO_2e)		8,543	8,313	–3%			

* *Due to our business model, there are no GHG emissions in the Scope 3 categories 4, 8, 10 - 13 and 15.*

** *In accordance with the operational control approach of the GHG protocol, the emissions of our three remaining franchise companies are generally part of our corporate footprint. We therefore do not report these separately under category 14.*

*** *We are not yet able to report on the Scope 3 emissions of our leased assets due to a lack of available data and approaches for estimated values.*

Compared to the previous year, our total corporate footprint has been reduced by 2 percent, while data availability and quality have improved.

Our reported emissions are distributed across our countries and the corresponding regions as follows.

GHG emissions across regions and scopes 1, 2 and 3

Region	Scope 1 in t CO_2e	Scope 2 in t CO_2e	Scope 3 in t CO_2e	Total	Share of total emissions in %	Development of emissions in %
DACH						
2024	1,399	499	2,175	4,073	52	– 1%
2023	1,658	584	1,880	4,122	52	
Western Europe						
2024	350	125	544	1,018	13	– 3%
2023	444	53	550	1,047	13	
Southern Europe						
2024	511	182	795	1,488	19	– 3%
2023	704	342	482	1,528	19	
Northern/Eastern Europe						
2024	296	106	460	862	11	– 1%
2023	257	149	467	873	11	
Other regions						
2024	135	48	209	392	5	0%
2023	121	68	203	392	5	
Total 2024	**2,690**	**960**	**4,183**	**7,833**		**– 2%**
Total 2023	**3,184**	**1,197**	**3,581**	**7,962**		

Greenhouse gas intensity (ESRS E1-6, AR 53.)

GHG intensity per net revenue in tCO_2e / EUR	2023	2024
GHG total emissions (location-based) per EUR net revenue	0.0000124	0.0000097
GHG total emissions (market-based) per EUR net revenue	0.0000133	0.0000103

E1-7: Reduction in greenhouse gases and projects to reduce greenhouse gases, financed via CO_2 credits.

In the 2024 financial year, we did not remove any greenhouse gas from the atmosphere through carbon credits.

E1-8: Internal CO_2 pricing

We do not currently use an internal CO_2 pricing system. We continuously monitor regulatory and market developments on this topic and derive suitable measures for grenke.

We continue to measure our progress in reducing paper-intensive processes and strengthening digitalisation using the following control variables (TOP KPI):

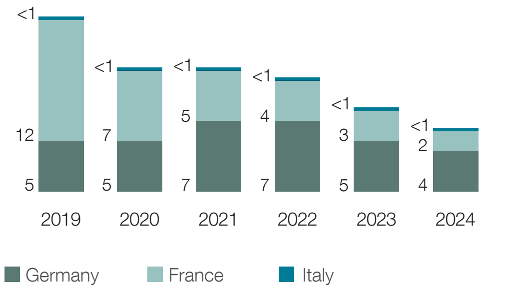
Degree of automation in the core leasing process

Our dispatching of invoices is largely paperless. In 2024, our digital invoicing solution continued to be available in 26 countries[15] (2023: 26 countries) (component of TOP KPI).

In Germany and France, the share of printed invoices declined by one percentage point in each country, to 4 percent in Germany (2023: 5 percent) and 2 percent in France (2023: 3 percent). The very low share already achieved in Italy remained unchanged at less than 1 percent (see the diagram "Share of printed invoices in core markets").

Share of printed invoices in core markets

as of December 31, 2024, in percent



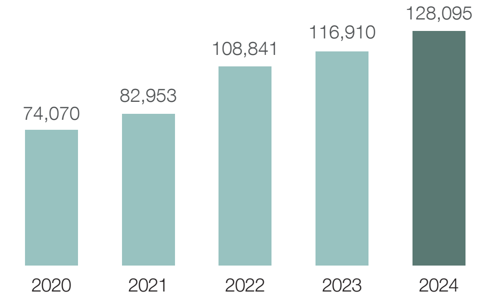
Our solutions also continued to allow documents to be digitally signed in 84 percent of grenke's markets (2023: 81.81 percent). In the 2024 financial year, a total of 128,095 contracts were signed electronically (2023: 116,910 contracts; see the diagram "Number of lease contracts signed electronically").

This allowed for a slight increase in the share of digitally signed contracts, resulting in an eContract ratio (part of the TOP KPI) of 40.5 percent in 2024 (2023: 40.1 percent).

As part of our sustainability strategy, we have outlined our strategic approach to digitalisation and resource conservation, which is also embedded in our Environmental Policy (see chapter ESRS 2 Sustainability strategy – Strategic goals and areas of action).

Number of leasing contracts signed electronically

as of December 31, 2024



15 Australia, Belgium, Denmark, Germany, Finland, France, United Kingdom, Ireland, Italy, Canada, Croatia, Latvia, Netherlands, Norway, Austria, Poland, Portugal, Romania, Switzerland, Singapore, Slovenia, Spain, Czech Republic, Hungary, United Arab Emirates, United States of America.

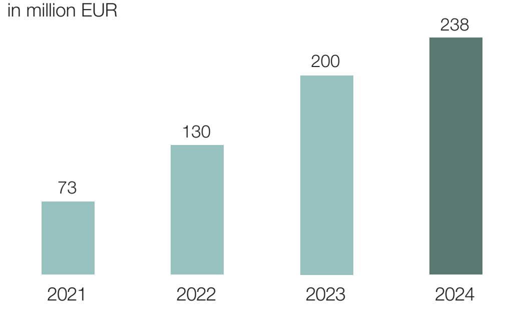
To measure our progress in contributing to the sustainable transformation of our customers' business activities, we use the following control variable (TOP KPI):

Green economy objects as percentage of total portfolio

In the 2024 financial year, green economy objects, measured by net acquisition value, increased to 7.8 percent of the Group's leasing new business (2023: 7.7 percent[16]). This is equivalent to 264,912 contracts Group-wide (2023: 242,826). eBikes continue to be very popular among green economy objects, accounting for 4.3 percent of the Group's leasing new business in 2024 (2023: 5.4 percent). Green economy objects as a percentage of our leasing new business in 2024 corresponded to a net acquisition value of EUR 238 million (2023: EUR 200 million) (see grenke Sustainability strategy, chapter ESRS 2 Sustainability strategy – Strategic targets and areas of action).

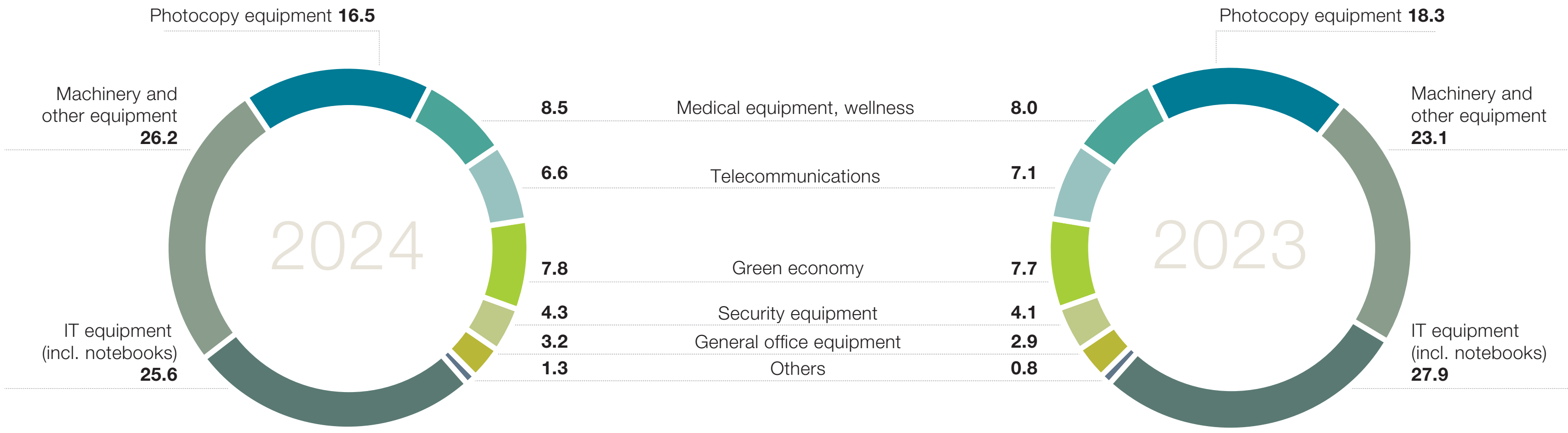
Green economy objects according to net acquisition volume

As of December 31, 2024
in million EUR



Composition of lease portfolio

in percent



16 In the 2024 financial year, the definition of green economy assets was expanded to include new asset types: electric commercial vehicles, drinking water dispensers, food waste compactors, food waste shredders, food waste biofermenters, and environmental container compactors.

Medical objects grew slightly across the Group to 8.5 percent of our total portfolio in 2024 (2023: 8.0 percent).

Positive effects in the value chain and opportunities for our business success

E1-9: Expected financial impact of material physical and transition risks and potential climate-related opportunities:

As part of our IRO analyses of the e-dimension and the associated surveys of our stakeholders, we found that the greatest opportunity with the most financial impact on our business success along our value chain lies in the development of new markets and the associated growth potential with green economy objects. We can control this by tracking the share of green economy objects in our total portfolio (TOP KPI).

We have also firmly embedded this potential in our sustainability strategy and in the focus and objectives of our areas of action (see chapter ESRS 2 Sustainability strategy – Strategic objectives and areas of action).

In the reporting year, we applied the phase-in regulation regarding the expected financial impact of material physical risks and transition risks and potential climate-related opportunities. We are progressing with our work on quantifying such disclosures so that we can report the related information in the years ahead.

3.3.3 ESRS E5 – Circular economy

Strategic approach, guidelines and policies

E5-1: Strategies related to resource utilisation and the circular economy

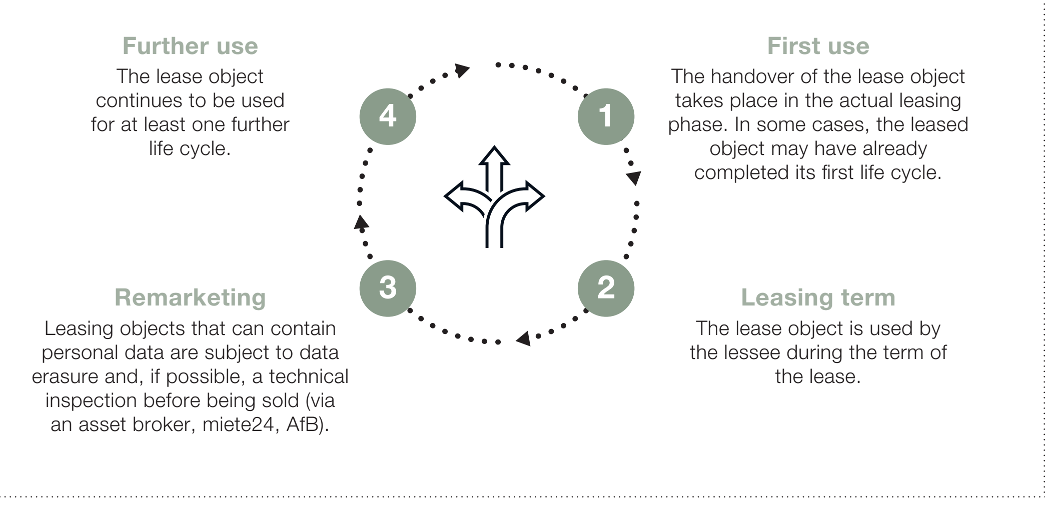
Regenerative concepts in the sense of a circular economy have always been part of our business model. For us, this begins even before the potential return of items: We lease new goods that fulfil current market and technology standards. We expect this to extend the useful life of the leased items. This means that the equipment can be used by our lessees beyond the normal lease term.

We also ensure that the items can be transferred to a second product life cycle after the lease term, for example by reselling them. As part of our sustainability strategy, we continue to develop these approaches and support them with corresponding guidelines and concepts (see chapter ESRS 2 Company profile - Policies and frameworks).

The majority of leased objects are further sold to our specialist reseller partners at the end of the lease term. To give the remaining leased assets a second life cycle, we operate our own recycling platforms in our core markets of Germany, France and Italy. Our asset brokers resell the leased objects to third-party customers after testing them for functionality, enabling them to be used again.

In 2024, we enhanced the development of our processes and offerings related to the circular economy by establishing a dedicated role. Alongside the operational asset broker business, our Head of Circular Economy is leading this advancement. He reports to the Vice President Sales (DACH), who primarily reports to the Chief Sales Officer.

grenke's approach to promoting a circular economy



Actions

E5-2, MDR-A:
To implement our strategic approach to the circular economy, we undertook the following measures in the financial year:

// Integration of the remarketing process into customer engagement

// Development of additional usage-based offerings

We aim to integrate our remarketing process more closely into our customer approach and develop new offers that align with circular economy usage models. This initiative also seeks to enhance the active management of our lease return portfolio, which our object brokers channel into a second life cycle.

For example, we are optimising our return processes with a focus on packaging. In the 2024 financial year, we expanded our collaboration with emission-free shipping partners and transport service providers while increasing the use of sustainable packaging materials. Additionally, a significant portion of the packaging material from returned items is reused for reshipping resold returns (see grenke Environmental Policy, chapter ESRS 2 Company profile – Policy and frameworks).

No significant capital expenditures were made in the circular economy during the 2024 financial year.

Targets and metrics

E5-3, MDR-T:
We measure our progress on the implemented measures based on the number of objects resold at the end of the lease term and their transition to a second lifecycle. We aim to provide organised support for the return of these used leasing objects and their transition to a second lifecycle. This includes continuing to evolve our own reuse platforms, potential partnerships, and the design of our financing products.

Over the next two to three years, we plan to systematically collect further data on the handling of used lease objects.

The development of data quality is still ongoing, and there are no concrete implementation concepts, targets, or estimates for the planned measures yet. Statements regarding the expected impacts and dependencies of the circular economy on grenke's business model have been made as part of the materiality assessment in the IRO analysis in chapter ESRS 2 Sustainability strategy – SBM-3: Material sustainability-related impacts, risks, and opportunities.

E5-4 and E5-5:
Resource inflows and resource outflows
The majority of the objects are sold on to the specialist reseller partners at the end of the term. Only a small proportion of 2 percent of all leased objects are returned to grenke after when the contract ends. In the 2024 financial year, we took delivery of 23,889 objects in our core markets of Germany, France and Italy through our grenke object brokers. As a result, in 2024, we were unable to maintain our 2023 financial year record of 27,287. We were however able to significantly increase the number of items disposed of professionally in all three countries.

By "items" we mean the leased objects that our object brokers accepted at the end of the contract term.

Total number of items received in the 2024 reporting year

	2024	2023
Germany	13,454	16,263
France	7,202	7,562
Italy	3,233	3,462

Number of properly disposed items by asset brokers

	2024	2023
Germany	335	343
France	84	5
Italy	489	46

Returned objects in secondary use (asset brokers) in percent

	2024	2023
Germany	6.7	5.7
France	10.3	9.9
Italy	5.6	4.4

Number of articles resold by asset broker

	2024	2023
Germany	14,182	14,135
France	7,217	6,988
Italy	2,888	3,228

Recycling of non-recyclable electronics

With all returns processed by the object broker, there is always a small amount of non-recyclable electronics that we send for recycling. Disposal is handled by the non-profit organisation "Der Steg gGmbH" in Berlin, which employs people with mental disabilities.

In the financial year, we recycled non-recyclable electronics as follows:

in kg	2024	2023
Electronic waste without hazardous substances 16 02 14	1,073	2,651
Electronic waste with hazardous substances 16 02 13*[17]	26	196

Recycling is broken down into the following recovery rates:

in percent	2024	2023
Reuse	3.07	1.84
Material recycling	88.63	88.71
Energy recovery	6.47	7.24
Disposal	1.82	2.21

Combined Management Report

Group fundamentals
Economic report
Non-Financial Statement 2024
Changes in the Company's governing bodies
Risk report
Opportunities and outlook report
Acquisition-related disclosures
Corporate Governance Statement/ Report on Corporate Governance
Management Report of grenke AG

17 Potential hazardous substances in fraction 16 02 13 include small displays, capacitors, mercury switches (if applicable), flame-retardant circuit boards, PCBs and others.*

Positive impacts in the value chain and opportunities for our business success

E5-6:
grenke's core business of leasing is focused on utilisation and not ownership. We ensure that returned lease objects are reused or optimally utilised even after the contract period. This conserves resources and improves the environmental balance by extending the equipment's service life and reducing the need to manufacture new equipment. By expanding these processes and solutions, grenke is contributing to environmental protection and promoting sustainable business models. The increase in these offers thereby contributes to the long-term strengthening and stability of our market position.

The secondary market, particularly for IT products such as smartphones and laptops, is gaining importance from both an economic and ecological perspective. When leased IT products are transferred to the secondary market, they can retain average residual values in the double-digit percentage range relative to their original purchase price.

The investment in Miete24 enables grenke to test the secondary market with existing funds and to gather important empirical values for future strategic decisions.

E5-6: Expected financial impact from risks and opportunities in connection with resource utilisation and the circular economy

Our initiatives to strengthen the circular economy are currently being further developed. These efforts lay the groundwork for providing future reporting on their impact on our company's financial position and performance.

Social Contribution

ESRS S1
ESRS S4

We promote equal opportunities and innovation for our customers, business partners and employees alike.

STRATEGY & GOVERNANCE

- // Increase employee satisfaction and loyalty
- // Talent promotion and further development
- // Strengthening women's representation and diversity
- // Promoting equal opportunities and innovation

Health and Safety Policy

Responsible financial services

ACTIONS

- // Offers from the areas of flexibility, family, health, development
- // grenke Engagement Score
- // Diversity, inclusion and equal opportunities
- // Work schedule models
- // Remote work and New Work approaches
- // Physical and mental health
- // Customer safety and satisfaction

TARGETS & KPIs

16 Mental Health First Aider

> 520,000 Number of SME customers

8.9 % Fluctuation rate

Around 83 % of sales via resellers

2.1 grenke Engagement-Score

2,295 Employees

90 % Employee satisfaction

32.4 % Women in top management

> 39,000 Resellers

POSITIVE IMPACTS

- // Secure jobs and an attractive working environment
- // Promoting innovation and increasing work motivation
- // Promoting women in top management and leadership positions
- // Offering SME customers access to financing opportunities
- // Expansion of strong partnerships
- // Career opportunities and further development

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY

3.4 Social contribution

3.4.1 ESRS S1 – Own workforce

Strategic approach, guidelines and concepts

S1-1/SBM-2/SBM-3/MDR-T/S1-2/S1-3: Strategies in connection with our workforce and process to mitigate negative impacts

Our success is essentially based on the skills and commitment of our employees, "Team grenke".

An attractive work environment, occupational health and safety, health and diversity measures and a transparent corporate culture and communication contribute to grenke AG's business success. The satisfaction of our employees strengthens grenke's reputation as an attractive employer. Conversely, a negative work environment can increase the susceptibility of processes to errors and jeopardise the continuation of business operations due to increased fluctuation and a lack of capacity. At the same time, the lack of qualified specialists could make recruitment more difficult and lead to an innovation bottleneck, as the necessary talent for the development of new ideas and technologies is lacking (see chapter ESRS 2 Sustainability strategy – Description of the processes for identifying and assessing the main impacts, risks and opportunities). We have established the foundation for our measures in our health and safety guidelines and defined the strategic areas of action in our sustainability strategy (see chapter ESRS 2 Sustainability strategy – Strategic objectives and areas of action).

Attracting new employees and retaining and developing existing ones is therefore at the heart of our business strategy.

We have also implemented provisions in our grenke Code of Conduct to ensure that child labour, forced labour, modern slavery, and human trafficking are not tolerated throughout our value chain or in the sourcing of products and services (see chapters ESRS 2 Sustainable Business conduct – Policies and frameworks and ESRS G1 Business conduct).

Our "House of Benefits" describes our various offers and measures for an attractive working environment. A transparent and attractive salary model forms the basis and is supplemented by the areas of flexibility, family, health and personal development.

We offer our employees additional benefits such as bike leasing, an occupational disability insurance subsidy, numerous discounts via the corporate benefits platform, meal allowances and free use of the grenke Bank credit card programme. We are also continually expanding our concepts to promote and retain our employees at locations in all countries (see chapter ESRS S1 Own workforce - Actions).

Flexibility

Our digital infrastructure offers our employees various options for work flexibility, such as remote working. Many employees also took advantage of this offer in the 2024 financial year. Our employees generally work remotely at least one day a week. Depending on the focus of their work and in consultation with the responsible manager, this is also possible for up to four days a week. On average, our employees applied to work remotely three days per week (2023: three days). We provide employees digital training on working remotely and at a distance in order to support them with any technical, communication or organisational challenges that may arise. At the same time, we also want to make working at our locations more attractive for our employees and are evolving with the changes in the working world. We are continuously working on new space and workplace concepts to meet the requirements of our employees in the context of New Work approaches. They have modern work environments with open spaces, meeting boxes and spacious lounges that encourage interaction and creativity (see the chapter ESRS E1 Climate change mitigation and adaptation – Actions). We also offer our employees special days of leave for various life events, such as relocation. Working from a different location is also becoming increasingly popular. Since the 2024 financial year, we have offered "workations" that employees can apply for. Workation is made up of the words "work" and "vacation". Since the summer of 2024, employees have had the opportunity to spend a few weeks working outside of Germany from other European countries.

Family

We believe our employees can better fully develop their skills and potential when they have a balance between their private and professional lives. As an employer, we strive to support this work-life compatibility in various life situations. For example, we subsidise childcare for pre-school children and foster children, as well as provide support for employees caring for dependent relatives.

Our “Welcome Newborn” programme supports young parents during their first weeks and months as new parents by offering modified work schedules with full compensation. We also aim to assist employees in special life situations and circumstances through initiatives like our “Support in Special Life Situations” programme (see chapter ESRS S1: Own workforce – Targets and metrics).

Since the 2024 financial year, we have been organising regular networking and information events for employees on parental leave at our headquarters (see chapter ESRS S1 Own workforce - Actions under ParentsConnect). FamilyDay (see chapter ESRS S1 Own employees - Actions under FamilyDay), which took place at the Festspielhaus Baden-Baden in 2024, is another opportunity for our employees’ families and especially their children to exchange ideas.

Health

We are counteracting possible negative effects with a holistic health and safety concept in the workplace. The concept includes offers for both physical and mental health, such as a hybrid health day under the motto “Because Health Matters” in 2024, the new initiative and training to become a Mental Health First Aider (MHFA), the introduction of a bi-monthly information event on topics such as mental health, resilience, depression and burnout prevention and a monthly RunDay Monday, a joint running event (see chapter ESRS S1 Own workforce - Actions under health@grenke).

Development

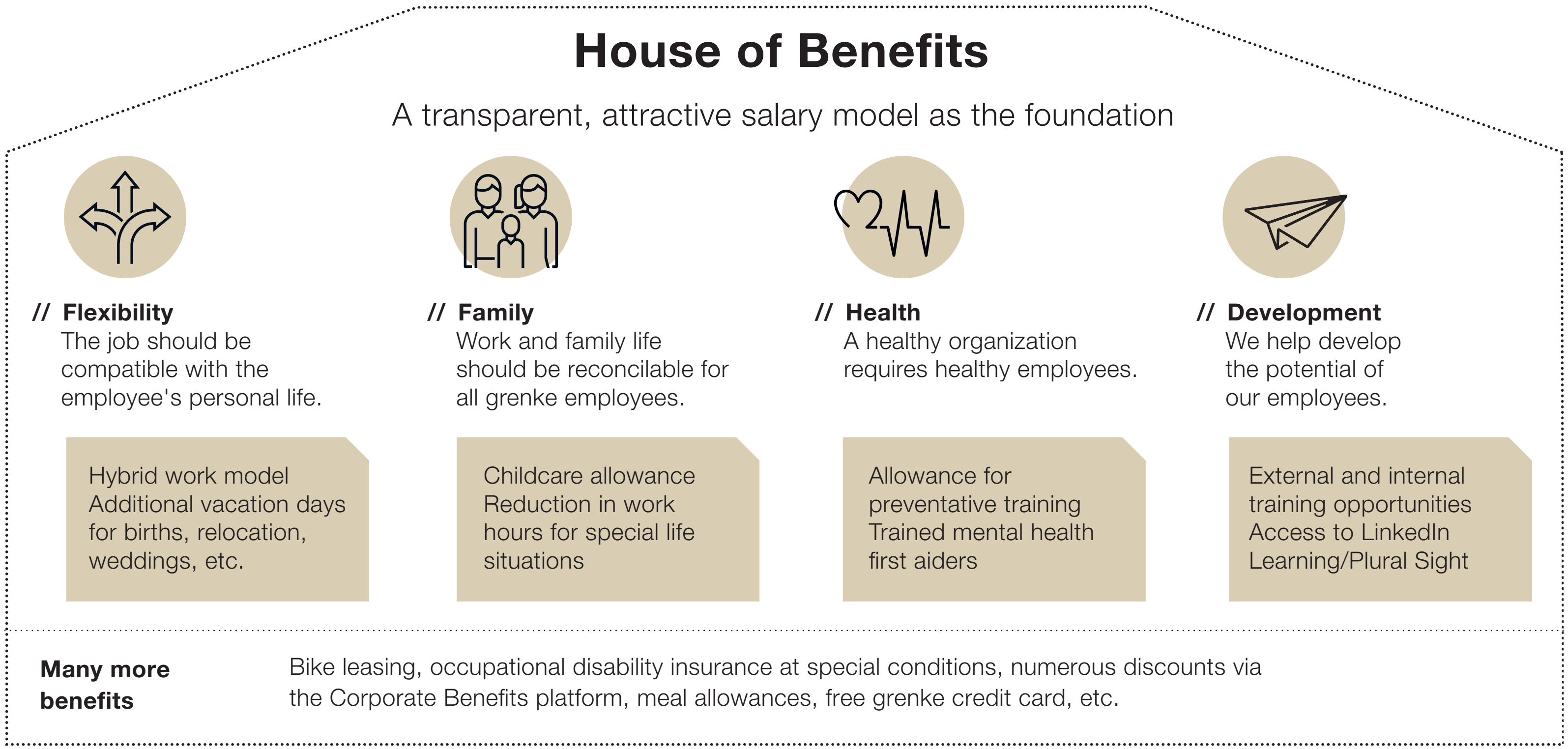
All grenke employees have access to the internal learning management system called the grenke Talent Lab. The grenke Talent Lab is also available to employees on temporary contracts, apprentices and trainees. The grenke Talent Lab contains over 80 training courses from the areas of IT, administration and legal, sales and other categories. Two-thirds of the courses offered are learning-on-demand training courses and one-third are held live. The majority of training courses are available in German and English. In the 2024 financial year, we also organised an international LearningWeek with a wide range of workshops and training courses. A total of 2,000 participants worldwide took part in the 67 themed learning programmes.

Promoting young talent is a particular concern of ours. We are constantly developing our processes to ensure a smooth training or study programme. In the 2024 financial year, we trained 77 apprentices and students across the Group (2023: 58). We achieved a retention rate of 44 percent (2023: 72 percent). In 2024, we were once again certified and recognised as a “Top Employer Germany”.

The expansion of our training opportunities helps to ensure appropriate staffing levels and staff turnover TOP KPI - see Chapter 1. Group fundamentals under 1.3.3 Non-financial performance indicators and chapter ESRS S1 Own workforce – Targets and metrics. The HR department coordinates and manages all key personnel matters in close cooperation with the Board of Directors and the local managing directors. Personnel issues and the key performance indicators are regularly evaluated and discussed at Board of Directors meetings.

The progress and achievement of the targets for the TOP KPIs — turnover rate, grenke Engagement Score, and employee training days — are monitored and adjusted as part of the strategic development process at the defined intervals of the strategy cycle. These targets remain valid until 2025.

House of Benefits



S1-1:
Diversity Strategy with Target Setting and Statement by the Board of Directors (Section 289f (2) No. 6):
For the Corporate Governance Statement in accordance with Section 289f (2) No. 6 HGB, we report in Chapter 8 of the Annual Report 2024 and refer to the 2024 declaration of compliance by the Board of Directors and Supervisory Board with the German Corporate Governance Code (GCGC) pursuant to Section161 AktG.

Actions

S1-4 and MDR-A:
Our measures and offers to implement our strategic focus areas to increase employee satisfaction and retention, promote diversity, increase the proportion of women at grenke, and foster talent development include the following:

- // Annual employee survey (grenke Engagement Score)
- // Contribution to childcare costs
- // Family Day
- // Parents Connect
- // Health@grenke with offerings for physical and mental health
- // Company bike leasing
- // Time tracking (digital time recording)
- // Buddy programme
- // CompleGrenke (Italy)

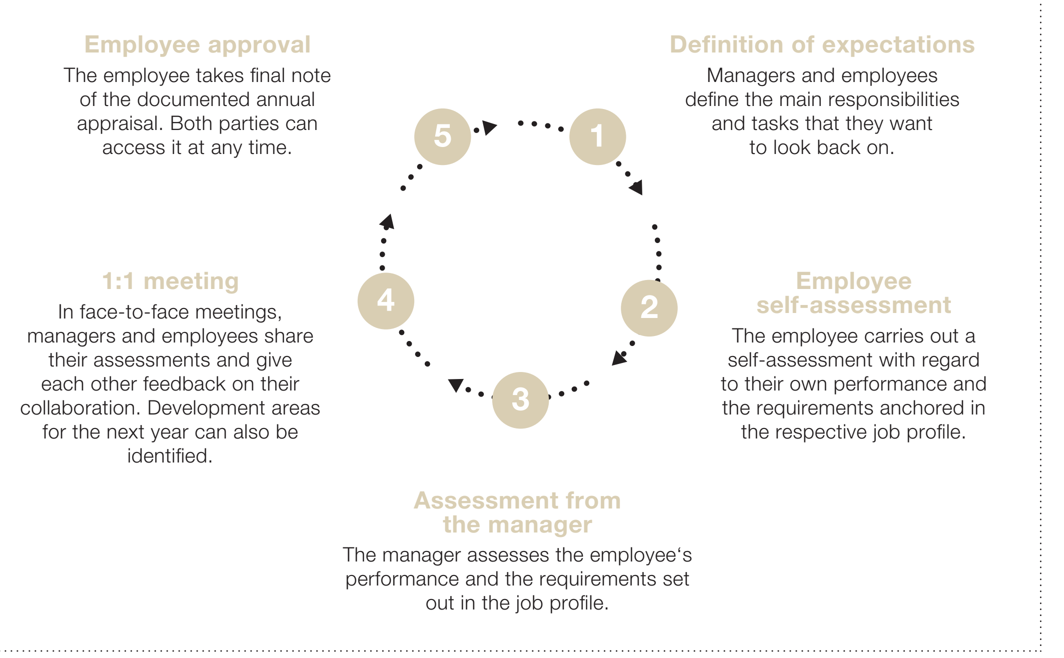
Annual employee survey (grenke Engagement Score)

As part of our annual satisfaction survey for all employees, we determine the grenke Engagement Score (GES) across the group, which we have also defined as a TOP KPI (see Chapter 1. Company fundamentals under 1.3.3 Non-financial performance indicators). The grenke Engagement Score measures employee satisfaction based on results in the areas of engagement, identification, and retention, as well as overall satisfaction with the Company. The score is measured on a scale from 1 to 7, with 1 indicating high satisfaction and 7 indicating low satisfaction. Carrying out the employee survey is managed by the external provider CUBIA AG. Within grenke AG, the Head of People Experience serves as the contact person, while operational responsibility lies with the Vice President HR and the CEO, according to the business allocation plan.

The participation rate across the group was 67.8 percent (2023: 68.4 percent). Based on all responses received, the grenke Engagement Score for the 2024 financial year was 2.1 (2023: 2.1). Our long-term target is to achieve a grenke Engagement Score of at least 2.2.

The employee survey is anonymous and includes both quantitative questions and opportunities for qualitative feedback, suggestions for improvement, and complaints. Employees also have the option to raise concerns directly with their supervisors during the annual employee appraisals.

Annual employee appraisal



We use employee feedback to continuously improve employee satisfaction within the Company. A recurring theme in our surveys is the perceived workload, which we actively consider when planning personnel resources. Besides, we have expanded our health management programme to include mental health initiatives and training on workload management. The survey results are directly integrated into the ongoing development of our HR strategy, sustainability strategy, and corporate strategy.

Diversity, inclusion and equal opportunities

We view diversity and equal opportunities as core principles and essential drivers of our corporate success (see chapter ESRS 2 Company profile – Sustainable corporate governance). Our goal is to attract, develop, and retain top talent for the long term – regardless of culture, nationality, ethnicity, gender, sexual orientation, physical and mental abilities, faith, political beliefs, age, or experience –while upholding international human rights (see grenke Code of Conduct, as well as chapters ESRS 2 Company profile – Policies and Frameworks and ESRS G1 Business conduct – Strategic approach). Since the 2023 financial year, we have been working to expand initiatives and strengthen our corporate culture through an interdisciplinary project aimed at enhancing our approach to diversity, inclusion, and equal opportunities. This has led to initiatives such as our Parents Connect programme (see Metrics in ESRS S1 – Own workforce) and our commitment to employee mental health.

Contribution to childcare costs

We contribute to childcare costs for children who are not of school age and relatives in need of care. grenke grants a monthly allowance of EUR 250 per relative in need of care. Families also receive EUR 250 as a childcare allowance for the first child up to school age. For the second child, support of EUR 125 is granted, and EUR 50 for each additional child.

Family Day and Partnership with the Festspielhaus Baden-Baden

grenke has been a long-time partner of the Festspielhaus Baden-Baden, helping young people access classical music. Through the educational programme “Kolumbus: Discovering Classical Music,” students can attend performances at discounted rates. In financial year 2024, following a pause, we once again hosted our Family Day at the Festspielhaus. On this day our employees and their families had the chance to experience the world of theatre and classical music together.

Parents Connect

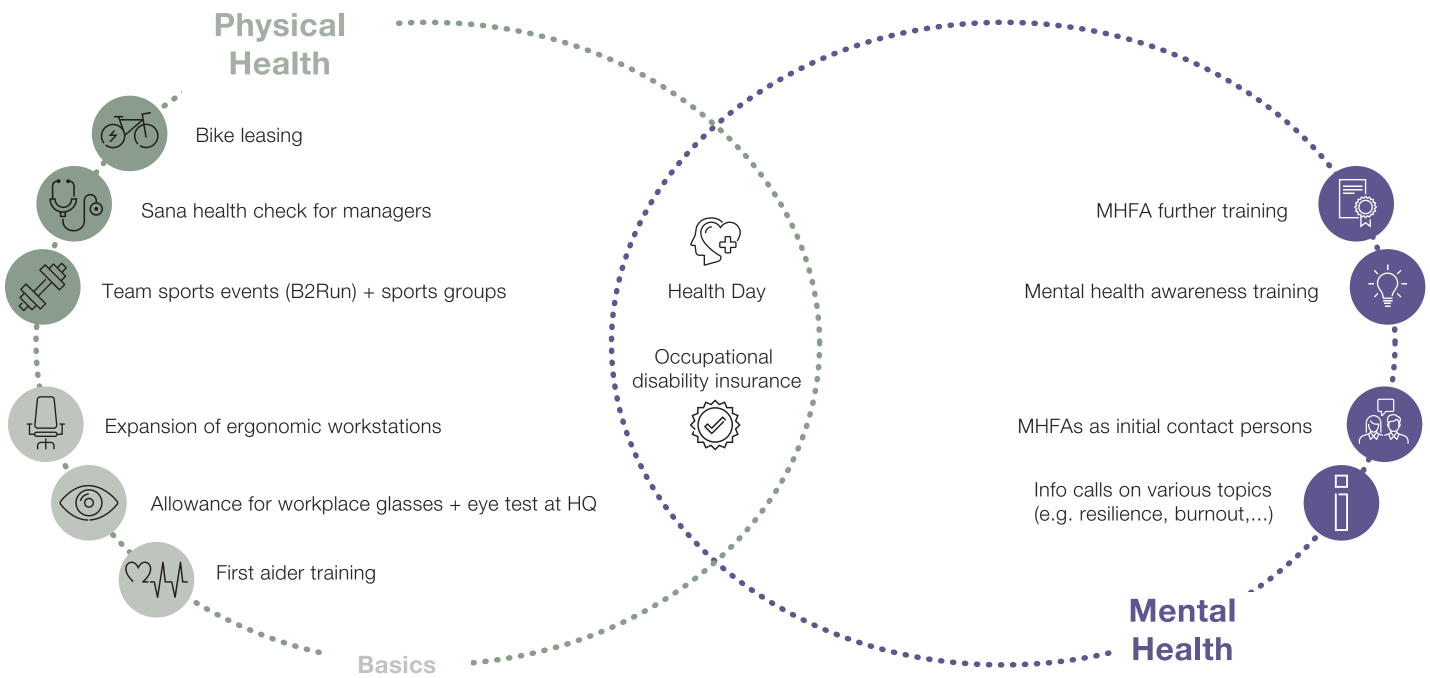
Even during parental leave, we want to give mothers and fathers the opportunity to stay connected with Team grenke. For this purpose, we launched the Parents Connect format in financial year 2025. This is an in-person meeting where employees on parental leave can exchange ideas, stay informed about current developments within the Company, and maintain contact with colleagues. Employees who have recently returned from parental leave also benefit from this network. In 2024, we held two Parents Connect events. We plan to continue offering these events several times a year in the future.

Health@grenke

The health and wellbeing of our employees are essential elements of a high-performing and resilient organisation. We support our employees with programmes aimed at maintaining, improving, and promoting their mental and physical health (see Health and Safety Policy, chapter ESRS 2 Company profile – Policies and frameworks).

- // **Physical Health:** We foster a workplace environment and provide comprehensive programmes that support the physical health of our employees. Next to ergonomic workstations, these programmes include access to bike leasing, sports groups (e.g. Runday Monday), health checks for executives (Sana health checks), subsidies for computer glasses, and eye exams at our headquarters. We also ensure the availability of first aid at our locations through voluntary First Aider training (see Health and Safety Policy, chapter ESRS 2 Company profile – Policies and frameworks).
- // **Mental health:** We also want to strengthen the mental health of our employees. Our programmes focus on a healthy and balanced approach to information, emotions and stress factors. This includes our Mental Health Awareness Training and informational events on topics such as resilience and burnout. Employees can also volunteer for training as a Mental Health First Aider and act as the first point of contact for mental wellbeing for colleagues. A total of 16 of our employees have already been trained as Mental Health First Aiders (see Health and Safety Policy, chapter ESRS 2 Company profile - Policies and frameworks). Our health programme is rounded off by a health day at headquarters, online seminars and an offer for occupational disability insurance.

Approach to physical and mental wellbeing



Company bike leasing

Through company bike leasing, we offer our employees the opportunity to lease bicycles and eBikes at favourable tax rates, making climate-friendly commuting more attractive. To support this initiative, we provide training on its benefits, application process, and administration.

Time tracking – Introduction of digital time recording

According to the European Court of Justice (ECJ) judgement, employers in the member states of the European Union are obliged to fully record the working hours of all employees in a reliable, neutral and easily accessible system. In the 2024 financial year, we introduced digital time recording in Germany for this purpose. Following its full introduction in all German companies in the new financial year, this will affect 42 percent of employees across the entire grenke Group. In the grenke countries, local working time legislation applies to the implementation of time tracking. Digital time recording creates transparency regarding working hours. Employees can record their working hours independently. In this way, time tracking promotes a healthy work-life balance and enables further flexibility in the organisation of work hours.

Buddy programme

All new trainees and working students are assigned a buddy at the start of their training or work-study programme. This buddy helps them settle into the grenke working environment and serves as a go-to person for any questions. More experienced apprentices and working students take on the buddy role, as they are familiar with both the work at grenke and the specifics of their respective educational institutions.

CompleGrenke initiative (Italy)

An example of a local initiative in Italy to promote our diversity is the CompleGrenke initiative. This initiative honours the longstanding commitment of our employees by donating to local charitable organisations. This year, we expanded our sustainability efforts by actively involving our employees in selecting the organisations to support through a Company-wide survey. This participatory approach led to the selection of 37 "favourite" organisations chosen by our team members. Beyond strengthening the connection between grenke and local communities, this initiative has also increased stakeholder engagement by fostering shared stories and experiences (see chapter ESRS 2: Sustainability strategy – Strategic goals and action areas).

No significant capital expenditures were made in the 2024 financial year for measures aimed at improving employee satisfaction, retention, and development.

Targets and metrics

S1-5, MDR-T: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

We measure the progress of our initiatives to improve employee satisfaction, retention, and development using the following TOP KPIs and the indicators required by the ESRS:

- // Fluctuation rate (see chapter ESRS S1 Own workforce – Targets and metrics under S1-6 Employee characteristics)
- // grenke Engagement Score (see chapter ESRS S1 Strategic approach)
- // Number of training days for our employees (see chapter ESRS S1 Own workforce – Targets and metrics under S1-13 Training and skills development parameters)

This is how we make our goals measurable and manageable. Further details on the objectives of these TOP KPIs can be found in Chapter 1.3.3 Non-financial performance indicators in group management report.

S1-6: Characteristics of the undertaking's employees

In the 2024 financial year, we employed an average of 2,295 people (headcount; 2023: 2,157). In full-time equivalents (FTEs), this corresponds to 2,196 employees (2023: 2,068). In terms of headcount, our German locations accounted for 966 employees (2023: 896), while 1,330 people (2023: 1,262) were employed at our international locations. The HR Analytics department collects and analyses the data on our workforce (see the Group KPIs in this Annual Report 2024). The employee data is analysed according to "female", "male" and "diverse". For "diverse", the analysis in the 2024 financial year resulted in a value of 0 (2023: 0).

Headcount

Number of employees	**2024**	**2023**
Male	1,056	1,003
Female	1,239	1,154
Diverse	0	0
Total number of employees	**2,295**	**2,157**

Total number of employees on an annual average by headcount and employment type

	2024			2023		
	Female	Male	Total	Female	Male	Total
Number of employees	**1,239**	**1,056**	**2,295**	**1,154**	**1,003**	**2,157**
Number of permanent employees	1,239	1,056	2,295	1,154	1,003	2,157
Number of temporary employees	0	0	0	0	0	0
Number of employees without guaranteed working hours	0	0	0	0	0	0
Number of full-time employees	999	1,014	2,013	945	965	1,910
Number of part-time employees	240	42	282	210	38	248
Number of admissions	263	234	497	251	273	524
Number of departures	95	109	204	113	97	210

Development of the annual average number of employees by headcount in grenke's core markets: Germany, France, and Italy

Core markets	2024				2023			
	Germany	France	Italy	Total	Germany	France	Italy	Total
Number of employees	966	218	206	1,390	896	194	213	1,303
Number of permanent employees	966	218	206	1,390	896	194	213	1,303
Number of temporary employees	0	0	0					
Number of employees without guaranteed working hours	0	0	0					
Number of full-time employees	782	202	184	1,168	736	177	200	1,113
Number of part-time employees	184	16	22	222	160	17	13	190

Headcount

Number of employees	2024	2023
Country		
Germany	966	896
France	218	194
Italy	206	213
Finland	61	51
Poland	52	54
Portugal	67	64
Spain	91	87
UK	97	90

Turnover rate

We determine the staff turnover rate (TOP KPI; see Chapter 1. Group fundamentals under 1.3.3 Non-financial performance indicators) on the basis of employees joining and leaving the Company. Our staff turnover rate in the 2024 financial year was 8.9 percent on average across the Group (2023: 9.7 percent). In Germany, this was 9.3 percent in 2024, compared to 8.3 percent in 2023.

Our goal is to maintain a staff turnover rate lower than the financial and insurance services sector average. In 2022, this industry figure stood at an average of 16.8 percent, meaning we remained within our target for the financial year. In the 2024 financial year, there were five terminations for operational reasons (2023: 1), with contracts ending on December 31 of the respective year.

S1-7: Characteristics of non-employees in the undertaking’s own workforce

We have no employees who are not employed by grenke.

S1-8: Collective bargaining agreements

Our employment relationships are not subject to collective bargaining agreements.

S1-9: Diversity metrics

Since 2021, we have emphasised the importance of gender diversity in our company by setting targets for our committees, Board of Directors, Supervisory Board, and top management. By top management, we refer to the first and second management levels below the Board of Directors. In the current financial year, the proportion of women on the Supervisory Board remains at 17.0 percent, still below our target of 33.0 percent. In absolute terms, this means that one in six members is a woman. Our long-term goal remains to achieve the 33.0 percent target.

The target set by the Supervisory Board of 25 percent women on the Board of Directors was met. The Board of Directors consists of one female and three male members. Further information on the composition of the Supervisory Board and Board of Directors can be found in the Report of the Supervisory Board.

Women’s representation on the Supervisory Board and Board of Directors as of December 31 in percent

	2024		2023
	Target (%)	Result (%)	Result (%)
Supervisory Board	33.0	17.0	17.0
Board of Directors	25.0	25.0	33*

* *The change in the proportion of women on the Board of Directors is due to the fact that the Board of Directors consisted of three people as of December 31, 2023 and four people as of December 31, 2024. On both reporting dates, one member of the Board of Directors was female.*

In 2024, the proportion of women in top management at grenke AG was 32.4 percent (2023: 33.9 percent) – once again exceeding our 30.0 percent target. Of the 67 top management positions, 22 were held by women. Across the Group, the proportion of women in top management equalled 27.2 percent in 2024 (2023: 28.0 percent), with 63 out of 231 top management positions held by women. Despite falling short of our 30.0 percent target at the Group level, we remain committed to achieving this goal both at grenke AG and across the entire Group.

Top management positions held by women as of December 31 in percent

	2024		2023
	Target (%)	Result (%)	Result (%)
grenke AG	30.0	32.4	33.9
grenke Group	30.0	27.2	28.0

More than half (64 percent) of our workforce is between 30 and 50 years old. The age distribution is as follows:

Age structure as of December 31 in percent

	2024	2023
Under 30 years	22%	22%
30 to 50 years	64%	64%
Over 50 years	14%	14%

S1-10 und S1-16: Adequate wages and remuneration metrics (pay gap and total remuneration)

To make the appropriateness of our remuneration transparent and measurable, we launched the "Compensation Grid" project in the 2023 financial year. With this project, we also want to comply with the provisions of the EU Remuneration Transparency Directive. The project aims to analyse the salaries of our employees according to their positions and hierarchies. A benchmark comparison of salaries is also intended to ensure that remuneration is in line with the market. The first phase of the project to date focused on establishing the prerequisites for analysis. In 2024, employees of our German entities were classified according to standardised job levels and assigned to career paths – a key foundation for future comparisons and benchmark analyses. The compensation grid remains in the project phase. We will continue its development in 2025 to ensure we can report valid data on the appropriateness of our remuneration in the future (see Chapter 3.6 Appendices under "Phase-in table").

S1-11: Social protection

grenke offers all its employees protection in the event of illness, unemployment, accidents at work and disability, parental leave and retirement within the framework of statutory regulations.

S1-12: Persons with disabilities

We want to create an inclusive environment for all employees, including people with disabilities - visible and invisible - and neurodiverse people. To meet the needs of all employees, we ensure accessible workplaces. This includes accessible entrances, lifts, toilets and parking spaces. We create appropriate conditions and flexible working options for the individual needs of our employees. grenke's ability to measure the number of employees with disabilities or neurodiverse employees depends on voluntary self-disclosure and is limited by data protection laws, e.g. the European General Data Protection Regulation (EU GDPR). For the reasons described above, we are unable to disclose any further information at this time.

S1-13: Training and skills development metrics

We understand personnel development to mean the targeted, individualised promotion of our employees across all hierarchical levels. In the annual review meeting between employee and manager, performance, potential and individual competences are discussed and assessed. Potential training needs and wishes for further development can also be derived from this. These are taken into account in the annual training plan. Since 2022, the annual appraisal process has also included top management, i.e. the first level below the Board of Directors. The reported percentages for regular performance appraisals in the table below relate to the grenke Group[18].

18 Calculations refer to the grenke Group, i.e. grenke AG as the parent company and all German and international subsidiaries. Franchise companies and agencies are not included.

Assessment of performance and career development

	2024		2023	
	Male	**Female**	**Male**	**Female**
Percentage of employees with regular performance and career development reviews	48.5%	51.5%	46.3%	53.7%
Training rate grenke Group		98.8%		99.0%
Average number of training hours per employee		23.65		29.39

We offer a comprehensive range of training and development programmes for the further development of our employees, as described in the "House of Benefits" in this chapter and under "Development". We measure the programmes' utilisation based on the average number of training days per employee that were used for voluntary and mandatory training in the reporting period. In the 2024 financial year, the average number was 3 days (2023: 3.7 days) with a Group-wide training ratio of around 99 percent (2023: 99 percent). This puts us slightly below the target ratio of 3.5 to 4 training days per employee in the 2024 financial year. We will continue to strive to achieve this target (see TOP KPI - Chapter 1. Group fundamentals under 1.3.3 Non-financial performance indicators).

S1-14: Health and safety metrics

Our OHS guideline (see ESRS 2 Company profile – Policies and frameworks) applies to all companies in Germany. We also comply with the applicable health and safety regulations in the respective countries where our subsidiaries are located and offer appropriate measures. As a result, these health and safety precautions apply to 100 percent of our employees.

In Germany, Company representatives are appointed to the areas of occupational medicine, occupational safety and fire protection in order to maintain, promote and improve safety and health in the workplace. The requirements for appointment as well as the tasks and contents of the grenke Company representatives result from the Occupational Safety Act (ASiG) in conjunction with DGUV Regulation 2 (German Statutory Accident Insurance), the building regulations of the federal states, relevant official requirements and ISO 9001.

On average, our employees were absent due to illness for 9 days in the 2024 financial year (2023: 7 sick days per employee Group-wide). In the 2024 financial year, 13 work-related accidents (2023: 6 accidents) were reported to our accident insurance by HR in Germany. However, none of these accidents were serious. For the individual Group companies, the cases were distributed as follows:

Work-related accidents as of December 31, by reported accidents

	2024	2023
grenke AG	7	3
GRENKEFACTORING GmbH	0	0
GRENKE BUSINESS SOLUTIONS GmbH & Co. KG	1	2
GRENKE digital GmbH	2	0
GRENKE Investitionen & Verwaltungs KGaA	0	1
grenke Bank AG	3	0
Total	**13**	**6**

There were no fatalities as a result of work-related injuries. The work-related hazards that represent a risk for injuries with a high risk potential can be classified as extremely low and do not represent any significant risks with the business model or in the everyday work life at grenke.

S1-15: Work-life balance metrics

In 2024, our employees made use of our individual, life-phase-oriented work schedule and work location models as follows:

All employees in Germany are potentially entitled to parental leave, with the exception of those on parental leave or long-term absence. This exclusion also applies to our "Special Life Situations" and "Welcome Newborn" work schedule models for family-related leave. Employees still in their probationary period are not eligible. Trainees and students, on the other hand, are eligible. In the financial year, 7.8 percent (in figures: 1,017 eligible employees) of our employees at our German companies were entitled to parental leave and 4.6 percent (in figures: 935 eligible employees) to the “Special Life Situations” and “Welcome Newborn” offers (2023: 8.1 percent/2.6 percent).

A total of 51 people returned from parental leave in the 2024 financial year (2023: 44).

Use of work schedule models as of December 31, by headcount

	2024		2023	
	Male	**Female**	**Male**	**Female**
Parental leave	21	58	19	57
Return from parental leave	21	30	18	26
Newborn arrival	17	0	8	0
Special life situations	10	16	5	9

S1-16: Remuneration metrics

(see S-10 above)

S1-17: Incident, complaints and severe human rights impacts

There were no serious incidents of human rights violations or related complaints or formal grievances in the 2024 reporting year.

Positive impacts in the value chain and opportunities for our business success

We see a positive impact on our business success by ensuring we have appropriate measures in place to safeguard jobs and strengthen an attractive work environment. The diversity of our workforce promotes innovation and productivity. This goes hand in hand with the promotion of women to management positions. We are convinced that the continuous development of our employees strengthens the future viability of our Company along our entire value chain.

Innovation, partnerships and sponsorship

For us, corporate responsibility also means that we give part of the profits we make back to society and support organisations or projects that are not directly related to our value creation (see grenke Code of Conduct, chapter ESRS 2 Company profile - Policies and frameworks). As part of this commitment, we support sport, culture, education and projects that promote children and young people. In the financial year, we supported projects, institutions and various clubs with a total of around EUR 2.2 million (2023: EUR 1.8 million). In addition to our strong commitment to chess, we have also been a partner of the BORA–hansgrohe cycling team since 2024.

3.4.2 ESRS S4 – Consumers and end-users

Strategic approach, guidelines and policies

S4-1/SBM-2[19]/SBM-3[20]: Strategies in connection with customers and specialist reseller partners

We want to provide our SME customers with the best possible support for their investment projects with suitable financing solutions. In total, our customers include over half a million SMEs. In our 33 countries, market access is achieved through both indirect sales and direct sales. In indirect sales, individual leasing contracts are concluded through cooperation with specialised dealers. In contrast, in direct sales, we generally agree on financing frameworks with our lessees over a term of twelve months. The approved volume can be utilised by our direct customers for purchases over this period (see Chapter 1. Group fundamentals under 1.1.1 Business model and segmentation).

We focus on simple and fast financing solutions as well as a personalised service for our specialist reseller partners and SME customers. As part of this year's materiality analysis, we identified potential loss of trust and reputation due to disregard for our customers' needs as a significant risk to our business success. To ensure the satisfaction of our customers and specialist reseller partners, we are continuously developing our leasing and rental solutions as well as our service.

For us, good customer relationship management naturally includes respect for human rights, a fair business environment, and compliance with applicable laws and regulatory requirements. Our employees follow the grenke Code of Conduct to uphold mutual respect and trust in interactions with customers and specialist reseller partners (see grenke Code of Conduct, grenke Supplier Code; see also chapters ESRS G1 Business conduct and ESRS 2 Company profile – Policies and frameworks).

S4-2: Process for involving customers and specialist reseller partners

We actively involve our customers and specialist reseller partners in the continued development of our services. We are represented with 132 locations in 33 countries. The regional structure of our sales organisation enables direct and personal dialogue with our customers and specialist reseller partners (see chapter ESRS 2 Sustainability strategy - Stakeholder dialogue). We receive further feedback from our SME customers and specialist reseller partners through their participation in various surveys. In addition, information can be communicated to us via our whistleblower system, the grenke Integrity Line (see chapter G1 Business conduct – Actions under "grenke Integrity Line").

In the 2024 financial year, we conducted a survey of our customers (lessees) and specialist reseller partners throughout Germany. The survey covered the topics of satisfaction and partners' willingness to recommend grenke, as well as grenke's image and relevance as a financing partner.

To summarise, both our customers and specialist reseller partners showed a high level of satisfaction with grenke as a partner. On a scale of 1 (very dissatisfied) to 5 (very satisfied), the answers from our specialist reseller partners resulted in an average rating of 4.0. The answers from our customers resulted in an average rating of 3.85. For around two-thirds of the participating customers and specialist reseller partners, grenke is the only or most important partner or leasing provider. Two-thirds of our specialist reseller partners stated that grenke was their first choice as a leasing partner and rated the partnership as trustworthy, reliable and personal. Our customers also rated the partnership as reliable and trustworthy. We plan to conduct the survey of our customers and partners in other countries in 2025.

In 2024, we also surveyed our managing directors in our countries about their sales initiatives and their impact on customer loyalty and satisfaction. The results of both surveys were incorporated into the further development of the measures described below.

19 Disclosure requirement in connection with ESRS 2 SBM-2 – Interests and perspectives of stakeholders.
20 Disclosure requirement in connection with ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with the strategy and business model.

Actions

S4-3, S4-4, MDR-A: Processes to remedy negative impacts and taking action on material impacts

We increase the satisfaction of our existing customers and partners through high quality service and the customisation and further development of our solutions.

Our actions to implement our strategic goals for improving customer safety and satisfaction are the following:

- // Further development of our sales structure
- // Supportive offerings for our specialist trade partners
- // Digitalisation of our processes
- // Additional financing options from grenke Bank

MDR-M, MDR-T:

We measure the progress of these actions through the proportional distribution between dealer and direct sales, the absolute number of SME customers and specialist reseller partners, and the results of our customer satisfaction surveys. We also track the percentage duration of customer relationships. From our banking operations, we evaluate changes in the microcredit business to further assess customer satisfaction (see ESRS S4 Targets and metrics in this chapter). There are currently no targets in place for monitoring these actions.

Hub structure for sales

Our specialist resellers and direct customers appreciate a fast and personal service that is tailored to their needs. This is made possible by qualified contacts in our internal and external sales teams. The field sales force is responsible for approaching new customers (direct sales) or partners (reseller sales) and developing existing ones (see Chapter 1. Group fundamentals under 1.1.1 Business model and segmentation). A mixture of virtual communication formats and personal contact has proven to be a success factor for our business model. Communication in day-to-day business takes place via various channels, particularly telephone and email. Availability for the concerns of our customers and partners is also ensured by the back office. By introducing cross-regional hubs and a clearer segregation of duties, we enable our sales employees to focus more on their tasks and provide needs-based support to our SME customers and specialist reseller partners. We have already implemented hub structures in Germany, Austria, Denmark, Spain, Italy, Sweden, Finland, Belgium, Ireland and the United Arab Emirates.

Support for our specialist reseller partners

Our specialist reseller partners use grenke's financing solutions as a tool to promote sales in their own business. By effectively onboarding and training resellers, we help them understand our products and the leasing-specific processes. There is also scope for customising the collaboration (see "Responsible financial services" guideline).

We support our active specialist reseller partners with regular training courses, information offers and materials, as well as dedicated marketing offers that they can pass on to lessees.

We also strive to be a strong partner for specialist reseller partners on sustainability issues, which are still relatively new, especially for small and medium-sized enterprises (SMEs). Initiatives such as the grenke Sustainability Index and the SEED programme in France are explained in the chapter entitled ESRS E1: Climate change mitigation and adaptation – Actions.

Digital processes and channels

With increasing digitalisation, the expectations of our SME customers and specialist reseller partners for our service are also changing. By automating our internal processes, we want to effectively onboard our lessees and ensure that a credit check is carried out during the contract initiation phase. We also aim to make invoicing and communication as completely digital as possible for the duration of the contract (see chapter ESRS E1 Climate change mitigation and adaptation – Actions under "eInvoice and digital customer portal".

We are also focusing on expanding our sales channels to include digital solutions, for example, in the form of links to our partners' online shops. For grenke, digital and data-driven processes also offer opportunities for the further development of our risk analyses. We will continue to drive forward the digitalisation of our processes and the development of new digital channels in 2025 (see grenke Sustainability strategy, chapter ESRS 2 Sustainability strategy – Strategic targets and areas of action).

Supplementary financing offers from grenke Bank

In addition to our offers for financing lease investments, grenke Bank AG complements our product range with customised credit and banking solutions for SME customers. In the 2024 financial year, the grenke Bank AG continued its microloan business in the market in cooperation with the German Federal Ministry of Labour and Social Affairs (abbreviation: BMAS). Through this programme, we provide entrepreneurs and company founders with access to loans in amounts up to EUR 25k and help to strengthen SMEs and secure the jobs associated with these businesses.

No significant capital expenditures were made in this financial year related to customer satisfaction and safety, or in connection with our consumers and end-users.

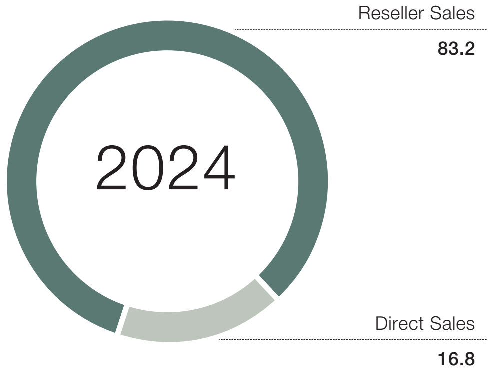
Targets and metrics

S4-5: Metrics related to managing negative impacts

Sales via specialist reseller partners (indirect sales) continued to account for the majority of sales in 2024.

Breakdown of sales activities

in percent

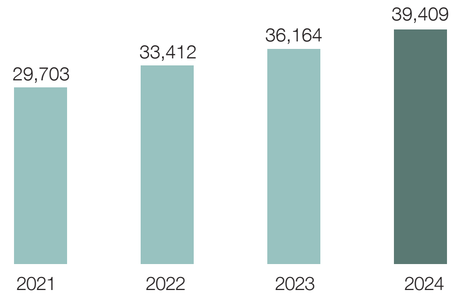


Our aim over the next few years is to further expand our reseller portfolio and intensify our relationships with existing partners. We also intend to increase the number of SME customers (see Chapter 1. Group fundamentals under 1.1.3 Expansion model).

We will expand the survey of our specialist reseller partners and customers in the future to include how effective our measures are in achieving our goals.

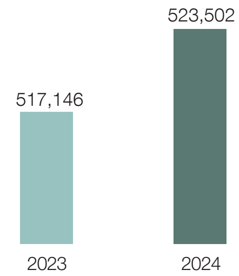
Number of specialist reseller partners

as of December 31, 2024



Number of SME customers

as of December 31, 2024



The length of our business relationships serves as an indicator of our specialist reseller partners' satisfaction. In the financial year 2024, 59.8 percent (2023: 62 percent) of our active specialist reseller partners[21] had been working with us for more than three years.

Length of business relationship (Specialist reseller partners)

Length of time	Active specialist reseller partners 2024	Active specialist reseller partners 2023	Change (pp)
< 1 year	25.1	23.2	1.9
1–3 years	15.2	14.8	0.4
3–5 years	10.1	14.9	–4.8
5–10 years	28.2	27.3	0.9
>10 years	21.5	19.8	1.7

The loyalty of our lessees gives us an indication of their satisfaction with our product range and service. In the 2024 financial year, grenke concluded 4,994 financing contracts with direct customers (2023: 4,384 financing contracts). Follow-on contracts accounted for 42 percent (2023: 43 percent) of the total number of all direct sales contracts.

Supplementary financing offers from grenke Bank

In the 2024 financial year, grenke Bank had a total of 12,220 business current accounts and loan accounts (2023: 12,635 accounts). In the financial year, grenke Bank AG granted a total of 2,034 microloans (2023: 2,393).

Microcredit business of grenke Bank AG

as of December 31

		2024	2023
Number of microcredit loans granted in cooperation with the BMAS	–15%	2,034	2,393
of which share of microcredit loan borrowers who have a migration background	–5%	19%	20%
of which planned increase in jobs through the implementation of the projects	–27%	1,240	1,691
Managed portfolio of state-subsidized microcredit loans at the end of financial year	–6%	91,326 EUR	96,933 EUR

Positive impacts in the value chain and opportunities for our business success

At its core, our leasing business model has always been to provide SME customers with access to financing. Building and maintaining long-term relationships with our customers and partners is the foundation of our business success. These relationships continue to open up opportunities for the further development of our solutions and innovations.

21 We define active specialist reseller partners as those who have sent us at least one application in the past 365 days.

Responsibility & Trust

We promote transparent communication and are creating a sustainable corporate structure and culture.

ESRS G1

DECENT WORK AND ECONOMIC GROWTH 8
INDUSTRY, INNOVATION AND INFRASTRUCTURE 9
PARTNERSHIPS FOR THE GOALS 17

STRATEGY & GOVERNANCE

- // Sustainable corporate structure and culture
- // Transparent communication
- // Strengthen identification with corporate strategy
- // Strengthen internal controls and compliant behaviour

Compliance management system

Supplier Code of Conduct

Risk management

ESG organisation

ACTIONS

- // grenke Supplier Code of Conduct
- // grenke Code of Conduct
- // grenke Integrity Line (whistleblower platform)
- // Legal monitoring
- // Combating money laundering and corruption
- // Data protection
- // Improving information security
- // Business continuity management
- // Quality management
- // Reporting and transparency, ESG SharePoint, ESG ratings
- // Access to financial markets: Green and social bond Framework

TARGETS & KPIs

65 %
Audit review completion rate by Internal Audit

2.6
Overall Strategy Awareness Score

> 90 %
Training participation rate for mandatory training on governance topics

AA
MSCI ESG Rating

1.69
Proportion of top management positions with variable remuneration containing a sustainability component (100% for the Board of Directors)

€ 1 bn
Green & social bond

POSITIVE IMPACTS

- // Transparent and healthy corporate culture
- // Ensuring compliance measures and ethically correct behaviour
- // Strengthening trust with customers, partners and suppliers
- // Maintaining and promoting long-term partnerships
- // Transparency and disclosure of our business practices

3.5 Responsibility and trust

3.5.1 ESRS G1 – Business conduct

Strategic approach, guidelines and policies

G1-1/GOV-1: Guidelines for business conduct, corporate culture and organisational structure

As a globally active company, we are committed to respecting not only international and national laws and regulations, but also different cultures. It is therefore a matter of course for us to comply with applicable laws and regulations and to treat employees and external stakeholders with respect (see chapter ESRS 2 Sustainability strategy – Stakeholder dialogue). This applies in particular to the principles of equal treatment, anti-discrimination and respect for human rights.

The rules of mutual respectful and ethical behaviour are also enshrined in writing in our Code of Conduct (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks), which is given to all employees as part of their employment contracts, and in our Supplier Code (see grenke Supplier Code, chapter ESRS 2 Company profile – Policies and frameworks). The relevant national and international rules and regulations that are of importance to our Group have been incorporated into these documents. In this way, they sensitise us to the legal risks in our day-to-day work and, at the same time, define both our standards and our promise of ethics and morals both internally and externally.

We strengthen and monitor the anchoring of these principles through strong compliance and data protection, as well as internal audits. The Compliance department also includes the sub areas of Data Protection, Information Security, Business Continuity Management and the International Oversight Office for Governance. In organisational terms, the VP Corporate Compliance and the Head of Compliance and Anti-Financial Crime report to the responsible member of the Board of Directors.[22]

As part of this year's IRO analysis, the Sustainability Committee identified reputational risks due to non-compliance and violations of laws, regulations and ethical standards, as well as loss of trust due to non-transparent business practices as material risks (see chapter ESRS 2 Sustainability strategy – Description of procedures for identifying and assessing material impacts, risks and opportunities). Our Board members have many years of experience in the area of corporate governance (see "Report of the Supervisory Board").

We see a transparent corporate culture as a great opportunity for our Company's success, which is shaped by our responsible actions. Transparent communication also strengthens the trust of our customers, partners, and especially, investors in grenke.

Actions

MDR-A, MDR-T: Identification with the Corporate Strategy and Employee Involvement

Our key measures to implement our strategic focus areas aimed at increasing identification with the corporate strategy, integrating ESG aspects into corporate management, and strengthening internal controls and compliant behaviour are:

- // Annual employee survey (Overall strategy awareness)
- // Increased audits within the internal audit process
- // Ensuring compliant behaviour through measures addressing human rights, the German Supply Chain Due Diligence Act, the know-your-customer process, anti-financial crime prevention, compliance management system, grenke Integrity Line, legal monitoring, internal audit, anti-corruption and anti-bribery, information security, data protection, business continuity management, quality management, idea management, and internal and external communication.

Our strategy map serves as a guide for our common corporate goals along our entire value chain. We actively utilise the feedback from our employees, from sources such as the annual employee survey, to further develop our Company.

22 In the 2024 financial year, this was the CRO, Isabel Rösler. Ms. Rösler left grenke AG as of December 31, 2024. As of January 1, 2025, the responsibility has been assumed on an interim basis by CEO Dr Sebastian Hirsch.

To gauge our employees' identification with the corporate strategy, we measure the Overall Strategy Awareness (OSA) Score, which we have defined as a TOP KPI (see Chapter 1. Group fundamentals and 1.3.3 Non-financial performance indicators), as part of an annual employee survey. This TOP KPI is calculated based on all responses to the questions on strategy, products and innovation based on a scale of 1 = high awareness to 7 = low awareness.

We also ensure the integration of sustainability components into the variable compensation of top management by measuring this share as a TOP KPI. We report on this in chapter ESRS 2 Company profile – ESG organisation and management and Chapter 1 Group fundamentals under 1.3.3 Non-financial performance indicators.

G1-2: Respect for human rights and the management of relationships with suppliers

Respecting human rights is a matter of course for us. We describe our approach and rules for equal treatment, anti-discrimination and respect for human rights in our codes and policies (see grenke Code of Conduct, grenke Supplier Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks). We also improved our ability to receive and respond to information from employees and external persons regarding possible rule breaches, particularly with regard to possible human rights violations, discrimination and racism (see chapter ESRS G1 Business conduct – Actions under "grenke Integrity Line"). We have explicitly opened up our whistleblower system to complaints relating to human rights and environmental law.

We have no pending legal proceedings or judgments in connection with human rights issues.

German Supply Chain Due Diligence Act

In the 2024 financial year, grenke AG continued its reviews and planning with regard to the implementation of the Supply Chain Due Diligence Act (LkSG). The analysis showed that grenke AG does not fall within the scope of the LkSG as of December 31, 2024 as it does not exceed the statutory minimum threshold of 1,000 employees in Germany, and it is currently foreseeable that we will not exceed this threshold in 2025. In view of our growth strategy and commitment to ESG, we will nevertheless continue to analyse and plan suitable measures to ensure LkSG and ESG compliance in consultation with all departments involved. The first step in embedding the topics of human rights and environmental protection in our supply chain was the creation of our Supplier Code of Conduct (see grenke Supplier Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks). Other planned measures focus on establishing suitable and particularly digital processes for auditing our specialist reseller partners and our own procurement processes.

Money laundering prevention (Anti-financial crime)

The risk of money laundering, terrorist financing and other criminal offences is determined annually by all subsidiaries at individual bank level and at Group level as part of risk analyses. The existing security and control measures are evaluated as part of this process (see chapter G1 Business conduct – Targets and metrics under "Anti-financial crime reviews"). The local anti-money laundering officers report both to the local management and to the grenke Group's Anti-Money Laundering Officer, who forwards all key information to the responsible member of the Board of Directors. The Board of Directors and Supervisory Board receive a detailed annual report on money laundering prevention every year.

We are continuously developing our money laundering prevention processes. Progress achieved includes the methodical further development of risk analysis and the associated derivation of anti-money laundering safeguards and control measures, as well as the implementation of a monitoring tool for the systemic, automated and continuous monitoring of our business relationships. In 2024, we established a new Group standard and strengthened local responsibilities in our subsidiaries. We revised the design of our internal processes to improve our money laundering risk management. By commissioning an IT-supported monitoring tool, for example, we increased process reliability and efficiency in previously manual processes.

Know-your-customer processes (KYC)

All money laundering-relevant business relationships are checked within the legal framework using a know-your-customer (KYC) process based on customer data. This includes both the identification and determination of the beneficial owners, their PEP status (politically exposed persons) and their presence on national and international sanctions and embargo lists of the EU and OFAC. In addition, the reliable third parties acting on behalf of grenke AG in accordance with Section 17 (5) GwG are regularly trained and informed about money laundering regulations and developments (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

Compliance management system

Our aim is to use the Group-wide compliance management system (CMS) to fulfil the wide range of international requirements and thus counteract operational risks and uncertainties with confidence. As part of this system, the risk potential for non-compliance cases (including corruption and money laundering risks) is analysed annually by the country organisations. Due diligence processes are carried out before and after the acquisition of companies. These processes ensure, for example, that it is possible to identify, avoid, minimise or terminate potential or actual involvement in the manufacture or sale of controversial weapons (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

Compliance Officer

Local compliance officers and compliance officers in the respective countries have the task of ensuring that our standards are adhered to both nationally and internationally. The local compliance officers report both to the local management and to the compliance officer of the grenke Group, who forwards the key information to the responsible member of the Board of Directors. He also supports the entire Board of Directors in preventing breaches of the law, corruption and fraudulent behaviour, as well as in clarifying dubious cases. The responsible Board of Directors member receives an annual compliance report. Furthermore, the Group's compliance function informs the Board of Directors and Supervisory Board of all significant findings through an annual compliance report.

Whistleblower platform – grenke Integrity Line

With our grenke Integrity Line whistleblower platform, we enable our employees, lessees, business partners and third parties to draw our attention to possible breaches of regulations at any time while maintaining confidentiality.

We have expressly opened up our whistleblower system to reports relating to human rights and environmental law. Each report is first checked to determine whether it is a whistleblower case or a complaint. We handle the reported information responsibly. grenke takes appropriate measures to counter violations of applicable law.

grenke assures whistleblowers who have reported a matter responsibly and in good faith protection from possible reprisals to the extent permitted by law. The protection also extends to persons who support the whistleblower or the investigation. This protection is enshrined in a directive. Here, grenke takes into account international laws on whistleblower protection, for example, the EU Whistleblower Protection Directive and the corresponding implementing legislation (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

Compliance and anti-financial crime reviews

Our subsidiaries are regularly reviewed as part of compliance and money laundering reviews. In 2024, we developed the regular cycle of anti-financial crime reviews into a risk-oriented cycle. Subsidiaries with a higher contribution to the Group result are monitored more closely as a result. The compliance reviews focus more strongly on the relevant markets (see grenke Code of Conduct, chapters ESRS 2 Company profile – Policies and frameworks and G1 Business conduct – Targets and metrics under "Compliance and anti-financial crime reviews").

Compliance-relevant communication

All sales employees are also informed about current compliance-relevant topics such as sanctions against Russia, cyber fraud, compliance risks and the handling of gifts through appropriate communication measures and in coordination with the sales management (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

Legal monitoring

Legal changes are communicated to the relevant departments throughout Germany via the legal monitoring tool. These departments analyse the changes in terms of their relevance and risk for grenke and, if necessary, adapt the written regulations to the new legal situation. The realisation and implementation are also tracked using tools. The executive bodies are informed of key legal changes through regular compliance reporting.

G1-3: Prevention and detection of corruption and bribery

grenke has a zero-tolerance policy towards money laundering, terrorist financing and criminal offences, in particular active and passive corruption. This is enshrined both in our Code of Conduct (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks) and in the Supplier Code (see grenke Supplier Code, chapter ESRS 2 Company profile – Policies and frameworks). Further Group guidelines regulate the handling of conflicts of interest, donations and sponsorship, as well as benefits in the form of gifts or invitations. With these and the other measures described above, we take preventative action against potential money laundering and terrorist financing as well as criminal offences.

In the event of any suspicion of money laundering, terrorist financing or criminal offences, our employees have various internal reporting channels at their disposal. The respective money laundering officers in the Group immediately forward the suspected cases to the relevant authorities in accordance with national regulations.

Internal Audit

Internal Audit provides independent and objective auditing and consulting services at grenke AG and the grenke Group on behalf of the Board of Directors. In order to ensure that the governance and compliance structure is maintained and further developed with effective processes and controls, we measure the proportion of audits completed by Internal Audit compared to the total number of audits planned for the financial year in the entire Group as one of our TOP KPIs.

In recent years, we have strengthened our Internal Audit department in terms of both quantity and quality. As part of the revision, the relevant audit content was also expanded in terms of quality. We have been conducting an annual audit on sustainability issues since 2022. The respective key topics are determined by the annual audit planning. Previous focal points concentrated on the sustainability strategy, the appropriateness and effectiveness of established processes, the non-financial reporting, the preparation of the corporate carbon footprint and the green bond. In each case, the internal processes and the fulfilment of documentation obligations are audited.

Data protection

We are continuously developing our data protection management system to ensure that data processing within the Group complies with the law, recognise potential breaches at an early stage and take appropriate countermeasures. The European General Data Protection Regulation (GDPR) has ensured harmonisation of data protection laws within the European Union. In the context of our business activities, we are guided by this set of rules worldwide. In addition, the implementation of data protection requirements also requires us to take into account the national legislation of our markets, which means that different data protection regulations continue to apply in individual member states in addition to the provisions of the GDPR.

Our Data Protection Policy sets out the binding Group-wide requirements for data protection (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks). The data protection organisation at grenke AG has also been strengthened in terms of personnel. Data protection officers have been appointed at grenke AG and numerous subsidiaries in accordance with the statutory requirements. In addition, subsidiaries have the option of appointing data protection officers even if they are not legally obliged to do so. The data protection officers and the data protection organisation are available to the specialist departments, subsidiaries and staff, as well as to our customers and business partners, as expert contact persons.

Our employees are informed about current data protection requirements and developments through annual mandatory training courses and ongoing information on the intranet.

Information security

We develop our information security management system on a regular and ad hoc basis to provide an appropriate level of protection for the information entrusted to us and processed by us (see grenke Code of Conduct, chapter ESRS 2 Company profile - Policies and frameworks). In doing so, we comply with the provisions of the relevant regulations, laws and standards, specifically the Minimum Requirements for Risk Management (MaRisk), and in the future, the EU Commission's Digital Operational Resilience Act (DORA) Regulation, which aims to create a standardised framework for the effective and comprehensive management of cyber security and ICT risks on the financial markets, as well as the banking supervisory requirements for IT (BAIT) and their updates. The measures, processes and controls are based on the DIN ISO 27001 standard and the IT security maturity model according to COBIT (internationally recognised framework for IT governance) and are being successively expanded.

In the 2024 financial year, we expanded the protection requirements analysis. This enables us to carry out an even more precise risk assessment and take measures to protect our data and systems based on this. We also conducted two cyber audits and eight security penetration tests in the financial year.

As part of our business impact analysis, our processes are categorised according to their economic relevance for grenke, among other things. We differentiate between different downtimes. The categorisation is transferred to the individual process components from infrastructure, IT, personnel and service providers and coordinated with the responsible parties. Business continuity management (BCM) checks the plausibility of the findings. Any adjustments are made in consultation with the relevant departments and IT in particular. The increase in transparency forms the basis for further risk-reducing measures. Examples of measures taken include the conversion of IT platforms and the strengthening and restructuring of strategic security concepts.

In 2024, we carried out a phishing simulation to raise awareness among our employees. This is to be continued in the future. We also further developed our intranet presence on the topic of information security. Internal reports on potential security incidents can be made via the intranet page (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

All employees are sensitised to the key topics of information security in target group-oriented and modular training courses. The modular structure of the training courses enables a timely and targeted response to changing situations, such as the increased number of phishing attempts (see chapter ESRS S1 Own workforce – Targets and metrics).

Business continuity management

As part of holistic business continuity management (BCM), the department of the same name coordinates the framework and methodology for the emergency management system. BCM ensures that standardised specifications and tools are available for the creation and maintenance of BCM plans and supports the specialist departments in their implementation.

As part of our business impact analysis (BIA), the criticality of the processes is assessed based on their economic relevance for grenke. The permissible downtimes are determined by the specialist departments. The specialist departments transfer the results to the relevant process components and coordinate them with the respective managers. BCM coordinates the BIA process and checks the plausibility of the findings. Any necessary adjustments are implemented by the specialist departments in close coordination with IT and in compliance with the BCM specifications (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

In 2025, we plan to introduce a new tool to systematically support our business impact management.

Our Board of Directors is regularly informed on the current status of information security and business continuity management. The focus of BCM is on coordination and harmonisation with the areas of compliance, data protection and risk management to ensure the effectiveness and uniformity of measures within the Company.

G1-5: Political influence

We do not engage in or finance lobbying or political influence and do not donate to political parties (see grenke Code of Conduct, chapter ESRS 2 Company profile – Policies and frameworks).

We are a member of the Federal Association of German Leasing Companies (BDL). Dr Sebastian Hirsch (CEO) also holds the following offices:

- // He was elected to the Board of Directors of Deutsches Aktieninstitut (DAI) in July 2023.
- // In September 2023, he was elected to the Advisory Board of Deutsche Bank AG.

Quality management

Our quality management (QM) defines the framework for the business and work processes established throughout the group in the day-to-day business of the grenke Group. All employees have access to our quality management system and are trained in its application. There is a QM contact person in each country, and some countries even have their own QM teams. Regular network calls and monthly newsletters ensure the exchange of information and experience in order to further develop quality management at all grenke locations in the best possible way.

Quality management is a central component of our corporate philosophy, risk management and our due diligence processes. The quality management control loop describes the key components of quality policy, quality objectives, programmes and projects, quality audits and quality reviews. As part of the quality management control loop, we carry out internal quality management audits and continuously record quality-relevant documents, which are regularly updated. In this way, we ensure that both changes in legislation and ongoing product and process adjustments are reflected in our quality management. This enables us to identify process deviations in good time and make any necessary adjustments. Thanks to the comply-or-explain principle introduced as part of the “Quality of Documents” project, we can now also focus more intensively on the requirements of MaRisk and the involvement of the individual grenke locations.

Reporting and transparency

The dialogue with our stakeholders and the results of our materiality analysis form the basis of our sustainability strategy and our non-financial reporting. Accordingly, communication with our stakeholders is a high priority for us in our corporate culture. To ensure an effective exchange with our stakeholders, we have several departments that engage in dialogue with internal and external stakeholders (see chapter ESRS 2 Sustainability strategy - Stakeholder dialogue).

Internal communication is managed by the Corporate Communications department. Its primary purpose is to provide information, guidance, motivation and dialogue for our employees worldwide. It aims to provide information about current developments in the Company, give our employees the opportunity to provide direct feedback to the Board of Directors and is therefore also part of our corporate culture. Corporate Communications relies on a wide range of channels and formats. These include press releases, articles and interviews in print and online media, conference calls, webcasts and press conferences (physical and virtual) as well as social media posts on the Company’s own channels.

Idea management

Accepting ideas and impulses from our employees has always been part of the corporate culture at grenke. As part of the Group-wide ideas management system, our employees can submit their ideas of any time using a dedicated tool in a simple and straightforward manner. The tool also includes the evaluation process and implementation monitoring of ideas and provides all employees with transparency regarding submitted ideas.

ESG SharePoint

In the 2024 reporting year, we also further strengthened our internal communication on sustainability issues. The newly created ESG pages on the intranet serve as a central point of contact for information on our sustainability strategy and goals, our strategic areas of action and measures, as well as current sustainability-related projects.

External communication is used for dialogue with various stakeholder groups outside the Company. Similar to internal communication, the overarching objective here is to provide information about current developments in our Company and to classify these in dialogue with the respective stakeholder groups. Alongside our external stakeholder groups, we have several departments that manage the individual dialogue. For example, the Investor Relations department conducts the dialogue with equity investors and analysts. The department is responsible for regular reporting in the form of the Annual Report, the Half-year Report and the quarterly statements, as well as for mandatory communication in accordance with capital market regulations.

Investor Relations also organises our Annual General Meeting, the analyst conference and the quarterly analyst calls (see Chapter 1. Group fundamentals).

The Treasury department is responsible for communication with debt investors and analysts. This includes the publication of information on debt instruments, dialogue with lenders, the calculation of market risks and cooperation with rating agencies. For further information, please refer to Chapter 5. Risk report under 5.7 Liquidity risks.

ESG ratings

ESG ratings and benchmarks can facilitate access to capital for companies that operate sustainably. They provide investors with a basis for evaluating and comparing the sustainability performance of companies. In addition to our established investment grade ratings by S&P Global Ratings and Fitch Ratings, our aim is to establish marketable ESG ratings.

Since the 2022 financial year, we have participated in ESG rating procedures from ESG rating providers MSCI, ISS ESG and Sustainalytics, among others. The ESG ratings are based on the information that we currently make publicly available in the Annual Report, in the non-financial reporting and on the Company website. We significantly improved our ESG ratings in the 2024 financial year. The improvement in our results confirms the focus of our sustainability activities and the improvement in our ESG performance (see ESRS 2 Company profile – Target and metrics).

Access to financial markets

With our leasing and rental solutions, we enable the investments of over half a million SMEs worldwide. In order to optimally support our SME customers with our financing solutions, the refinancing of grenke AG plays a central role. A diversified refinancing structure enables the grenke Group to react to market developments at any time and ensures adequate liquidity. In principle, we refinance ourselves independently of individual banks via direct access to various refinancing instruments on the debt capital markets. Our debt-based financing is essentially based on three pillars (see Chapter 2.6.4 Liquidity):

- // Deposits of grenke Bank
- // Receivables-based loans, including through ABCP programmes
- // Senior unsecured instruments such as bonds, promissory notes and commercial paper

Three pillars of refinancing

grenke Bank	Asset-backed	Senior unsecured
// Deposit business	// ABCP programmes	// DIP (bonds)
// Global loans with development banks	// Receivables-based loans	// Promissory notes
		// SynLoan & RCFs
		// Commercial paper
		// Money market
		// Current account

As part of our refinancing strategy, grenke Bank AG has been purchasing lease receivables from the Group companies since 2009. In addition, grenke Bank cooperates with various development banks by purchasing earmarked receivables from lease agreements in the form of global loans. We pass on the favourable conditions resulting from refinancing with development banks to our leasing customers on a 1:1 basis.

Sustainable refinancing

Sustainability aspects are becoming increasingly relevant for access to capital due to both the interest of investors and the increasing financial market regulation on ESG. We are also strengthening our access to capital by expanding our refinancing mix to include sustainable product variants. With regard to the third pillar, the senior unsecured instruments, green, social or sustainability bonds, for example, enable the targeted promotion of sustainable projects. The grenke Group set up a Debt Issuance Programme (DIP) back in 2003 to issue bonds. The prospectus is subject to the EU Prospectus Regulation (2017/1129) and offers investors the opportunity to form an informed judgement about the issuer, including possible risks and the issuer's financial position. These are available on our website.

Green Bond Framework (2023)

With our Green Bond Framework, we describe, in line with the ICMA Green Bond Principles (ICMA GBPs) as an established market standard, for which "green projects" according to the ICMA definition we use the funds, the process of project evaluation and selection, the management of proceeds, and the reporting of bonds issued as green bonds.

With our grenke green bonds, we promote the sustainable transformation of SMEs by financing and refinancing our green economy business (see chapter ESRS E1 Climate change mitigation and adaptation – Actions under "ESG products and services"). In accordance with the ICMA's GBPs 2022, we support the following categories Renewable Energy, Energy Efficiency, Clean Transport, Pollution Prevention and Control, and Sustainable Water and Wastewater Management.

In its Second Party Opinion of May 16, 2023, Sustainalytics validated our grenke Green Bond Framework as an independent third party. It considers the grenke Green Bond Framework to be credible, effective and in line with the four pillars of the ICMA GBPs 2021.

Sustainable Bond Framework (2024)

In the 2024 financial year, we expanded our bond framework to include social project categories. Due to the combination of green and social projects, the new framework is referred to as the "Sustainable Bond Framework". Our Sustainable Bond Framework is in line with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines.

The Sustainable Bond Framework reflects our commitment to financing small-ticket leases with small and medium-sized enterprises (SMEs). We focus on countries facing social problems in the world of work and thus support the development of strong and resilient SMEs, which in turn help to create and secure jobs in the regions.

Similar to our Green Bond Framework, our Sustainable Bond Framework has been rated as credible and effective by Sustainalytics and is in line with the four core components of the Green Bond Principles and Social Bond Principles.

We publish further details on our Green and Sustainable Bond frameworks on our website.

grenke green bond

In September 2023, we placed our first grenke green bond via our DIP. The issue volume of this first green bond (ISIN XS2695009998) was EUR 500 million, the highest value of a bond in the Company's more than 40-year history. The interest rate was 7.875 percent p.a. and the term was 3.5 years until April 6, 2027.

grenke social bond

In September 2024, we placed our first grenke social bond via our DIP. The issue volume of this social bond (ISIN XS2905582479) was EUR 500 million. The interest rate was 5.125 percent p.a., and the term was 4.25 years until January 4, 2029. The demand for grenke's sustainable bonds significantly exceeded the supply in each case and came primarily from institutional investors, i.e. asset managers, funds, banks, insurers and pension funds.

We report annually on the allocation of funds in a green or sustainable bond report. In 2024, we published our first Green Bond Report on our website.

No significant capital expenditures were made in corporate management during the 2024 financial year.

Targets and metrics

MDR-T:

We measure our progress on the listed measures through our TOP KPIs as well as the indicators defined by the ESRS in the area of corporate management. We outline the objectives and the status of achieving the TOP KPIs in Chapter 1.3.3 Non-financial performance indicators.

The indicators are as follows:

Overall strategy awareness (OSA)

In the 2024 financial year, our overall strategy awareness OSA continued to achieve a score of 2.6 (2023: 2.6). This indicates that our employees continue to identify strongly with our corporate and sustainability strategy. We remain committed to achieving this target in 2025.

G1-3:
Anti-corruption and anti-bribery training

The further developments in the area of compliance were also the subject of the mandatory compliance training in 2024, which must be completed online by every employee throughout the Group every year, alternating with the compliance refresher training (see table ESRS G1-3, AR 8. Anti-corruption and anti-bribery training).

In addition to the mandatory training for all employees, colleagues in the Compliance department receive several days of external training per year to enhance their expertise. All of our employees also receive regular training (see table ESRS G1-43, AR 8. Anti-corruption and anti-bribery training) as well as ad hoc training, with attendance at the training courses being tracked by the HR department and an escalation process initiated in the event of non-attendance. Event-driven training measures are managed centrally by the Money Laundering Prevention department.

Training on corruption prevention and anti-bribery (G1-3, AR 8.)

	Risk-bearing functions (Board of Directors and first management level VPs)	Managers (second and third management levels)	Boards (Supervisory Board) - No information; we report on further training of the Supervisory Board in the "Report of the Supervisory Board"	Other own workforce (employees, excluding agencies and franchisors not yet taken over)
Total number of people to be trained	**32**	**382**		**1,875**
Coverage through training				
Total in %	93	84		92
Number of people in at least one mandatory training programme	30	321		1,718
Title, training method, duration and language				
Compulsory money laundering training, online, group-wide, 50 minutes, EN, DE, FR, IT, ES, PT, PL in %	69	89		98
Mandatory compliance training, online, group-wide, 42 minutes, EN, DE, FR, IT, ES, PT, PL in %	13	16		35
Compliance refresher training, online, group-wide, 30 minutes, EN, DE, FR, IT, ES, PT, PL in %	81	79		67
On-site training				
Voluntary computer-based training				
Frequency				
Frequency of mandatory money laundering training	1 x per year	1 x per year		1 x per year
Frequency of mandatory compliance training	Annually alternating with refresher training	Annually alternating with refresher training		Annually alternating with refresher training
Frequency compliance refresher training	Annually, alternating with mandatory compliance training	Annually, alternating with mandatory compliance training		Annually, alternating with mandatory compliance training
Topics covered				
Mandatory money laundering training:				
// What are bribery and corruption? // What is money laundering // What is terrorist financing? // Effects of money laundering // Placement, distribution, integration // Ongoing risk management // Internal reporting on AML // Tactics to prevent bribery and corruption // What is fraud?	To successfully complete the course, all content must have been worked through.			
Mandatory compliance training:				
// Risks associated with cash, gifts and hospitality // Conflicts of interest // Government officials // Ethics and compliance // Personal and market conduct // Confidential information // Whistleblowing // Equity investments and financial interests // Personal relationships				
Compliance refresher training:				
// Conflicts of interest // Ethics and compliance // Whistleblowing // Shareholdings and financial interests // Personal relationships // External employment // Non-competition clauses and secondary employment				

The members of the Supervisory Board regularly take part in relevant training programmes. Further details can be found in the Report of the Supervisory Board (see “Report of the Supervisory Board”).

G1-4: Confirmed cases of corruption and bribery

There were no violations of corruption and bribery regulations in the 2024 financial year (2023: none).

Compliance and anti-financial crime reviews

In the 2024 financial year, five out of a total of 12 planned compliance reviews (2023: 14 reviews) and 15 out of a total of 16 planned anti-financial crime reviews on the implementation status of measures to prevent financial crime and money laundering (2023: 14 reviews) were carried out at the subsidiaries based on the regular audit.

Completion rate of internal audits

The completion rate for internal audits in the 2024 financial year was 65 percent (2023: 81 percent). Our goal was to increase the completion rate of all audits to 75 percent by 2023, further to 85 percent by 2024, and to 90 percent from 2025 onwards. We will remain committed to this target in 2025.

The lower completion rate of internal audits compared to the previous year was due to the strategically prioritised processing of measures in the financial year.

Reports via the grenke Integrity Line

In the 2024 financial year, 17 reports were received via the whistleblower system (2023: 20 reports). Of these, five were classified as complaints and submitted to the grievance procedure.

Information on possible data protection regulations

In the 2024 financial year, there were no indications of any breaches of data protection regulations.

G1-6: Payment practices

We settle reseller invoices within two days (≤ 48 h) on average from the time of the internally completed and automated approval process, regardless of the due date specified in the payment terms. In addition, payments for the majority of all grenke locations worldwide are settled from the Baden-Baden headquarters.

In the 2024 reporting year, we achieved this in our outgoing payment process in 80 percent of cases[23]. Payments are made centrally and once or even twice a day by the Treasury Payments department. Delays may occur due to a shift in time zones.

No legal proceedings relating to late payment or payment practices were brought against us in the 2024 financial year.

23 The calculation of the average payment period is based on the analysis of a representative sample during the financial year.

ESG ratings

We were able to improve our longstanding A rating from the rating agency MSCI to AA. This means we have not only reached the second-highest possible level, but we have also moved up into the “Leader in Diversified Finance” category.

In Sustainalytics’ ESG risk rating, we also improved significantly from 22.9 in the previous year to 19.95 in the 2024 financial year and thus achieved the second-best ESG risk class “Low Risk”. At ISS ESG, we were able to raise our corporate rating from D+ to C at the beginning of 2024 and significantly improve our quality score.

To provide transparent reporting on our CO_2 emissions and the opportunities and risks climate change poses to our business model, we once again submitted the Carbon Disclosure Project (CDP) questionnaire for the 2024 financial year. We received a Score D rating for the 2024 fiscal year, consistent with the previous year.

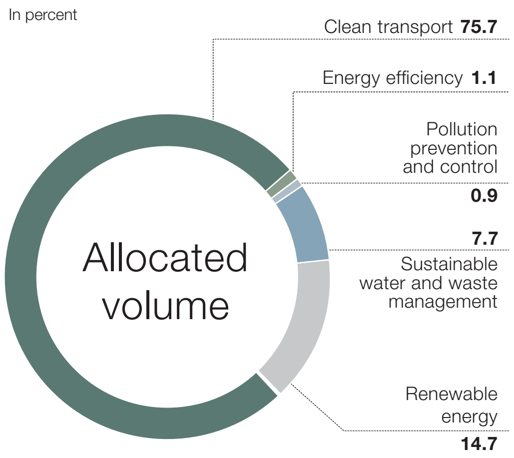
ESG ratings

Rating Agencies					Initiatives	Governance Scorecard
MSCI	**Sustainalytics**	**ISS ESG**	**S&P Global**	**Ethi Finance**	**CDP**	**DVFA**
2024: **AA** 2023: **A**	2024: **19,95** 2023: **22,9**	2024: **C–** 2023: **D+**	2024: **32** 2023: **32**	2024 **57** 2023 **50**	2024: **D** 2023: **D**	2024 **1st SDAX** **83.14 %** 2023 3rd SDAX 78.07 %

Green bond allocation and report

At the end of the 2024 financial year, EUR 345 million of the total EUR 500 million from our green bond had been allocated. This corresponds to the allocated volume that we reported on in our Green Bond Report as of September 29, 2024. This means that around 69 percent of the proceeds have been allocated, while 31 percent remain outstanding. We temporarily hold unallocated proceeds in cash and ensure that they are used exclusively to finance projects in accordance with our Green Bond Framework.

Allocation portfolio distribution Green Bond Framework



The allocated portfolio covers all green project categories of the grenke Green Bond Framework. Based on the allocated volume, 75.7 percent is allocated to properties in the clean transport category, 14.7 percent to renewable energies, 7.7 percent to sustainable water and wastewater management, 1.1 percent to energy efficiency and 0.9 percent to pollution prevention and control.

Positive effects in the value chain and opportunities for our business success

As part of our IRO analysis and in the strategic design of measures for our corporate governance, we see long-term positive effects in a transparent and healthy corporate culture. Our strategy map promotes transparency and responsible behaviour. We utilise feedback from our employees to promote open communication. At the same time, we strengthen the trust of our customers, partners and investors in grenke.

We also see great opportunities in building long-term partnerships that provide stability and support our strategic growth. Through customised solutions and an expanded product range, we gain new customers and strengthen our position as a leading leasing provider. Our partnerships follow legal, ethical and compliance standards that are based on our Supplier Code of Conduct, which ensures compliance with human rights and labour laws as well as stable business activities.

3.6 Appendices

To improve readability, we use abbreviations in the tables to refer to the individual reports such as the non-financial reporting (NFR), the annual report (AR), the remuneration report (RR) and the financial report (FR).

We also provide precise page details and additional information on the respective data request.

The following tables are attached:

// Declaration on sustainability due diligence

// Datapoints from other EU legislation (ESRS 2 Appendix B)

// Overarching standards (ESRS 2 General disclosures)

// Environmental standards (ESRS E1 and ESRS E5)

// Social Standards (ESRS S1 and ESRS S4)

// Governance standards (ESRS G1)

// Phase-in table

// Group sustainability parameters

Declaration on sustainability due diligence

Statement on sustainability due diligence

Core elements of due diligence		Chapter
a	Embedding due diligence in governance, strategy and business model	ESRS 2 ‘Company Profile - ESG Organisation & Management’, Annual Report Chapter 8 ‘Corporate Governance Statement’
b	Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 ‘Sustainability Strategy - Stakeholder Dialogue’
c	Identifying and assessing adverse impacts	ESRS 2 ‘Sustainability Strategy - Materiality Analysis and IRO Presentation’
d	Taking actions to address those adverse impacts	ESRS 2 ‘Sustainability Strategy - Strategic Goals and Action Areas’
e	Tracking the effectiveness of these efforts and communicating	ESRS 2 ‘Company Profile - ESG Organisation & Management’ & ‘Sustainability Strategy - Stakeholder Dialogue’

Datapoints from other EU regulations

ESRS 2		Appendix B					
Disclosure requirement	**Datapoint**		**SFDR reference**	**Pillar 3 reference**	**Benchmark regulation reference**	**EU Climate Law reference**	**Chapter**
ESRS 2 GOV-1	21 (d)	Board gender diversity	X		X		ESRS 2 - 'Company Profile - ESG Organisation & Management'
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			X		ESRS 2 - 'Company Profile - ESG Organisation & Management'
ESRS 2 GOV-4	30	Statement on due diligence	X				ESRS 2 - 'Company Profile - Sustainable Business Conduct'
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	X		X		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			X		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	ESRS E1 - 'Climate change - Strategic Approach'
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		X	X		Not material
ESRS E1-4	34	GHG emission reduction targets	X	X	X		ESRS E1 - 'Climate change - Objectives'
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Not material
ESRS E1-5	37	Energy consumption and mix	X				ESRS E1 - 'Climate change - Objectives'
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	X				Not material
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		ESRS E1 - 'Climate change - Objectives'
ESRS E1-6	53-55	Gross GHG emissions intensity	X	X	X		ESRS E1 - 'Climate change - Objectives'
ESRS E1-7	56	GHG removals and carbon credits				X	ESRS E1 - 'Climate change - Objectives'
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		s. Phase-in table
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		X			s. Phase-in table
ESRS E1-9	67 (c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			s. Phase-in table
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		s. Phase-in table
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	X				Not material
ESRS E3-1	9	Water and marine resources	X				Not material

ESRS 2		Appendix B					
Disclosure requirement	**Datapoint**		**SFDR reference**	**Pillar 3 reference**	**Benchmark regulation reference**	**EU Climate Law reference**	**Chapter**
ESRS E3-1	13	Dedicated policy	X				Not material
ESRS E3-1	14	Sustainable oceans and seas	X				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	X				Not material
ESRS E3-4	29	Total water consumption in m³ per net revenue on own operations	X				Not material
ESRS 2 - SBM 3 - E4	16 (a) i		X				Not material
ESRS 2 - SBM 3 - E4	16 (b)		X				Not material
ESRS 2 - SBM 3 - E4	16 (c)		X				Not material
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	X				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	X				Not material
ESRS E5-5	37 (d)	Non-recycled waste	X				ESRS E5 - 'Circular Economy - Objectives'
ESRS E5-5	39	Hazardous waste and radioactive waste	X				s. Phase-in table
ESRS 2- SBM 3 - S1	14 (f)	Risk of incidents of forced labour	X				ESRS 2 - 'Company Profile - Sustainable Business Conduct'
ESRS 2- SBM 3 - S1	14 (g)	Risk of incidents of child labour	X				ESRS 2 - 'Company Profile - Sustainable Business Conduct'
ESRS S1-1	20	Human rights policy commitments	X				ESRS 2 - 'Company Profile - Sustainable Business Conduct'
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		ESRS S1 - 'Own Workforce - Strategic Approach'
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				ESRS S1 - 'Own Workforce - Strategic Approach'
ESRS S1-1	23	Workplace accident prevention policy or management system	X				ESRS S1 - 'Own Workforce - Strategic Approach'
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	X				ESRS S1 - 'Own Workforce - Strategic Approach'
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		ESRS S1 - 'Own Workforce - Objectives'
ESRS S1-14	88 (e	Number of days lost to injuries, accidents, fatalities or illness	X				ESRS S1 - 'Own Workforce - Objectives'
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		s. Phase-in table
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				s. Phase-in table
ESRS S1-17	103 (a)	Incidents of discrimination	X				ESRS G1 - 'Business Conduct - Strategic Approach'
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	X		X		ESRS G1 - 'Business Conduct - Strategic Approach'
ESRS 2- SBM 3 -S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Not material

ESRS 2		Appendix B					
Disclosure requirement	**Datapoint**		**SFDR reference**	**Pillar 3 reference**	**Benchmark regulation reference**	**EU Climate Law reference**	**Chapter**
ESRS S2-1	17	Human rights policy commitments	X				Not material
ESRS S2-1	18	Policies related to value chain workers	X				Not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		Not material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		Not material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Not material
ESRS S3-1	16	Human rights policy commitments	X				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		Not material
ESRS S3-4	36	Human rights issues and incidents	X				Not material
ESRS S4-1	16	Policies related to consumers and end-users	X				ESRS S4 - 'Consumers and End-Users - Strategic Approach'
ESRS S4-1	17	Non-respect of UNGPs on Busines and Human Rights and OECD guidelines	X		X		ESRS S4 - 'Consumers and End-Users - Strategic Approach'
ESRS S4-4	35	Human rights issues and incidents	X				ESRS S4 - 'Consumers and End-Users - Strategic Approach'
ESRS G1-1	§ 10 (b)	United Nations Convention against Corruption	X				ESRS G1 - 'Business Conduct - Strategic Approach'
ESRS G1-1	§ 10 (c)	Protection of whistle-blowers	X				ESRS G1 - 'Business Conduct - Strategic Approach'
ESRS G1-4	§ 24 (a)	Fines for violation and anti-corruption and anti-bribery laws	X		X		ESRS G1 - 'Business Conduct - Objectives'
ESRS G1-4	§ 24 (b)	Standards of anti-corruption and anti-bribery	X				ESRS G1 - 'Business Conduct - Objectives'

Cross-cutting standards

ESRS 2 General Disclosures

Disclosure requirement		Chapter	Additional information
BP-1	General basis for preparation of the sustainability statement	ESRS 2 ‘Company Profile - Regulatory Framework’	
BP-2	Disclosures in relation to specific circumstances	ESRS 2 ‘Company Profile - Regulatory Framework’	
	Datapoints that derive from other EU legislation	Appendix	
GOV-1	The role of the administrative, management and supervisory bodies	ESRS 2 ‘Company Profile - ESG Organisation & Management’	See also chapter ESRS G1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS 2 ‘Company Profile - ESG Organisation & Management’	
GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2 ‘Company Profile - ESG Organisation & Management’	See also chapter ESRS E1
GOV-4	Statement on sustainability due diligence	Appendix Group Sustainability Statement	
GOV-5	Risk management and internal controls over sustainability reporting	ESRS 2 ‘Company Profile - Sustainable Corporate Governance’	
SBM-1	Strategy, business model and value chain (products, markets, customers)	ESRS 2 ‘Sustainability Strategy - Strategic Goals and Action Areas’, Annual Report	
	Strategy, business model and value chain (headcount by country)	ESRS S1 - ‘Own Workforce - Objectives’	
	Strategy, business model and value chain (breakdown of revenue)	Financial Statements	
SBM-2	Interests and views of stakeholders	ESRS 2 ‘Sustainability Strategy - Stakeholder Dialogue’	See also chapter ESRS S1 & S4
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 ‘Sustainability Strategy - Materiality Analysis and IRO Presentation’	See also chapter ESRS E1, S1, S4
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	ESRS 2 ‘Sustainability Strategy - Materiality Analysis and IRO Presentation’	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Appendix Group Sustainability Statement	

Environmental standards

ESRS E1 Climate change

Disclosure requirement		Chapter	Additional information
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS E1 - 'Climate change - Strategic Approach'	
E1-1	Transition plan for climate change mitigation	ESRS E1 - 'Climate change - Strategic Approach'	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS E1 - 'Climate change - Strategic Approach'	
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS E1 - 'Climate change - Strategic Approach'	
E1-2	Policies related to climate change mitigation and adaptation	ESRS E1 - 'Climate change - Strategic Approach'	
E1-3	Actions and resources in relation to climate change policies	ESRS E1 - 'Climate change - Measures'	
E1-4	Targets related to climate change mitigation and adaptation	ESRS E1 - 'Climate change - Objectives'	
E1-5	Energy consumption and mix	ESRS E1 - 'Climate change - Objectives'	
E1-6	GHG Gross Scopes 1, 2, 3 and Total GHG emissions	ESRS E1 - 'Climate change - Objectives'	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	ESRS E1 - 'Climate change - Objectives'	
E1-8	Internal carbon pricing	ESRS E1 - 'Climate change - Objectives'	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	ESRS E1 - 'Climate change - Objectives'	See phase-in table

ESRS E5 Resource use and circular economy

Disclosure requirement		Chapter	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ESRS E5 - 'Circular Economy - Strategic Approach'	
E5-1	Policies related to resource use and circular economy	ESRS E5 - 'Circular Economy - Strategic Approach'	
E5-2	Actions and resources related to resource use and circular economy	ESRS E5 - 'Circular economy - Measures'	
E5-3	Targets related to resource use and circular economy	ESRS E5 - 'Circular Economy - Objectives'	
E5-4	Resource inflows	ESRS E5 - 'Circular Economy - Objectives '	
E5-5	Resource outflows	ESRS E5 - 'Circular Economy - Objectives '	
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	ESRS E5 - 'Circular Economy - Objectives '	See phase-in table

Social standards

ESRS S1 - Own workforce			
Disclosure requirement		**Chapter**	**Additional information**
ESRS 2, SBM-2	Interests and views of stakeholders	ESRS 2 'Sustainability Strategy - Stakeholder Dialogue'	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S1 - 'Own Workforce - Strategic approach'	
S1-1	Policies related to own workforce	ESRS S1 - 'Own Workforce - Strategic approach'	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	ESRS S1 - 'Own Workforce - Strategic approach'	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	ESRS S1 - 'Own Workforce - Strategic approach'	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions	ESRS S1 - 'Own Workforce - Actions'	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S1 - 'Own Workforce - Objectives'	
S1-6	Characteristics of the undertaking's employees	ESRS S1 - 'Own Workforce - Objectives'	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	ESRS S1 - 'Own Workforce - Objectives'	Not relevant
S1-8	Collective bargaining coverage and social dialogue	ESRS S1 - 'Own Workforce - Objectives'	Not relevant
S1-9	Diversity metrics	ESRS S1 - 'Own Workforce - Objectives'	
S1-10	Adequate wages	ESRS S1 - 'Own Workforce - Objectives'	
S1-11	Social protection	ESRS S1 - 'Own Workforce - Objectives'	
S1-12	Persons with disabilities	ESRS S1 - 'Own Workforce - Objectives'	See phase-in table
S1-13	Training and skills development metrics	ESRS S1 - 'Own Workforce - Objectives'	
S1-14	Health and safety metrics	ESRS S1 - 'Own Workforce - Objectives'	
S1-15	Work-life balance metrics	ESRS S1 - 'Own Workforce - Objectives'	
S1-16	Remuneration metrics (pay gap and total compensation)	ESRS S1 - 'Own Workforce - Objectives'	See phase-in table
S1-17	Incidents, complaints and severe human rights impacts	ESRS S1 - 'Own Workforce - Objectives'	

ESRS S4 - Consumers and end-users			
Disclosure requirement		**Chapter**	**Additional information**
ESRS 2, SBM-2	Interests and views of stakeholders	ESRS 2 'Sustainability Strategy - Stakeholder Dialogue'	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S4 - 'Consumers and End-Users - Strategic Approach'	
S4-1	Policies related to consumers and end-users	ESRS S4 - 'Consumers and End-Users - Strategic Approach'	
S4-2	Processes for engaging with consumers and end-users about impacts	ESRS S4 - 'Consumers and End-Users - Strategic Approach'	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	ESRS S4 - 'Consumers and End-Users - Strategic Approach'	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	ESRS S4 - 'Consumers and End-Users - Actions'	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S4 - 'Consumers and End-Users - Objectives'	

Governance standards

ESRS G1 - Business conduct			
Disclosure requirement		**Chapter**	**Additional information**
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	ESRS 2 'Company Profile - ESG Organisation & Management'	
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 'Sustainability Strategy - Materiality Analysis and IRO Presentation'	
G1-1	Business conduct policies and corporate culture	ESRS G1 - 'Business Conduct - Strategic Approach'	
G1-2	Management of relationships with suppliers	ESRS G1 - 'Business Conduct - Strategic Approach'	
G1-3	Prevention and detection of corruption and bribery	ESRS G1 - 'Business Conduct - Strategic Approach'	
G1-4	Incidents of corruption or bribery	ESRS G1 - 'Business Conduct - Objectives'	
G1-5	Political influence and lobbying activities	ESRS G1 - 'Business Conduct - Objectives'	
G1-6	Payment practices	ESRS G1 - 'Business Conduct - Objectives'	

Phase-in

ESRS Standards		Phased-in financial year 2024	Timeline	Process and measures	Scope	Justification for the late delivery of the requirements	Planned additions	Chapter
ESRS 2 SBM-1	Market position, strategy, business model and value chain	No			Relevant content of the report			ESRS 2 - Sustainability Strategy
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	No			Relevant content of the report			ESRS 2 - Sustainability Strategy
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	No			Relevant content of the report			ESRS 2 - Sustainability Strategy, ESRS E1 - Scenario and Resilience Analysis, ESRS S1 - Own Workforce, ESRS S4 - Consumers and End-Users
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Yes	3 years	We report on our physical risks and our transition risks using a list.	The company must disclose the financial impact of climate risks and opportunities: Physical risks: Acute/chronic risk assets and revenues, locations and adaptation measures. Transition risks: Assets, liabilities, revenues, property energy efficiency and climate mitigation measures. Reconciliation: Reconcile amounts from risks with financial reports. Opportunities: Cost savings and market potential from climate-friendly products and solutions.	According to the ESRS: In accordance with ESRS E1-9, the company may report only qualitative disclosures for the first three years of of preparation of its sustainability statement if it is impractical to prepare quantitive disclosures.	We are constantly developing our risk management and adapting it to climate-related risks and opportunities. It is not yet possible to compile quantitative data due to the quality of the data.	ESRS E1 - Climate Change
ESRS E2	Anticipated financial effects from pollution-related risks and opportunities	No			No relevant content of the report			Not specified
ESRS E3	Anticipated financial effects from water and marine resources-related risks and opportunities	No			No relevant content of the report			Not specified
ESRS E4	Biodiversity and ecosystems - All disclosure requirements	No			No relevant content of the report			Not specified

ESRS Standards		Phased-in financial year 2024	Timeline	Process and measures	Scope	Justification for the late delivery of the requirements	Planned additions	Chapter
ESRS E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	Yes	Over the next two or three years, we want to systematically improve the quality of the data on lease objects in order to increase its informative value.	We report on the investment in Miete24, which enables grenke to test the secondary market with existing funds and gather important empirical values for future decisions. The secondary market for IT products such as smartphones and laptops generates average double-digit margins in the secondary market. This makes this area interesting for us as well as for companies and consumers.	The following information is subject to an introductory phase and can only be recorded as the project work progresses: a) a quantification of the expected financial impact in monetary terms before measures related to resource utilisation and measures relating to resource utilisation and the circular economy are taken into account, b) a description of the financial impacts considered, the associated impacts and impacts and dependencies and the time horizons within which they are likely to materialise, c) the critical assumptions used to quantify the expected financial impacts and the sources and degree the sources and degree of uncertainty of these assumptions.	The topic of the circular economy deals in particular with the reuse and recycling of leased objects after the end of the contract term to support a circular economy and was classified as material for grenke as part of our materiality analysis. In 2024, we therefore established a separate specialist department for the circular economy, which will now address these topics in the coming years, but is still in the process of being established.	By participating in Miete24, for example, we are currently building up important experience that will enable us to make further strategic decisions for the future and set targets. We are also gathering further insights by analysing the leasing of used leasing objects to commercial customers.	ESRS E5 - Circular Economy
ESRS S1	**Own workforce**	**No**			**Relevant content of the report**			**ESRS S1 - Own Workforce**
ESRS S1-7	Characteristics of non-employees in the undertaking's own workforce	No			Relevant content of the report			ESRS S1 - Own Workforce
ESRS S1-8	Collective bargaining coverage and social dialogue	No			Relevant content of the report			ESRS S1 - Own Workforce
ESRS S1-11	Social protection	No			Relevant content of the report			ESRS S1 - Own Workforce

ESRS Standards		Phased-in financial year 2024	Timeline	Process and measures	Scope	Justification for the late delivery of the requirements	Planned additions	Chapter
ESRS S1-12	Persons with disabilities	Yes	In the next two reporting years, we want to further expand our general programmes and project work on the topic of 'diversity'. We will also continue to monitor the legal situation on the topic of 'people with disabilities'.	We want to create an inclusive environment for all employees, including people with - visible and invisible - disabilities and neurodiverse people. In order to meet the needs of all employees we ensure accessible workplaces. This includes entrances, lifts, toilets and parking spaces.	The entire KPIs of standard S1-12, namely the percentage of people with disabilities among grenke's employees for whom legal restrictions apply, lie below the introductory phase. In this introductory phase, it is still necessary to check whether this data can be legally collected in Germany.	grenke's ability to measure the number of employees with disabilities and neurological differences depends on voluntary self-disclosure and is limited by data protection laws, e.g. the European General Data Protection Regulation (EU GDPR). In addition, due to ongoing social stigmatisation, many individuals choose not to share this information in places where it is permissible for grenke to ask for it. For the reasons described above, we are not yet able to provide reliable and representative data on this topic.	For legal reasons to protect the privacy of the people concerned, we are not yet able to provide reliable and representative data on this topic. We are continuing to monitor this legal situation and are pressing ahead with our project work on the topic of 'diversity'.	ESRS S1 - Own Workforce
ESRS S1-13	Training and skills development metrics	No			Relevant content of the report			ESRS S1 - Own Workforce
ESRS S1-14	Health and safety metrics	No			Relevant content of the report			ESRS S1 - Own Workforce
ESRS S1-15	Work-life balance metrics	No			Relevant content of the report			ESRS S1 - Own Workforce
ESRS S2	Workers in the value chain	No			No relevant content of the report			Not specified
ESRS S3	Affected communities	No			No relevant content of the report			Not specified
ESRS S4	Consumers and end-users	No			Relevant content of the report			ESRS S4 - Consumers and End-Users

Group sustainability parameters

No.		Sustainability Parameter	Scope	Entity	Unit	2024	2023	2022	Reference
Climate & Environment									
1	TOP KPI	Share of ESG products and services in the overall portfolio at net acquisition value	Total	Group	In percent	7.8	7.7	5.7	ESRS E1 - Climate Change
2		Share of green economy properties in new leasing business in net acquisition value	Total	Group	EUR million	238	200	130	ESRS E1 - Climate Change
3	TOP KPI	CO_2 emissions (Scope 1, 2, 3)	Total	Group	In tCO_2e	7,833	7,962	7,903	ESRS E1 - Climate Change
4		Scope 1	Scope 1	Group	In tCO_2e	2,690	3,184	3,407	ESRS E1 - Climate Change
5		Scope 2 - Location-based	Scope 2	Group	In tCO_2e	960	1,197	1,498	ESRS E1 - Climate Change
6		Scope 2 - Market-based	Scope 2	Group	In tCO_2e	1,440	1,778	2,089	ESRS E1 - Climate Change
7		Scope 3	Scope 3	Group	In tCO_2e	4,183	3,581	4,632	ESRS E1 - Climate Change
8		Electricity consumption	Total	Group	In MWh	3,086	3,448	3,018	ESRS E1 - Climate Change
9		Thermal energy consumption from heating oil and gas	Total	Group	In MWh	2,495	2,608	3,934	ESRS E1 - Climate Change
10		District heating consumption	Total	Group	In MWh	340	363	567	ESRS E1 - Climate Change
11		Photovoltaic system - electricity generated per year	Total	Group	In MWh	136	153	9	ESRS E1 - Climate Change
12	TOP KPI	Number of countries with available eSignature solutions	Total	Group	Number of	27	27	27	ESRS E1 - Climate Change
13	TOP KPI	Number of countries with available eInvoice solutions	Total	Group	Number of	26	26	26	ESRS E1 - Climate Change
14	TOP KPI	eContract rate, measured by the proportion of leasing contracts concluded with eSignature compared to the total number of new contracts concluded in the financial year	Total	Group	In percent	40.5	40.1	40.5	ESRS E1 - Climate Change
15		Number of contracts concluded with electronic signatures	Total	Group	Number of	128,095	116,910	108,841	ESRS E1 - Climate Change
16		Share of printed invoices in the core market of Germany	Country	D	In percent	4	5	7	ESRS E1 - Climate Change
17		Share of printed invoices in the core market of France	Country	F	In percent	2	3	4	ESRS E1 - Climate Change
18		Share of printed invoices in the core market of Italy	Country	ITA	In percent	<1	<1	<1	ESRS E1 - Climate Change
19		Number of objects received (asset brokers) in Germany	Country	D	Number of	13,454	16,263	12,997	ESRS E5 - Circular Economy
20		Number of objects received (asset brokers) in France	Country	F	Number of	7,202	7,562	7,659	ESRS E5 - Circular Economy

No.	Sustainability Parameter	Scope	Entity	Unit	2024	2023	2022	Reference
21	Number of objects received (asset brokers) in Italy	Country	ITA	Number of	3,233	3,462	2,146	ESRS E5 - Circular Economy
22	Proportion of objects returned for secondary use in Germany	Country	D	In percent	6.7	5.7	6.5	ESRS E5 - Circular Economy
23	Proportion of objects returned for secondary use in France	Country	F	In percent	10.3	4.4	3.1	ESRS E5 - Circular Economy
24	Proportion of objects returned for secondary use in Italy	Country	ITA	In percent	5.6	9.9	9.9	ESRS E5 - Circular Economy
25	Number of professionally disposed of objects (asset brokers), Germany	Country	D	Number of	335	343	429	ESRS E5 - Circular Economy
26	Number of professionally disposed of objects (asset brokers), France	Country	F	Number of	84	5	6	ESRS E5 - Circular Economy
27	Number of professionally disposed of objects (asset brokers), Italy	Country	ITA	Number of	489	46	21	ESRS E5 - Circular Economy
28	Number of resold objects (asset brokers), Germany	Country	D	Number of	14,182	14,135	13,021	ESRS E5 - Circular Economy
29	Number of resold objects (asset brokers), France	Country	F	Number of	7,217	3,228	1,989	ESRS E5 - Circular Economy
30	Number of resold objects (asset brokers), Italy	Country	ITA	Number of	2,888	6,988	8,371	ESRS E5 - Circular Economy
31	Number of audio conferences	Total	Group	EUR million	7.67	9.23	3.63	ESRS E1 - Climate Change
32	Number of video conferences	Total	Group	EUR million	2.38	2.02	1.63	ESRS E1 - Climate Change
33	Number of vehicle orders (total with PHEV, BEV, ICE)	Total	Group	Number of	637	558	615	ESRS E1 - Climate Change
34	Share of electric vehicles of the total vehicle fleet	Total	Group	In percent	35	27	12	ESRS E1 - Climate Change
35	Number of rail journeys	Total	D	Number of	511	359	190	ESRS E1 - Climate Change
36	Number of air journeys	Total	D	Number of	110	118	95	ESRS E1 - Climate Change

No.		Sustainability Parameter	Scope	Entity	Unit	2024	2023	2022	Reference
Social Contribution									
37	TOP KPI	grenke Engagement Score	Total	Group	Score	2.1	2.1	2	ESRS S1 - Own Workforce
38	TOP KPI	Staff turnover rate	Total	Group	In percent	8.9	9.7	11.4	ESRS S1 - Own Workforce
39	TOP KPI	Training days per employee	Total	Group	Days	3	3.7	2.9	ESRS S1 - Own Workforce
40		Training per employee/average training hours, total	Total	Group	Hours	23.65	29.39	22.95	ESRS S1 - Own Workforce
41		Training days per employee, male	Males	Group	Hours	3.2			ESRS S1 - Own Workforce
42		Training days per employee, female	Females	Group	Hours	2.8			ESRS S1 - Own Workforce
43		Training rate grenke Group	Total	Group	In percent	98.82	99.08	99	ESRS S1 - Own Workforce
44		Number of employees at grenke	Total	Group	By heads	2,295	2,157	1,954	ESRS S1 - Own Workforce
45		Number of employees in FTE	Total	Group	FTE	2,196	2,068	1,878	ESRS S1 - Own Workforce
46		Employee structure, male employees	Men	Group	Number of	1,056	1,003	887	ESRS S1 - Own Workforce
47		Employee structure, female employees	Women	Group	Number of	1,239	1,154	1,067	ESRS S1 - Own Workforce
48		Employee structure, age under 30	Age <30	Group	In percent	22	22	23	ESRS S1 - Own Workforce
49		Employee structure, age between 30 and 50	Age 30-50	Group	In percent	64	64	64	ESRS S1 - Own Workforce
50		Employee structure, age over 50	Age >50	Group	In percent	14	14	13	ESRS S1 - Own Workforce
51		Employee structure, full-time	Full-time	Group	Number of	2,012	1,910	1,739	ESRS S1 - Own Workforce
52		Employee structure, part-time	Part-time	Group	Number of	282	248	215	ESRS S1 - Own Workforce
53		Entries (employees)	Total	Group	Number of	497	524	459	ESRS S1 - Own Workforce
54		Leavers (employees)	Total	Group	Number of	204	210	222	ESRS S1 - Own Workforce
55		People with disabilities	Total	Group	In percent	Phased-in			ESRS S1 - Own Workforce
56		Women on the Board of Directors	Total	Group	In percent	25	33	33	ESRS S1 - Own Workforce
57		Women on the Supervisory Board	Total	Group	In percent	17	17	17	ESRS S1 - Own Workforce
58		Women in top management	Total	AG	In percent	32.4	33.9	42.1	ESRS S1 - Own Workforce

No.	Sustainability Parameter	Scope	Entity	Unit	2024	2023	2022	Reference
59	Women in top management	Total	Group	In percent	27.2	28	26.1	ESRS S1 - Own Workforce
60	Work-related accidents (number and rate of reportable accidents at work)	Total	Group	Number of	13	6		ESRS S1 - Own Workforce
61	Number of persons in percent who are legally covered by health management at grenke	Total	Group	In percent	100			ESRS S1 - Own Workforce
62	Sick days	Total	Group	Number of	9	7	8	ESRS S1 - Own Workforce
63	Remote work	Total	Group	Days per week	3	3	2.9	ESRS S1 - Own Workforce
64	Use of work schedule models - parental leave	Total	Group	Number of	79	76	86	ESRS S1 - Own Workforce
65	Use of work schedule models - special life situations	Total	Group	Number of	26	14	15	ESRS S1 - Own Workforce
66	Regular performance and career assessments, male	Males	Group	In percent	48.5			ESRS S1 - Own Workforce
67	Regular performance and career assessments, female	Females	Group	In percent	51.5			ESRS S1 - Own Workforce
68	Gender pay gap - salary differences depending on gender	Total	Group	In percent	Phased-in			ESRS S1 - Own Workforce
69	Ratio of highest-paid individual to median total annual remuneration	Total	Group	In percent	Phased-in			ESRS S1 - Own Workforce
70	Number of SME customers	Total	Group	Number of	523,502	517,146	517,523	ESRS S4 - Customers and End-Users
71	Number of meeting contacts with female customers and partners	Total	Group	Number of	58,479	67,114	56,650	ESRS S4 - Customers and End-Users
72	Proportion of digital meetings	Total	Group	In percent	27	27	27	ESRS S4 - Customers and End-Users
73	Proportion of indirect market access via specialist retail partners	Total	Group	In percent	83.2	83	82.1	ESRS S4 - Customers and End-Users
74	Duration of our business relationships measured by share of active specialised trade partners (longer than three years)	Total	Group	In percent	59.8	62	62	ESRS S4 - Customers and End-Users
75	Share of direct market access, share of total new business volume	Total	Group	In percent	16.8	17	18	ESRS S4 - Customers and End-Users
76	Share of follow-up contracts compared to the total number of all contracts in direct sales	Total	Group	In percent	4,994	4,384	4,310	ESRS S4 - Customers and End-Users
77	Number of business current accounts and loan accounts (grenke Bank)	Total	Group	Number of	12,220	12,635	11,755	ESRS S4 - Customers and End-Users
78	Number of new microloans granted in cooperation with BMAS (grenke Bank)	Total	Group	Number of	2,034	2,393	2,751	ESRS S4 - Customers and End-Users
79	Total sponsorship amount/projects supported	Total	Group	EUR million	2.2	1.8	1.5	ESRS S1 - Own Workforce

No.		Sustainability Parameter	Scope	Entity	Unit	2024	2023	2022	Reference
Responsibility & Trust									
80	TOP KPI	Overall Strategy Awareness Score	Total	Group	Score	2.6	2.6	2.5	ESRS G1 - Business Conduct
81	TOP KPI	Share of top management positions with variable remuneration containing a sustainability component	Total	Group	In percent	1.7	1.8	1.6	ESRS 2 - Company Profile
82	TOP KPI	Completion rate of internal audits in percent	Total	Group	In percent	65	81	58	ESRS G1 - Business Conduct
83		Number of ad hoc risk reports	Total	Group	Number of	8	15	13	ESRS G1 - Business Conduct
84		Number of people covered by training on corruption and bribery	Total	Group	Number of	2,289			ESRS G1 - Business Conduct
85		Training rate of mandatory training on governance topics	Total	Group	In percent	97.2	96.8	83.2	ESRS G1 - Business Conduct
86		Number of reports via grenke Integrity line	Total	Group	Number of	17	20	14	ESRS G1 - Business Conduct
87		Number of anti financial crime-reviews on the implementation of anti financial crime	Total	Group	Number of	15	14	15	ESRS G1 - Business Conduct

4. Changes in the Company's governing bodies

Dr Martin Paal was appointed to the Board of Directors on March 5, 2024, and assumed the role of CFO from Dr Sebastian Hirsch as of July 1, 2024.

In a letter dated September 5, 2024, Isabel Rösler announced her resignation from her position as Chief Risk Officer (CRO) effective December 31, 2024. The responsibilities of the CRO will be distributed among the remaining members of the Board of Directors until a new member is appointed.

With the conclusion of the Annual General Meeting of grenke AG on April 30, 2024, the terms of office of Supervisory Board members Dr Ljiljana Mitic and Dr Konstantin Mettenheimer ended. Dr Mettenheimer left the Supervisory Board. Dr Mitic was proposed by the Board for re-election at the Annual General Meeting and was re-elected for the period up to the conclusion of the Annual General Meeting that will resolve the discharge of the Supervisory Board members for the 2028 financial year.

In addition, Manfred Piontke was elected to the Supervisory Board to serve until the conclusion of the Annual General Meeting that will decide on the discharge of the Supervisory Board members for the 2026 financial year.

At the first official meeting of the Supervisory Board on April 30, 2024, Jens Rönnberg was elected as Chair of the Supervisory Board of grenke AG, and Moritz Grenke was elected Deputy Chair.

5. Risk report

5.1 Introduction

The grenke Group has implemented a comprehensive risk management system based on its many years of experience, in accordance with the German Stock Corporation Act and relevant regulatory requirements. This system is subject to ongoing development. The risk management of the grenke Group is designed to ensure long-term, sustainable, and successful business operations. In particular, the Board of Directors includes profitable operations, ensuring consistent and appropriate dividend payments, adequately strengthening equity beyond dividend payments to enhance the Company's financial stability through regular profit retention, and enabling investments in the ongoing development of the grenke Group to secure its future viability. A key principle is to maintain an appropriate balance at all times between profit opportunities and manageable, well-controlled risks.

We have always followed the philosophy of only taking on risks that are inherently linked to our business model. It is our guiding principle to develop the best possible statistical models for assessing and measuring these risks. Therefore, we do not aim to minimise credit or default risks associated with our leasing business but instead focus on ensuring high predictive accuracy in our models. This allows us to precisely quantify and ideally price these risks at the time of contract conclusion. We strive to avoid market price risks, maturity transformation risks, or liquidity risks, or to economically eliminate them through appropriate hedging strategies. Another core principle of our business model is placing great importance on diversification to minimise dependencies. As a result, we maintain a broad customer portfolio across more than 30 countries, a well-diversified object portfolio, partnerships with over 39,000 specialist resellers, and various refinancing instruments. This comprehensive diversification forms the foundation of our resilience, which we have demonstrated in recent years. In addition to the core principles of our traditional risk culture, which stem from our business philosophy and sense of responsibility, our risk management is also subject to additional requirements. These arise primarily from extensive banking regulations, which we must comply with both as a leasing company and as a group of institutions, due to our subsidiary grenke Bank AG.

5.2 Regulatory requirements

According to Section 25a of the German Banking Act (KWG), an institution must have a proper business organisation, with a particular focus on adequate and effective risk management. The regulatory requirements for this are specified in the Minimum Requirements for Risk Management (MaRisk). Based on Section 25a (1) KWG, MaRisk provides the supervisory framework for the qualitative and quantitative design of risk management. As grenke AG is the parent company of a group of institutions as defined in Sections 10a and 25a KWG, the grenke AG Group is classified as a financial holding company under Section 1 (35) KWG in conjunction with Article 4 (1) No. 20 of the CRR. grenke AG also has a credit institution subsidiary, grenke Bank AG. Both the grenke Group and grenke Bank AG are subject to the regulatory requirements of the Capital Requirements Regulation (CRR), taking into account the revisions under CRR II and the upcoming CRR III, which will come into effect on January 1, 2025, as well as the Capital Requirements Directive (CRD V) and the KWG.

The grenke Group must implement the Minimum Requirements for Risk Management (MaRisk) and the "Supervisory Requirements for IT in Financial Institutions" (BAIT) issued by the Federal Financial Supervisory Authority (BaFin). These include qualitative and quantitative requirements for risk management, which institutions must implement taking into account their size, as well as the nature, scope, complexity, and risk profile of their business activities.

In addition, the financial services institutions GRENKEFACTORING GmbH and GRENKE Investitionen Verwaltungs KGaA are subject to the KWG and supervision by BaFin and the Deutsche Bundesbank at individual institutions. grenke AG applies the so-called waiver regulations pursuant to Section 2a (1) or (2) KWG in conjunction with Section 2a (5) KWG for these group companies. Therefore, these institutions have notified BaFin and the Bundesbank that certain regulatory requirements are implemented at the group level instead of the individual institution level, as the necessary organisational arrangements are fully met by the parent institution. BaFin approved grenke AG's application in 2009 to align the regulatory scope of consolidation with the accounting scope of consolidation used for the consolidated financial statements. As a result, all group companies attributable to the grenke Group are included within the regulatory scope of consolidation.

Furthermore, grenke AG, as the parent company, prepares a recovery plan upon request by BaFin in accordance with Section 12 (1) of the Restructuring and Resolution Act (SAG). Restructuring planning is a standard industry preventative measure involving the preparation of operational implementation plans for strategic planning, with the aim of addressing effective courses of action in the event of a potential crisis.

5.3 Risk management system

The grenke Group's risk management system follows a holistic and integrated approach. It encompasses all measures for identifying, assessing, evaluating, monitoring, and managing the risks arising from the business. The system takes into account all relevant units within the grenke Group and is designed to recognise all significant individual risks as well as potential risk concentrations and interdependencies between different types of risks.

The grenke Group's risk management system includes the key elements outlined below, which are aligned with one another as part of a regular annual update process. The fundamental orientation of the risk management system is based on the business model defined in the business strategy and the associated strategic objectives set by the Board of Directors.

Accordingly, based on the content and guidelines of the business strategy, the risks relevant to the grenke Group are identified once a year as part of the risk inventory and assessed in terms of their materiality. This results in the Consolidated Group's overall risk profile, which provides the Board of Directors with an overview of the risks that could have a material adverse effect on the net assets (including capital resources), results of operations and liquidity position. Particular focus is placed on the systematic identification and assessment of the impacts of ESG risks.

grenke's Group risk strategy includes the fundamental risk policy approach and, in this context, covers the guidelines and objectives of risk management, the determination of risk appetite, and the definition of appropriate measures to achieve these objectives.

As part of the Internal Capital Adequacy Assessment Process (ICAAP), it is ensured at the Group level that the material risks and potential risk concentrations are covered at all times by available risk capital. It also ensures that the regulatory capital and liquidity requirements are met for at least the duration of the three-year capital planning period, thereby maintaining the Consolidated Group's risk-bearing capacity.

The risk-bearing capacity framework at grenke includes two management perspectives: the normative perspective, aimed at the continuation of the institution, and the economic perspective, aimed at creditor protection.

In the normative perspective, risk-bearing capacity is ensured if compliance with regulatory key figures is maintained both in the planning scenario, based on the current business plan, and in the three existing adverse scenarios over a three-year planning horizon. The risk coverage potential primarily consists of regulatory own funds. On the risk side, credit, market price, and operational risks are quantified using the prescribed regulatory procedures. Key control metrics include the Common Equity Tier 1 (CET1) requirement, the Supervisory

Review and Evaluation Process (SREP) total capital requirement (Pillar 2 Requirement, P2R), the combined buffer requirement, the supervisory capital guidance (Pillar 2 Guidance, P2G), as well as other regulatory structural requirements, such as the leverage ratio.

Since January 1, 2025, the grenke Group has to comply with the regulator's additional capital guidance, the Pillar 2 Guidance (P2G). The P2G, alongside the Pillar 2 Requirement (P2R), forms the second component of the institution-specific capital add-on, which is mandatorily derived from the implementation of the SREP (Supervisory Review and Evaluation Process). It extends the concept of the capital conservation buffer, serving to safeguard the grenke Group's assets even during stress periods and can be offset against the capital conservation buffer. The level of the P2G is determined by the results of the regulatory stress tests of grenke Bank as a Less Significant Institution (LSI), meaning the P2G of grenke Bank has been applied to the grenke Group.

In the economic perspective of the ICAAP, the determination of the risk coverage potential and the quantification of material risks are carried out from an economic standpoint, i.e., on a present value basis. For risk management purposes, the risk coverage potential is subsequently allocated to the material risk types in the form of risk limits. In its risk calculation, grenke follows a conservative approach, as also expected by regulatory authorities, to ensure that rare or extreme events are adequately considered and mitigated through management (limitation). In the economic perspective, quarterly stress tests are also conducted for the material risks to critically reflect on the results and identify any necessary actions for the grenke Group.

In addition to the traditional stress tests conducted as part of the risk-bearing capacity assessment, the Consolidated Group also carries out an inverse stress test once a year. Inverse stress tests examine which scenarios could threaten the survival of the grenke Group.

Furthermore, the implemented process to ensure adequate liquidity at all times (ILAAP) guarantees that the grenke Group maintains sufficient liquidity buffers and refinancing within a defined time horizon to ensure liquidity adequacy.

The normative perspective takes into account the regulations of the European Capital Requirements Regulation (CRR) and focuses particularly on the liquidity ratios of liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).

A key component of the risk management process is also comprehensive, standardised risk reporting. Corporate Risk Management prepares a quarterly risk report for the Board of Directors, the Supervisory Board, and key decision-makers (risk owners) within the Company. This report provides analysis and monitoring of the current risk situation at the Consolidated Group level. It includes the results from ICAAP and ILAAP as of the reporting dates, the volume and structural development of new business, the risk development across individual risk types, and, in particular, the trends in key regulatory and economic risk indicators, along with their associated early warning indicators. These indicators provide insights into compliance with the risk appetite and signal whether additional management actions are required.

The key risk indicators and the liquidity position, including the ILAAP, are also monitored and reported to the Board of Directors and relevant risk owners on a monthly basis. In the event of a particular risk situation, internal ad hoc risk reports are additionally prepared.

Another element of the extended risk management framework is the regulatory-required restructuring plan, which grenke continuously updates upon request from BaFin. This plan is based on the key risk (early warning) indicators and is therefore closely integrated into governance, linking it directly to ongoing risk monitoring and management. This enables grenke to respond quickly and effectively to potential crisis situations, thereby strengthening its resilience.

The risk management framework is accompanied by an actively practiced and continuously evolving risk culture, as well as a functional organisational structure with clear responsibilities and defined processes.

5.3.1 Structure and functions in risk management

grenke's risk management is organised according to the "Three Lines of Defence" model. The clear functional separation between front office and back office is consistently implemented up to the Board of Directors' areas of responsibility.

The overall responsibility for the adequacy and effectiveness of grenke's risk management lies with the entire Board of Directors. In addition to approving the business strategy and the risk strategy, including the risk policy guidelines, the Board also determines the risk appetite (Risk Appetite Statement) and approves all key methodological and procedural elements of risk management.

The independent risk control function, in accordance with MaRisk, is responsible for the proper monitoring and communication of material risks, taking into account the impacts of ESG risks. In the 2024 reporting year, this role was held by the Chief Risk Officer (CRO).

The operational implementation of the risk control function's tasks is carried out by the Corporate Risk Management function of the grenke Group. In addition to risk control, this unit is also responsible for regulatory reporting, the development and maintenance of quantitative risk models, and the independent validation unit, which regularly assesses the adequacy of internal risk models.

The Risk Working Group (AK Risiko) is also part of the risk management system. It primarily discusses current risk-related topics, the results of the risk inventory, any ad hoc risk reports, and legal developments related to risk management.

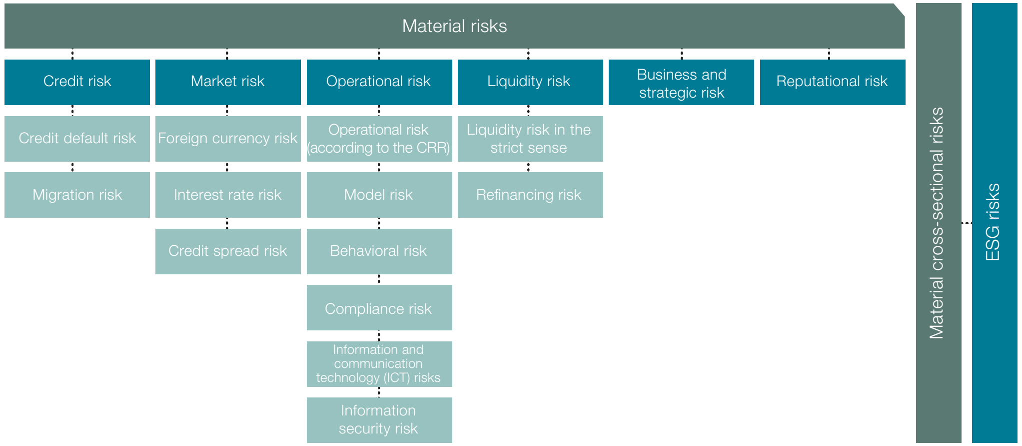
In alignment with MaRisk, grenke has a compliance function, a money laundering officer, a Chief Information Security Officer, an outsourcing officer, and a data protection officer.

The core task of the compliance function is to ensure the implementation of effective procedures to comply with the key legal regulations and requirements applicable to the Consolidated Group. To this end, it identifies and analyses potential compliance risks, conducts legal monitoring, and carries out relevant controls. For adherence to the grenke Code of Conduct, which forms the ethical framework for actions within the Consolidated Group, the compliance function operates the Group-wide whistleblowing system, designs and develops training and awareness programmes on compliance topics, and contributes to the development of policies for Group-wide compliance risk management. The function is also responsible for the relevant regulations on specific core compliance areas, such as handling potential conflicts of interest.

The money laundering officer is responsible for ensuring compliance with anti-money laundering regulations, including adherence to due diligence obligations under the German Money Laundering Act. Based on policies aligned with legal and regulatory requirements, an up-to-date risk assessment of the Consolidated Group, and the use of monitoring and analysis tools, the officer implements risk-based measures to prevent grenke from being misused for money laundering, terrorist financing, or other criminal activities, thereby also mitigating legal and reputational risks.

The Chief Information Security Officer (CISO) is responsible for all matters related to information security. Through guidelines and advisory services, the CISO ensures that the defined objectives and measures regarding information security are clearly communicated and that compliance with these measures is regularly and event-driven reviewed and monitored. In addition, the CISO oversees information risk management in coordination with Corporate Risk Management.

The outsourcing officer manages and monitors compliance with legal and regulatory requirements related to outsourcing. In line with supervisory requirements, the Consolidated Group has implemented internal control procedures for managing and monitoring these risks, based on the structure and workflows of the respective processes.



The data protection officer, together with the data protection organisation, ensures compliance with all relevant data protection regulations at grenke. He/she monitors whether the applicable processes are followed and whether employees receive sufficient training and awareness regarding data protection matters. The data protection officer also serves as the contact point for cooperation with data protection supervisory authorities.

The Internal Audit department conducts an annual risk-based and independent review of the adequacy and effectiveness of risk management. In the 2024 reporting year, the ongoing audit of risk management by Internal Audit revealed no significant or serious findings.

5.3.2 Material risks

As part of the risk inventory conducted in the 2024 financial year, the following risks were classified as material for the Consolidated Group (aggregated presentation):

This means that these types of risks, due to their nature and extent and/or their interaction, can significantly impact grenke's capital, earnings, or liquidity position. The following section defines the origin of the material risks in relation to grenke's business model and explains how these risks are measured and managed within the risk management system.

5.3.2.1 Credit risk

The grenke Group's strategic business focus is on small-ticket leasing for small and medium-sized enterprises (SMEs), freelancers, and self-employed professionals. grenke operates in over 30 countries. Due to the predominantly small-scale business across more than 30 countries, the portfolio is highly granular and well-diversified from a risk perspective. The contracts are characterised by low acquisition values, with an average below EUR 10,000. While SMEs are the preferred target group, contracts are also concluded with larger customers, exceeding the SME criteria (number of employees, revenue, total assets) to diversify the portfolio and maintain the dealer network.

Due to the grenke Group's strategic business orientation, credit risks primarily arise from the leasing business. These include, in particular, default risks and migration risks. The default risk refers to the possibility that a customer is unable to meet payment obligations arising from utilised loans or leasing contracts. Migration risk reflects changes in value resulting from a change in the credit rating (rating migration) of a borrower or lessee. Both types of risk were classified as material in the risk inventory due to their potential impact on the Consolidated Group's financial position.

To assess credit default risk, an internally developed, largely country-specific application scoring is conducted before concluding a leasing contract. This process takes into account both customer-specific and contract-specific characteristics, as well as information from external agencies. The models used by the Consolidated Group generate a forecast of potential future default losses, which are considered as risk costs in the contribution margin calculation. As part of the contribution margin analysis, the expected value contribution, factoring in other anticipated income components, is then determined as the key basis for the contract decision. Across the Consolidated Group, broad portfolio diversification is pursued to spread risk when entering into leasing contracts.

For existing portfolios, expected losses from credit default risks in the leasing, factoring, and lending business are also covered by appropriate risk provisions based on internally developed risk models in accordance with IFRS 9 requirements. Additionally, expected losses from non-performing exposures in leasing and factoring are accounted for through standardised individual impairments.

The regulatory own funds requirements for credit risks (minimum capital requirements under Pillar I in accordance with CRR) are calculated using the Credit Risk Standardised Approach (CRSA). To determine unexpected losses under the economic perspective of the risk-bearing capacity assessment, grenke applies a hybrid model that evaluates large exposures using a CreditMetrics model, while other exposures are assessed using a cluster approach.

The migration risk, which is also classified as material, is addressed not only through the recognition of credit quality deterioration via the IFRS 9 levels as part of the risk provisioning process but also within stress testing, where historical increases in risk parameters are considered.

5.3.2.2 Market price risk

Market price risks refer to potential losses arising from uncertainties regarding the future development (level and volatility) of market risk factors. As part of the risk inventory, interest rate risk, currency risk, and credit spread risk were classified as significant subtypes of risk.

5.3.2.2.1 Interest rate risk

The Consolidated Group's interest rate risks arise from changes in market interest rates affecting positions in the interest rate book and their corresponding impact on net interest income. The grenke Group does not engage in maturity transformation to generate net interest income but instead aims for maturity-matched financing.

Interest rate risk is measured within the risk-bearing capacity framework using a historical simulation with a 12-month risk horizon and a confidence level of 99.9 percent.

In addition, interest rate risk is analysed using interest rate shock scenarios in accordance with the requirements of BaFin and the European Banking Authority (EBA), allowing analysis from both a net present value and periodic earnings-oriented perspective. The net present value perspective is assessed using the economic value of equity (EVE) method, while the impact on the profit for the period is analysed through the net interest income (NII) perspective. This includes parallel shifts as well as various twists in the yield curve.

Operationally, market price risks are monitored and managed by Treasury. Due to the strategic principle of avoiding significant maturity transformation, market price risks are kept at a relatively low level. The limitation of market price risks (interest rate and currency risks) is also managed based on risk limits approved by the Board of Directors within the framework of the risk-bearing capacity.

Open interest rate and currency positions should only be entered into in connection with operational business and within the economically necessary limits. On a case-by-case basis, derivatives are also specifically used in this context. The grenke Group uses derivative financial instruments particularly when ordinary business activities involve risks that can be reduced or eliminated through the use of suitable derivatives. Only interest rate and currency swaps, as well as foreign exchange forward contracts, are used. Each derivative contract is linked to an underlying transaction with an opposing risk position. Counterparties are banks with predominantly good or very good credit ratings, holding an S&P rating of at least BBB+. Further details on market price risks, especially interest rate and currency risk management, are provided in the notes to the consolidated financial statements under Chapter 7.3 Derivative financial instruments.

5.3.2.2.2 Currency risk

Due to the international nature of its business, the grenke Group is exposed to currency risk. Internally defined hedging strategies are used to limit or eliminate these risks. The derivatives used are recognised on the balance sheet as of the reporting date at their fair values under the line items financial assets or financial liabilities. In the larger markets, such as Great Britain, the Consolidated Group refinances the new business acquired in local currencies. The subsidiaries generally conduct their business in the respective local markets rather than internationally (cross border), which excludes currency risks almost entirely.

The risk calculation of open currency positions is carried out within the framework of risk-bearing capacity using a historical simulation with a 12-month risk horizon and a confidence level of 99.9 percent.

In general, risks arise from currency fluctuations related to financial assets and receivables, onerous contracts denominated in foreign currency and from the translation of the Consolidated Group companies' financial statements. The use of derivatives (forward exchange contracts and currency swaps are used for currency risk) lessens the market sensitivity of the underlying transaction, i.e. cash flows from financial assets and receivables.

Ideally, this results in almost perfect compensation.

Currency risks mainly arise in the financing of Group companies operating outside the eurozone. The hedging of open foreign currency cash flows is carried out based on internally defined hedging limits, which are applied when the balance at the daily exchange rate reaches the equivalent of EUR 500k per currency. The exchange rare is firmly fixed for the majority of Group companies. In addition, there are external agreements for refinancing in local currency for some companies.

Currency risk resulting from the cash flows of the issued foreign currency bonds is hedged by the conclusion of cross-currency swaps with matching maturities.

5.3.2.2.3 Credit spread risk

Credit spread risk in the banking book (CSRBB) encompasses risks arising from market-wide changes in credit spreads (including market liquidity spreads), without considering idiosyncratic components or credit-induced changes (e.g., rating migration). Rising credit spreads increase grenke's costs for new capital market issuances, which can only be incorporated in the leasing new business' terms and conditions with a time lag. As a result, this risk type is also considered in the adverse scenarios of capital planning.

Fluctuations in the segment- and rating-specific credit spread curve (financial non-banking, rating BBB) are used as the risk factor for CSRBB. The credit spread curve reflects the credit premium (spread) of bonds issued by non-banking financial institutions with a BBB rating compared to risk-free yields across various maturities. Changes in the spread curve are not due to rating changes of the issuers but instead reflect market-wide factors relevant under CSRBB requirements.

5.3.2.3 Liquidity risk

Liquidity risk refers to potential losses that may arise if liquid funds are unavailable or more expensive than expected to obtain to fulfil payment obligations when due. The key sub-categories of liquidity risk include liquidity risk in the narrow sense, i.e., the risk that current and future payment obligations cannot be met in full or on time, and refinancing risk, which is the risk that refinancing at the required time can only be secured under more expensive conditions than anticipated.

Liquidity risks can arise from all positions entered into with external parties. The grenke Group's sources of refinancing primarily consist of ABCP programmes, bond and promissory note issues, the deposit business of grenke Bank AG, a syndicated credit line from a banking consortium, and the issuance of subordinated debt instruments (hybrid capital).

The grenke Group's liquidity risks are limited by the compliance with regulatory ratios LCR (liquidity coverage ratio) and NSFR (net stable funding ratio). The objective is to achieve, primarily based on duration, a match between balance sheet assets and liabilities and, where possible, a broad diversification of refinancing sources. Refinancing concentration risks are reduced to economically reasonable levels.

As with market price risks, liquidity risks are generally reduced by the principle of avoiding significant maturity transformation. Liquidity risks are managed operationally by the Treasury department, strategically by the management, and monitored by Corporate Risk Management. Liquidity risk is managed at the Consolidated Group level, including weekly monitoring through various liquidity reports (e.g., LCR and NSFR) and monthly through dynamic liquidity planning and the refinancing plan. Three stress scenarios (institution-specific, market-specific, and a combined scenario) are usually analysed. The investment of excess liquidity is carried out in accordance with the approved counterparty limits.

5.3.2.3.1 Short-term liquidity

Liquidity risk management consists of the day-to-day management of incoming and outgoing payments. A liquidity overview is prepared for short-term reporting on the first working day of the calendar week and is discussed by the Board of Directors. The overview includes all of the relevant information on the short-term liquidity developments expected in the following weeks. The weekly liquidity overview gives the Consolidated Group's current liquidity status and focuses on cash flows from the leasing business. Wages and tax payments are also taken into account.

Reporting distinguishes between three liquidity levels:

// Liquidity 1 (cash liquidity): Money in all accounts plus overdraft facilities at banks and all “immediately” (time horizon of approx. one week) flowing funds.

// Liquidity 2: Liquidity 1 plus cash flows due or to be received up to the one-month horizon and those tied assets that can be monetised without significant losses in value at the one-month horizon.

// Liquidity 3: Liquidity 2 plus cash flows that are not due or received by one month’s notice and plus those tied assets that require more than one month to monetise without significant loss of value.

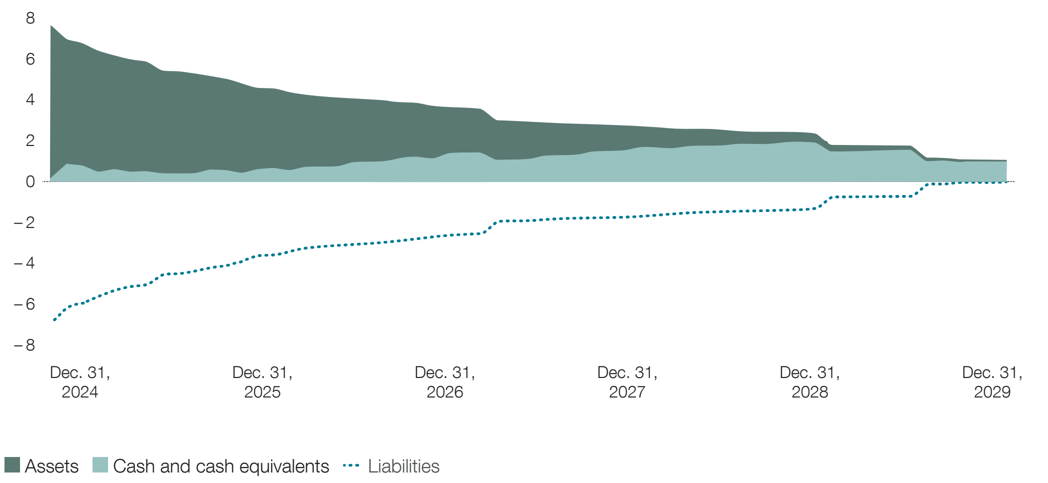
EURk	Dec. 31, 2024	Dec. 31, 2023
Liquidity 1 (cash liquidity)	446,922	389,513
Liquidity 2 (up to 4 weeks)	87,424	394,240
Liquidity 3 (more than 4 weeks)	888,717	895,265

5.3.2.3.2 Medium and long-term liquidity

Monthly static liquidity planning is carried out in addition to short-term liquidity management and weekly reporting. The basic assumption of this planning is the liquidation of the existing leasing, lending and factoring portfolio in accordance with the contractual agreements so that the proceeds from the assets flow in due time. The liabilities are also repaid on time based on contractual agreements. As the duration of the liabilities side (liabilities) approximates that of the portfolio, financing largely matching maturities is ensured. For more information, please also refer to the overview of the expected outflows from contractual obligations in Chapter 2.7.3 Liquidity.

Liquidity development

December 31, 2024 to December 31, 2029, in EUR billion



Dynamic liquidity planning is also carried out monthly to assess the liquidity position under stress conditions and, therefore, the liquidity risk in the strict sense for upcoming periods. This planning supports the Consolidated Group's overall liquidity management. Refinancing risk is assessed at least quarterly as part of the risk-bearing capacity analysis. This involves evaluating whether and to what extent an increase in credit spreads raises refinancing costs and, consequently, the refinancing risk.

5.3.2.4 Operational risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. The definition of operational risks includes legal risks but not strategic or reputational risks.

Operational risks (in accordance with CRR) result especially from external fraudulent acts and human error, physical hazards, inadequate internal regulations and internal fraudulent acts. The risk subtype is assessed as material in the risk inventory due to its potential impact on the results of operations.

Behavioural risks arise from the inappropriate provision of financial services in the areas of leasing, banking, factoring and issues relating to customers, products and business practices as well as internal fraud and human error. Model risks can arise from errors in the development, implementation, or application of models. Compliance risks arise, among other things, from inadequate internal regulations. These three risk subtypes are assessed as material as part of the risk inventory due to their potential impact on the net assets, results of operations and liquidity position.

ICT risks arise for grenke from cyberattacks and technical failures/errors as well as from human error and inadequate internal regulations. The risk subtypes of ICT risk are assessed as material as part of the risk inventory, particularly due to their potential impact on the results of operations.

Operational risks are limited through thresholds within the risk-bearing capacity model. Routine risk quantification within the risk-bearing capacity calculation is currently carried out using the standardised approach in accordance with Basel IV. To determine the total capital ratio in accordance with CRR II at Group level, operational risk is calculated using the regulatory basic indicator approach. Individual characteristics of ICT risk are determined on a quarterly basis and recognised within the scope of risk reporting. While legal and compliance risks are already taken into account using the standardised approach under Basel IV, model risk is considered separately as part of the risk-bearing capacity calculation. Model risk is recognised in the form of a risk buffer derived from the risk inventory.

For Group-wide monitoring of operational risks, grenke has implemented indicators (e.g., cost and organisational indicators). In addition, all fraud cases and other operational losses are recorded and analysed in a loss event database. To enable early management action, the value of operational loss events is monitored against predefined thresholds. A Group-wide compliance management system oversees the diverse international requirements, and all employees are regularly informed and trained through awareness programmes.

In addition to the annual risk inventory and the ongoing reporting of losses and risks, the annual OpRisk Self-Assessment also contributes to the identification of operational risks.

The objective of the operational risk management process is to mitigate potential losses while maintaining business operations and optimising the use and protection of assets.

5.3.2.4.1 Business process and IT risk management

All of the grenke Group's core business, management and support processes are aligned with the business strategy, standardised and digitalised. Ongoing development is carried out with the aim of simplification and acceleration. This requires a technologically modern and highly flexible system architecture whose changes (change management) are systematically documented in terms of content and methodology and regularly reviewed. A high level of operational stability is achieved through the continuous modernisation of the infrastructure. This is based on a fully redundant data centre architecture.

The development of an appropriate multi-cloud infrastructure, which began in 2023, was continued in 2024, and the first components were migrated. IT risk management encompasses complete risk transparency across all functional areas of IT, i.e. organisation, processes, applications, and infrastructure operations, including IT security, projects and compliance.

Cyber risks and information and communication technology (ICT) risks are measured and managed based on information networks, drawing from grenke -specific business process clusters. These are supplemented with additional IT-specific information, including the applications and hardware components used. As a result, the measured ICT and cyber risks relate to the key business processes and provide a reliable statement on the quality of service support provided by the grenke Group's ICT systems. The following risk subtypes were recorded in the risk inventory for ICT risks and cyber risks carried out in the reporting year: availability and continuity, security, further development, data integrity, outsourcing, maintainability, adaptability, compliance, performance, organisation, costs and information security. Despite some existing latent risks, the overall performance of the grenke Group's ICT systems is at an appropriate level. The key takeaways are being addressed in ongoing projects.

5.3.2.4.2 Business continuity management

In 2024, BCM implemented further strategic measures to strengthen operational resilience. A particular focus was placed on the continuous improvement of the BCM framework to ensure risk-based, efficient, and regulatory-compliant management.

A key milestone was the approval of a new BCM policy by the responsible member of the Board of Directors, which further clarified the strategic direction and governance of BCM. In close coordination with Internal Audit, the existing BCM guideline was expanded to establish clear framework conditions for grenke. These adjustments created consistent Company-wide standards, enabling improved management of time-critical processes.

To strengthen the security architecture, regular risk-based penetration tests and red-teaming exercises are conducted. Insights gained from the incident response tabletop exercise lead to targeted optimisation measures that further enhance the organisation's ability to respond to business-disrupting events and safeguard the stability of time-critical business processes.

Another focus was the further development of the business impact analysis (BIA) to ensure a comprehensive assessment of time-critical processes and dependencies. The methodology was optimised to enable more precise analyses and improved identification of business-critical components. Additional criteria were introduced to identify and assess dependencies, allowing for more effective prioritisation. These enhancements help increase the organisation's resilience and address potential risks at an early stage.

In parallel, BCM was increasingly integrated into the support of information security initiatives. The growing regulatory momentum, particularly in connection with the implementation of DORA, highlights the importance of a closely interconnected BCM approach.

Further strategic developments are planned for 2025 to strengthen operational resilience in the long term. This includes revising the written set of rules (sfO) in close collaboration with IT, the CISO, and Corporate Risk Management to specifically address regulatory requirements such as DORA. A key component will be the introduction of a new BCM tool that enables seamless integration with existing grenke systems. In particular, the close linkage with protection needs analyses, outsourcing management, and process-oriented risk management will provide improved transparency and control. Additionally, the BIA will be fully integrated into the tool to optimise standardisation processes and ensure seamless interface integration. These measures will contribute to the further development of a future-proof, resilient, and regulatory-compliant operational structure.

5.3.2.5 Business and strategic risks

Business and strategic risks refer to the risk of unexpected earnings development not covered by other types of risk. This includes the risk that losses cannot be countered due to changes in key framework conditions (e.g. economic and product environment, legal changes in the context of sustainability, customer behaviour, competitive situation) and/or due to inappropriate strategic positioning. The grenke Group considers business and strategic risks to be material.

The grenke Group’s business success depends to a large extent on the success of its sales activities within the intended sales channels. The risk of not achieving sales targets lies in the possibility that sales performance does not materialise as expected due to external or internal factors, causing the assumptions underlying the sales plan (new business assumptions) to develop contrary to expectations.

This business and strategic risk is taken into account within the risk-bearing capacity framework through a general buffer, which is derived from deviations from the plan.

In a dynamic market environment, it is important to anticipate changes at an early stage and take timely measures to adapt to new market conditions and limit potential risks. grenke AG therefore monitors exogenous market influences and any risks that may arise from them.

5.3.2.6 Reputation risk

Reputation risk refers to the risk that damage to the Company’s reputation or image results in negative impacts on key indicators such as income, own funds, liquidity, and share price. Reputation risks are considered material within the grenke Group.

Reputation risk holds particular importance. For grenke, as a capital market-oriented company, maintaining an impeccable reputation is especially relevant, particularly concerning its market position and refinancing opportunities.

Within the risk-bearing capacity assessment, reputation risks are accounted for through a general risk buffer, which is derived from the risk inventory.

The management of reputation risk is primarily carried out through proactive and sustainable corporate governance and adequate risk management, supported by solid governance structures and transparent corporate communication.

5.3.2.7 Other risks

In addition to the risks arising from changes in the legal, political and social environments, other risks include or consider the following risks: pension risk, insurance risk, property risk, investment risk, step-in risk, sovereign risk and tax risk.

The risk types and risk subtypes under the "Other risks" category are considered to be immaterial.

The process for analysing the risks classified as immaterial in the risk inventory is supplemented by an overall analysis, taking into account all downstream companies, for risks that are individually immaterial. This includes a review of the materiality of the sum of all individually immaterial risks.

In a dynamic market environment, it is important to recognise changes at an early stage and to take timely measures to adapt to new market conditions and limit potential risks. grenke therefore monitors exogenous market influences and any resulting risks. Through the establishment and continual further update of the risk inventory and set of early warning indicators, other risks within the Consolidated Group are identified, assessed and monitored according to a standardised model.

5.3.3 Development of the risk landscape

5.3.3.1 Capital situation – Normative perspective

Risk-bearing capacity from the normative perspective was consistently maintained within the grenke Group in 2024. The capital ratios exceeded the regulatory capital requirements on every risk reporting date.

Compared to the previous year, both the Common Equity Tier 1 (CET1) ratio and the total capital ratio decreased as of December 31, 2024. The total capital ratio under CRR stood at 17.4 percent on the reporting date (previous year: 19.4 percent), while the CET1 ratio was 14.4 percent (previous year: 16.1 percent). The main drivers of this development were strong new business growth, which led to an increase in risk-weighted assets (RWA), and the successful execution of share buybacks in 2024, which led to a slight absolute decline in the level of own funds.

In addition to the risk-adjusted capital requirement, the CRR also mandates consideration of a largely balance sheet-based and thus risk-insensitive capital ratio through the leverage ratio. As of the reporting date, the leverage ratio in accordance with Article 429 CRR stood at 14.34 percent (previous year: 16.87 percent). The minimum ratio of 3.0 percent required by the supervisory authorities as of the reporting date was therefore met.

The following table shows the composition of Tier 1 capital, the total own funds, and the relevant risk positions as of the reporting date, December 31, 2024:

EURk	Dec. 31, 2024	Dec. 31, 2023
Paid-in capital instruments	46,496	46,496
Premium on capital stock	298,019	298,019
Retained earnings	773,400	721,270
Other comprehensive income	4,499	10,877
Deductions from core capital	–154,802	–94,297
Transitional provisions pursuant to Section 478 CRR	-	-
Total Tier 1 capital pursuant to Section 26 CRR	967,612	982,365
Total additional core capital pursuant to Section 51 CRR	200,000	200,000
Total supplementary capital pursuant to Section 62 CRR		
Total equity pursuant to section 25 ff CRR	**1,167,612**	**1,182,365**

EURk	Dec. 31, 2024	Dec. 31, 2023
Equity requirements for credit risk with central governments and central banks	-	-
Equity requirements for credit risk with regional / local authorities	7,687	7,036
Equity requirements for credit risk with institutions / corporations with short-term rating	9,791	10,026
Equity requirements for credit risk with corporations	268,544	234,057
Equity requirements for credit risk from retail business	124,637	115,979
Equity requirements for credit risk from other positions	17,283	15,625
Equity requirements for credit risk from investments	236	232
Equity requirements for credit risk from positions associated with particularly high risks	-	-
Equity requirements for credit risk from non-performing positions	27,690	21,725
Total equity requirements for credit risk	**455,869**	**404,680**
Total equity requirements for market risk	**-**	**-**
Total equity requirements for operational risk	**80,411**	**82,002**
Total equity requirements for credit valuation adjustments	**1,720**	**1,783**
Total equity requirements	**538,000**	**488,465**

5.3.3.2 Capital situation – Economic perspective

Risk-bearing capacity from the economic perspective was consistently maintained within the grenke Group in 2024.

As of the reporting date, December 31, 2024, the grenke Group's risk coverage potential from the economic perspective amounted to EUR 2,299 million (previous year: EUR 1,969 million). Of this, a total of EUR 1,509 million (previous year: EUR 1,204 million) was allocated as risk capital in the form of limits to the material risk types as of December 31, 2024. The limits approved by the Board of Directors within the economic perspective were adhered to on every reporting date.

As of December 31, 2024	in EUR million	Utilisation in %
Risk coverage potential	2,299.2	
Risk limit	1,509.0	
Risk	1,000.8	66.3%

	in EUR million	Utilisation in %
Credit risk	743.1	65.1%
Market risk	115.9	58.0%
Operational risk	54.7	68.4%
Business and strategic risk (lump-sum risk buffer)	47.0	
Reputational risk (lump-sum risk buffer)	40.0	

As part of the risk-bearing capacity assessment, the net present value of the grenke Group's total risk at a confidence level of 99.9[1] percent amounted to approximately EUR 1,001 million as of December 31, 2024 (previous year: EUR 863 million). This resulted in a limit utilisation of 66 percent as of the reporting date (previous year: 72 percent). The Consolidated Group's risk strategy, valid as of the reporting date, specifies a total risk utilisation of permanently below 95 percent, which was therefore maintained.

As in the previous year, there were no risks as of December 31, 2024 that could threaten the existence of the Consolidated Group or any material Group company. No special risks exceeding the normal business-related risks are apparent regarding the future development of the Consolidated Group, the Company, or its subsidiaries.

5.3.3.2.1 Credit risk

The unexpected loss from credit risks amounted to approximately EUR 743 million as of the reporting date (previous year: EUR 647 million). The utilisation of the risk limit stood at 65 percent (previous year: 70 percent). The increase in risk compared to the previous year is primarily due to the higher receivables volume resulting from new business growth.

grenke Group

As of December 31, 2024, the grenke Group's total receivables volume amounted to EUR 7.7 billion (previous year: EUR 6.6 billion). Of this, around EUR 6.5 billion (previous year: EUR 5.7 billion) was attributable to current and non-current leasing receivables.

EURk	Dec. 31, 2024	Dec. 31, 2023
Current receivables		
Cash and cash equivalents	974,551	697,202
Lease receivables	2,594,088	2,076,719
Financial instruments with positive fair value	4,555	6,880
Other current financial assets	102,012	135,734
Trade receivables	9,706	7,214
Total current receivables	**3,684,912**	**2,923,749**
Non-current receivables		
Lease receivables	3,922,154	3,623,135
Other non-current financial assets	79,776	79,501
Financial instruments with positive fair value	12,969	11,811
Investments accounted for using the equity method	2,444	2,906
Total non-current receivables	**4,017,343**	**3,717,353**
Total receivables volume	**7,702,255**	**6,641,102**

1 This implies that the probability of insolvency from a present value perspective on an annual basis is at most 0.1 percent.

As of December 31, 2024, cash and cash equivalents included a balance with Deutsche Bundesbank amounting to EUR 790.7 million (previous year: EUR 484.7 million). The remaining cash and cash equivalents consisted of balances with domestic and foreign banks, except for EUR 6.8k in cash on hand (previous year: EUR 17k). The financial instruments with positive market value represented the Consolidated Group's derivatives measured at fair value as of the reporting date.

The expected default losses for the grenke Group's 2024 new business portfolio averaged 6.0 percent (previous year: 5.1 percent), based on the acquisition costs of the leased assets and covering the entire average contract term of 49 months (previous year: 49 months).

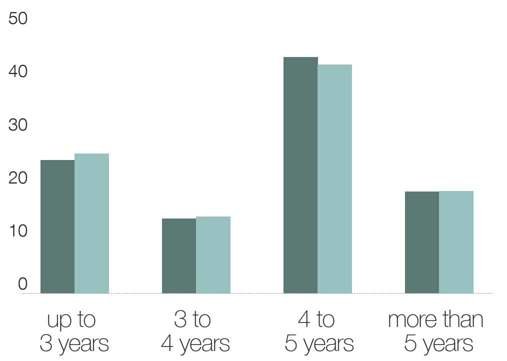
The distribution of the grenke Group's new business by size categories is shown in the following table.

Percent	Dec. 31, 2024	Dec. 31, 2023
EURk <2.5	4.47	4.90
EURk 2.5–5	11.76	13.48
EURk 5–12.5	20.04	21.03
EURk 12.5–25	18.01	18.83
EURk 25–50	16.15	16.25
EURk 50–100	14.00	12.89
EURk 100–250	11.25	9.23
EURk >250	4.32	3.39

As the receivables from the factoring business are consistently short-term in nature, the breakdown of receivables from new business by maturity categories is provided exclusively for the leasing and banking segments. The average contract term for new business concluded during the reporting year was 49 months (previous year: 49 months).

Leasing new business by maturity category

As December 31, 2024



As of December 31, 2024, lease receivables accounted for 84 percent of the grenke Group's total receivables volume (previous year: 86 percent). Accordingly, the Consolidated Group considers the credit default risk of its leasing customers as the most significant risk. As of December 31, 2024, the portfolio is primarily concentrated in the top 6 countries – Germany, Finland, France, United Kingdom, Italy and Spain – which together account for 70 percent of the total lease receivables volume.

To determine risk provisions for lease receivables in accordance with IFRS 9, these receivables are classified into three levels based on their respective credit risk. Impairments for Level 1 leasing contracts correspond to the expected loss over a twelve-month period. For lease receivables in Level 2, a risk provision is recognised for the expected loss over the entire remaining contract term. For lease receivables in Level 3, the expected losses are recorded as risk provisions. The total addition to risk provisions at Consolidated Group level for the leasing business amounts to EUR 135.1 million in the current year.

grenke Bank

Through the purchase of intra-group lease receivables, grenke Bank AG represents an important pillar in the grenke Group's refinancing strategy. In addition, receivables from grenke Bank AG's lending business mainly consist of microloans, start-up financing, and SME loans. Accordingly, credit default risks represent the primary financial risk for grenke Bank AG.

In cooperation with the Mikrokreditfonds Deutschland and selected microfinance institutions, grenke Bank AG has been granting microloans of up to EUR 25 thousand to SMEs since 2015. The processing and refinancing are carried out on behalf of the Federal Republic of Germany. The credit default risk is fully borne by the Mikrokreditfonds Deutschland. As of the end of 2024, grenke Bank AG's receivables from the microloan business amounted to EUR 91 million (previous year: EUR 96.9 million). Until 2020, grenke Bank AG also offered loans under its own risk to SMEs as a financing partner. At the end of 2020, grenke Bank AG made the strategic decision to largely discontinue the SME lending business and focus its lending activities primarily on the microloan segment. As of the end of 2024, the remaining receivables from the SME lending business amounted to EUR 4.13 million (previous year: EUR 8.2 million). grenke Bank AG's lending business also focuses on the small-ticket segment, with the average receivables volume per customer standing at EUR 7k as of December 31, 2024 (previous year: EUR 7k).

The determination of risk provisions for receivables from grenke Bank AG's lending business is based on an expected credit loss model. In 2024, grenke Bank was able to reverse EUR 7.3 million in risk provisions for the lending business. The decrease compared to the previous year was primarily due to the reversal of additional risk provisions established in the prior year due to uncertainties in the corporate loan segment and a reduced receivables portfolio following a portfolio sale.

Factoring business

The grenke Group's factoring business also focuses on the small-ticket segment. In addition to its own subsidiaries in Germany, Switzerland, the United Kingdom, Ireland, Poland, and Hungary, branches of grenke Bank in Italy and Portugal provide factoring services. The Consolidated Group's factoring units primarily handle factoring contracts with domestic debtors. The main service offered is notification factoring, where invoice recipients (debtors) are informed of the assignment of receivables. Under certain conditions, non-notification factoring is also offered, where the debtor is not informed about the assignment of receivables to the factoring company. Additionally, the service portfolio includes "non-recourse factoring," where the credit risk remains with the factoring clients. As of December 31, 2024, the total volume of factoring receivables across all entities amounted to EUR 103.41 million (previous year: EUR 106.7 million).

As of December 31, 2024, the Consolidated Group's factoring business had nine customers with receivables exceeding EUR 1.0 million, accounting for 12.66 percent of total factoring receivables.

Impairments for expected losses from factoring receivables are recognised based on the 12-month expected credit loss. Since factoring receivables are short-term, the 12-month expected credit loss corresponds to the lifetime expected credit loss. As of December 31, 2024, the balance of impairments in the factoring business amounted to EUR 10.0 million (previous year: EUR 11.0 million). The reduction in risk provisions at Consolidated Group level for the factoring business totalled EUR 1.0 million in the current year, primarily due to a decrease in fraud-related losses.

Investments

As of the reporting date, the Consolidated Group holds a 13.7 percent stake in Munich-based Finanzchef24 GmbH through grenke Bank AG, which is included in the consolidated financial statements. In 2023, the Group acquired a minority interest of 26.0 percent in Miete24 P4Y GmbH.

5.3.3.2.2 Market price risk

The unexpected loss from market price risks is determined using a historical simulation with a 99.9 percent confidence level and amounts to approximately EUR 116 million as of the reporting date (previous year: EUR 102 million). The utilisation of the risk limit stood at 58 percent (previous year: 68 percent). Interest rate risk was EUR 114 million (previous year: EUR 101 million).

As of the reporting date, the result of the regulatory standard interest rate shock for the economic value of equity (EVE) showed a decrease of -5.18 percent (previous year: -4.28 percent) under a parallel increase in interest rates of 200 basis points, while a parallel decrease of 200 basis points resulted in an increase of +4.80 percent (previous year: +3.81 percent). From the net interest income (NII) perspective, the change in net interest income under a parallel interest rate shock of +200 basis points was +0.66 percent, and under a parallel shock of -200 basis points, it was -0.85 percent.

The VaR calculation for currency risk with a 99.9 percent confidence level resulted in a risk of EUR 1.5 million as of December 31, 2024 (previous year: EUR 1.3 million). Due to strict volume limits on foreign currency holdings and a historical focus on eurozone countries, currency risk remained low during the reporting year, even amid significant exchange rate fluctuations. According to management's assessment, the Consolidated Group is materially exposed to exchange rate risks primarily related to the British pound (GBP), Australian dollar (AUD), Swiss franc (CHF), Swedish krona (SEK), Canadian dollar (CAD), and Danish krone (DKK). The selection of these currencies was based both on potential impacts identified through analysis and the volume of lease receivables in the respective countries.

The table shows, from the Consolidated Group's perspective, the sensitivity of a 10 percent appreciation or depreciation of the euro against the respective other currencies as of December 31, 2024 or during the reporting period and its impact on the annual result before income taxes.

	2024		2023	
EURk	**Appreciation**	**Depreciation**	**Appreciation**	**Depreciation**
GBP	–801	798	–542	534
AUD	–84	904	–311	161
CHF	194	–194	552	–552
SEK	36	47	9	10
CAD	–81	126	–179	156
DKK	746	–597	573	–535

The effect on the annual result before income taxes arises from changes in the fair values of monetary assets and liabilities, including foreign currency derivatives not designated as hedging instruments, as well as from actual cash flows that were partially or fully recognised in profit or loss during the reporting period and had to be translated into euros during consolidation. All other influencing factors, particularly interest rates, were held constant. The effects of forecasted sales and purchase transactions were not considered. The changes in the value of cross-currency swaps have no material impact on the annual result before income taxes, as these are accounted for as hedging instruments. The value changes of these swaps primarily affect the Consolidated Group's equity directly.

5.3.3.2.3 Operational risk

Operational risk amounting to approximately EUR 54.7 million (previous year: EUR 51.1 million) resulted in a limit utilisation of 68 percent as of the reporting date (previous year: 73 percent). This includes a risk buffer for model risks of EUR 10 million (previous year: EUR 10 million).

In the 2024 reporting year, 21 ad hoc risk notifications were submitted (previous year: 15). Of these, twelve were classified as material and nine as immaterial. We view this increase as a positive indication that our internal awareness-raising measures regarding the identification and detection of risks in business operations are having an effect and are promoting transparency.

5.3.4.2.4 Risk buffer

As of the reporting date, December 31, 2024, the risk buffer for reputation risks amounted to EUR 40 million (previous year: EUR 30 million), and the risk buffer for business and strategic risks was EUR 47 million (previous year: EUR 22 million). The increase in business and strategic risk is due to the fact that the buffer is determined based on past plan deviations. The plan deviations in 2024 resulted in greater uncertainties, leading to an increase in the buffer.

5.3.3.3 Liquidity position – Normative perspective

As of December 31, 2024, the liquidity coverage ratio (LCR) stood at 343.7 percent (previous year: 265.6 percent). The LCR minimum requirement of 100 percent was met at all times during 2024.

The net stable funding ratio (NSFR) was 115.8 percent as of December 31, 2024 (previous year: 114.0 percent), remaining above the regulatory minimum requirement of 100 percent.

5.3.3.4 Liquidity position – Economic perspective

The focus of the economic perspective is on the liquidity gap analysis and the defined stress scenarios. The specified minimum survival horizon was consistently maintained throughout the 2024 reporting period.

5.3.4 ESG risks

ESG risks encompass a variety of aspects. ESG risks in the areas of climate and environment (Environmental) are divided into physical risks and transition risks. Physical risks refer to the direct impacts of climate change and environmental pollution, such as floods, droughts, and other extreme weather events (acute physical risks). They can also arise from long-term changes in climatic and economic conditions (chronic physical risks). Physical risks can also have indirect consequences. On the other hand, transition risks are those that may result from politically motivated changes or changes in consumer behaviour. Social risks (Social) concern the social aspects of corporate governance and can include both internal aspects such as working conditions and employee motivation, as well as external factors like relationships with customers, suppliers, and the local community. Issues like human rights, occupational safety, diversity and inclusion, and responsibility within the supply chain play a central role here. Governance risks (Governance) concern how a company is managed and include aspects such as transparency, ethical business practices, corruption prevention, accountability of executives, and the independence and integrity of the supervisory board.

The grenke Group considers ESG risks as a sub aspect of the known risk categories. This means that ESG risks are not defined as an isolated risk type in the risk catalogue for risk inventory. ESG risks impact various risk categories. In addition to the current influence of ESG risks, the future impact is also considered across different time dimensions.

As part of the risk inventory, a qualitative assessment is made for ESG risks as risk drivers for the various risk categories, and a heatmap is created to illustrate the development of their influence over time. Currently, an influence from ESG risks is identified for all risk categories. In particular, climate and environmental risks are expected to increase over time and are considered material in the long term. To further analyse the impact of ESG risks, an assessment based on the ESG scores has also been carried out. The ESG score serves as an internal scoring model for evaluating ESG risks for the volume business. Based on this scoring model, a regular portfolio clustering can be performed, which will, in turn, allow for regular change analyses and more detailed risk analyses, particularly in the peripheral areas. Scores can be aggregated, particularly for sub portfolios (e.g., sectors and countries). Individual risk driver scores (E-physical; E-Transitional; S and G) also provide good differentiation. The consideration of physical risks explicitly includes scientific future projections.

In the context of stress testing, ESG risks are incorporated into the economic and normative perspectives of risk-bearing capacity with respect to capital.

The integration of ESG risks into the risk control process is a crucial step in responding to the increasing importance of sustainability and responsible business practices. The continuous adjustment of risk management processes, as well as close collaboration between the relevant departments and corporate management, ensures that ESG risks are appropriately embedded into the long-term corporate strategy.

5.3.5 Internal control system related to the Consolidated Group accounting process

At grenke, the internal control system and the risk management system are both interlinked with regard to group accounting. In the following, the term “ICS” is used when referring to the internal control system. ICS represents the entirety of the principles, procedures and measures introduced by the Company’s management that are aimed at the organisational implementation of the management’s decisions in the organisation and ensures

// the effectiveness and efficiency of business activities, including the protection of assets and the prevention and detection of losses to assets;

// the correctness and reliability of internal and external accounting; and

// compliance with the legal provisions relevant to the Company.

The Board of Directors bears overall responsibility for the accounting process at the Company and the Consolidated Group. All of the companies included in the annual financial statements and the consolidated financial statements are also a part of a defined management and reporting organisation process. The Consolidated Group’s accounting and consolidation are organised centrally. The posting of each country’s local entity transactions is centrally recorded and processed in accordance with mandatory schedules for generating qualitative and quantitative information. The cross-check principle generally applies.

The principles, structures, process organisation and accounting methods used by the ICS are documented in writing and updated at regular intervals.

The systems used for the group accounting process and the required IT infrastructure are regularly reviewed by the Internal Audit department with regard to the necessary security requirements. The same applies to the continuing development of the Consolidated Group's accounting process, particularly with respect to new products, facts and revised legal regulations. External consultants are brought in if necessary. To ensure the quality of the Consolidated Group's accounting, the employees involved are regularly trained on a demand-driven basis. The Supervisory Board is also involved in the control system and supervises the Consolidated Group-wide risk management system, including the internal control systems in the areas of audit, accounting and compliance. The Supervisory Board also reviews the contents of the non-financial statement. The Supervisory Board is supported by the Audit Committee, whose focus is to oversee internal and external accounting and the accounting process.

In view of the accounting process for the Company and the Consolidated Group, features of the ICS are considered to be significant when they are capable of materially influencing the accounting and general statement presented in the financial statements, including the combined management report. These features include the following elements in particular:

- // Identification of significant risk and control areas relevant to the accounting process

- // Controls to monitor the accounting process and its results at the levels of the Board of Directors and the companies included in the financial statements

- // Preventative control measures in the finance and accounting systems as well as in the operative, performance-oriented company processes that generate material information for the preparation of the financial statements and the combined management report, and a separation of functions and predefined approval processes in relevant areas

- // Measures that safeguard the orderly IT-based processing of accounting issues and data

- // The establishment of an internal audit system to monitor accounting-related ICS

To reduce the identified risks, controls are implemented as part of the Group's accounting process. For the effectiveness of the ICS, the design of the controls, their integration into the process, and the operational implementation are the important determinants of risk minimisation. Internal Audit regularly examines the ICS for the Consolidated Group's accounting process in sub areas on a rotating basis, which reinforces the ICS.

5.3.6 Group-wide internal control system

In addition to the accounting-related control system, grenke has instruments, procedures and controls for all material processes to ensure their robustness, effectiveness and efficiency. The nature, scope and complexity of the material processes determine the nature and scope of the associated controls.

The internal control system (ICS) at grenke pursues primarily the following objectives:

- // Robustness, effectiveness and efficiency of business processes

- // Compliance with the legal regulations applicable to grenke

- // Identification of risk areas and points of weakness

Controls have been implemented as part of the individual processes to reduce the identified risks. The design of the controls and their integration into the processes, as well as the operational implementation of the controls, are the key determinants of risk minimisation for the effectiveness of the ICS.

The ICS implemented at grenke takes into account the regulatory and statutory requirements for financial services institutions for an appropriate and effective internal control system and, specifically, the Minimum Requirements for Risk Management (MaRisk) established by the German Federal Financial Supervisory Authority (BaFin), the Banking Supervision Requirements for IT (BAIT) and other relevant pronouncements by international supervisory authorities.

The effectiveness and appropriateness of risk management in general and the ICS in particular are reviewed and assessed by grenke's Internal Audit department in a risk-oriented and process-independent manner according to the requirements of MaRisk AT 4.4.3.

The specifications and requirements for the structure and scope of the ICS are developed at Consolidated Group level and transferred to individual companies where appropriate and possible. The principles for structural and procedural organisation, as well as the processes of grenke's Group-wide ICS, are developed on a continuous basis.

The responsibility for the ICS lies with the Board of Directors, in accordance with Section 91 AktG.

6. Opportunities and outlook report

6.1 Opportunity report

In the 2024 financial year, we surpassed the EUR 3 billion mark in leasing new business for the first time, representing a significant milestone in our growth trajectory. Overall, leasing new business increased by 18.4 percent compared to the previous year. The CM2 margin, which rose year-over-year to 17.0 percent, exceeding expectations, provides a solid foundation for our planned income growth in 2025.

Especially against the backdrop of ongoing macroeconomic challenges, achieving our growth targets in new business confirms the resilience of our business model and the strength of our global sales presence. This enables us to continue growing successfully in the market and to contract sustainably profitable new business, even under challenging economic conditions. For 2025, we plan to maintain our growth trajectory, albeit at a slightly more moderate level. In doing so, we will continue to rely on our proven strategies:

// **Focus on Small-Ticket Leasing:** We concentrate our efforts on our core leasing business to support our customers with their investments.

// **Gaining Market Share:** We aim for a market share of at least 10 percent in our markets. With over 25 million registered SMEs in Europe alone, this represents an addressable customer potential in the millions.

// **International Growth:** We operate in three future core markets – the USA, Canada, and Australia – which, due to their size and market structure, promise above-average long-term growth potential.

// **Customer Portfolio:** With 680,000 lessees, we have a broad customer base that already values our financing solutions. By directly engaging existing customers, we unlock significant potential for repeat business.

// **Object Diversification:** We flexibly expand our portfolio of leasable assets to meet the needs of SMEs, opening up new potential customer segments.

// **Megatrends:** We benefit from megatrends such as the green economy, e-mobility, medical technology, and robotics, enabling SMEs to invest in future technologies through our financing solutions.

// **Expansion of Dealer Network:** We continuously grow our dealer network by actively acquiring new specialist reseller partners and introducing new object categories.

// **Digital Excellence:** We leverage state-of-the-art digital technologies to streamline our business processes and service offerings, ensuring speed, simplicity, and cost efficiency.

// **Channels:** We use a variety of customer acquisition methods and continuously expand our sales channels.

// **Financing:** We unlock our business potential through a diversified financing approach, utilising both grenke Bank and the bond market, as well as receivables-based financing instruments.

As, in our own assessment, a leading provider of small-ticket leasing in Europe, we are growing in our core markets primarily by gaining market share. Opportunities arise especially where competitors partially or fully withdraw from markets – due, for example, to increased regulatory requirements or a lack of cost efficiency in high-volume business. Our location management is becoming increasingly efficient, as we can cover an ever-broader sales network without additional branches through the digital presence and sales staff working from home.

At the end of 2024, the grenke Group was operating in a total of 30 countries. In addition to our core markets in Europe, we are also present in North and South America, Asia, and Australia. In the 2024 reporting year, these countries accounted for 6.4 percent of the grenke Group's leasing new business volume (previous year: 5.9 percent).

We see above-average growth potential in our future core markets—the USA, Canada, and Australia—in the niche segment of high-volume small-ticket leasing for SMEs. In Italy, grenke is entering into a strategic partnership with Italy's largest bank, INTESA SANPAOLO S.p.A., to serve the Italian market. This partnership includes collaboration with ISP's branch network and its approximately 1.2 million business customers, as well as joint refinancing of future activities. In the past financial year, Italy was grenke Group's third-largest market, with new business exceeding EUR 400 million, following France and Germany. Double-digit growth rates are expected for future new business in Italy over the next few years.

As a financing partner for SMEs with over 45 years of experience, we have a deep understanding of our customers' evolving needs. We use this experience to continuously and flexibly develop our service offerings, providing financing options for a growing portfolio of objects. We also focus specifically on megatrends, such as the green transformation of the economy and the increasing use of intelligent robotics. This approach is creating growing opportunities for us, even in already established markets.

We maintain long-term business relationships with numerous SMEs and dealers that go beyond individual contracts. Many SMEs are repeat partners, often managed at the branch or country level, and increasingly across multiple countries simultaneously.

Beyond the growth of new business and the overall contract portfolio, there is potential for efficiency gains through digital approaches. To leverage this, we launched our "Digital Excellence" programme. Designed as a three-year initiative, the programme focuses on efficiency improvements and was launched in the 2023 financial year with a total investment volume of EUR 45–50 million. In the 2025 financial year, it is expected to achieve further efficiency gains in sales and administrative expenses.

Due to strong growth in leasing new business over the past three years, we have a solid foundation for future interest income that will exceed cost developments. Through these measures, we are pursuing the strategic goal of sustainably expanding the grenke brand and our global market position.

6.2 Report on forecasts and outlook

6.2.1 Expected development of the macroeconomic and sector environments

The global macroeconomic conditions at the beginning of 2025 remain challenging. Several of our core regions are experiencing persistently high insolvency rates. The Russian war of aggression against Ukraine and the war in the Middle East continue to create uncertainty for the global economy. The tariffs and trade restrictions announced by the new U.S. administration, along with the U.S. withdrawal from international organisations, represent a risk factor for global trade and are triggering reactions from national and international (economic) policymakers. The economic and political consequences of the U.S.'s fundamental realignment are currently difficult to fully assess. The formation of the government following the new elections in February 2025 may impact economic activity in Germany and Europe and currently makes a reliable forecast difficult.

On the other hand, the market's expectation of continued monetary policy easing by central banks worldwide is likely to stimulate economic activity. The European Central Bank (ECB) anticipates that inflation in the eurozone – estimated at 2.5 percent in January 2025 – will fall to its target of 2 percent over the course of the year and then stabilise at that level. At its meeting on January 30, 2025, the ECB cut its key interest rate by another 25 basis points to 2.75 percent. Despite this, the ECB still describes its monetary policy stance as "restrictive" and expects the easing measures already introduced to gradually influence lending conditions and boost economic activity in the eurozone. An ECB survey from mid-January 2025 indicates that financial markets expect the key interest rate to drop to 2 percent by mid-2025 and stabilise there in the medium term.

In contrast, the Federal Reserve System (Fed) kept the target range for the key interest rate unchanged at 4.25 to 4.5 percent during its meeting on January 29, 2025. According to the Fed, while economic momentum in the U.S. had improved ahead of the meeting, inflation remained above the 2 percent target. Projections from members of the Federal Open Market Committee suggest that inflation is likely to stay above the target throughout 2025, leading financial markets to expect only minimal monetary policy easing in the U.S. this year. After U.S. inflation rose sharply in January 2025—contrary to expectations—the Fed is expected to carefully weigh when, or even if, a rate cut would be appropriate.

In its forecast released on January 17, 2025, the International Monetary Fund (IMF) predicts global economic growth of 3.3 percent for 2025. Growth in the eurozone, however, is expected to be much lower at 1.0 percent, largely due to significantly higher energy prices. Countries with energy-intensive industrial sectors are expected to grow more slowly than those with strong service sectors. The IMF forecasts growth of 2.3 percent for Spain, 0.8 percent for France, and 0.7 percent for Italy. Germany is expected to see modest positive growth of 0.3 percent, though this figure does not yet account for the recent election results. The outlook for Germany's export-driven economy is particularly affected by the high level of uncertainty in international trade with China and the U.S. The IMF projects the United Kingdom's growth at 1.6 percent.

The IMF maintains its global growth forecast of 3.3 percent for 2026. Growth in the eurozone is expected to reach 1.4 percent. The IMF predicts greater convergence within the eurozone, with Germany (1.1 percent), France (1.1 percent), and Italy (0.9 percent) projected to grow at nearly identical rates. The United Kingdom is expected to grow by 1.5 percent, while Spain's growth is forecast to slow to 1.8 percent.

The IMF suggests that the U.S., with its already strong economic performance, could help drive even stronger global growth. On the downside, the IMF highlights the risk of intensified protectionist trade policies, including potential tariff increases. In early February 2025, the IMF stated that it was still too soon to accurately assess the effects of the tariffs announced by U.S. President Donald Trump. Growth could also be negatively impacted if central banks pause their monetary easing due to renewed inflationary pressures.

According to an October 2024 study by Allianz Trade, global insolvencies are expected to rise by 2 percent in 2025 and stabilise at a high level in 2026. The U.S. (+12 percent), Germany (+4 percent), Italy (+4 percent), and Spain (+1 percent) are likely to see further increases in insolvency cases in 2025, while conditions in France (–6 percent) and the United Kingdom (–6 percent) are expected to improve slightly.

The ifo Business Climate Index for Germany's leasing sector declined sharply in January 2025, falling to –11.9 points from –2.5 points in January 2024. Companies surveyed rated their current business situation more negatively this January, with a score of 9.5 points, compared to 33.1 points a year earlier. Ongoing economic uncertainty and cautious investment behaviour have made companies more hesitant about the future. Business expectations for the next six months remained firmly negative at –31.2 points in January 2025, only slightly improved from –32.7 points in January 2024. The Association of German Leasing Companies (BDL) emphasises that a clear political commitment to sustainable transformation, along with a concrete implementation plan, is essential to provide companies with greater planning certainty.

6.2.2 Business performance and future direction

The following statements about the future business development of the grenke Group are based on assumptions regarding key market and industry trends. They reflect the Board of Directors' current assessment of what is considered realistic given the information available at this time.

These assessments involve uncertainties, especially since the underlying assumptions could change significantly and at short notice if conditions shift. Therefore, the developments forecasted below may not unfold as expected.

In January 2024, the Board of Directors announced its intention to focus on the leasing business and decided to initiate the divestment of all factoring companies. The Board of Directors does not expect the planned divestment to have any significant impact on the Company's KPIs in the first year. We want to concentrate our resources and investment capacity entirely on advancing digitalisation and driving further growth in its leasing business. grenke Bank AG will continue to play a key role in securing refinancing through deposits.

6.2.2.1 Expected development of leasing new business

For the 2025 financial year, the Board of Directors expects a growth rate in leasing new business of slightly over 10 percent. Based on the 2024 financial year, this corresponds to leasing new business between EUR 3.2 billion and EUR 3.4 billion.

A CM2-margin of more than 16.5 percent is targeted. Key factors in achieving this goal include refinancing costs, the terms of newly signed leasing contracts, and the average ticket size. For the 2025 financial year, the average value per leasing contract is expected to remain around EUR 10,000. The focus on small tickets continues to be a core part of our strategy.

We intend to expand our object portfolio. However, we do not expect any significant shifts in object categories in 2025. We will remain flexible in responding to new customer demands and, if necessary, will offer new object categories for lease financing, as we have already done during the green transformation with products such as eBikes, wall boxes, and solar panels. At the same time, the ongoing digital transformation will enable us to achieve further growth in our core areas of IT and office communications.

6.2.2.2 Development of the results of operations

The Board of Directors expects a positive income performance for the 2025 financial year. The strong leasing new business from the past financial year provides a solid foundation for income growth in 2025. The monetary policy easing already implemented should positively impact the development of operating income from the leasing portfolio—which includes net interest income, profit from the service business, profit from new business, and gains and losses from disposals—during the 2025 financial year.

Although the first half of 2025 will reflect the fact that the loss rate was significantly better in the first half of 2024—leading to lower quarterly results compared to the previous year—the Board of Directors expects moderate profit growth for the 2025 financial year. Group earnings after taxes are expected to reach EUR 71 to 81 million for the full year 2025. This earnings forecast for 2025 is based on the assumption that the loss rate will be around 1.6 percent in a challenging market environment, taking into account political and macroeconomic uncertainties. Despite this, the expected loss rate remains at a historically average level. Furthermore, the Board of Directors assumes that the divestment process for the factoring business can be completed during the financial year. The cost-income ratio is projected remains expected below 60 percent under this earnings outlook.

In the medium term, the CIR is expected to decrease to below 55 percent due to efficiency gains and an increasing level of digitalisation. For the 2025 financial year, the Board of Directors also aims to continue its long-term dividend policy with a payout ratio of 25 percent.

As a result of ongoing growth and investments in digitalisation, staff costs, and sales and administrative expenses are also expected to continue rising. To further advance our successful international expansion strategy, we will continue investing in the digitalisation of our entire value chain across more than 30 countries. The foundation of the digitalisation programme – and the largest single initiative, accounting for one-third of the investments – is the transition to cloud technology. The remaining investment funds will be allocated to automating all core processes related to the leasing business.

6.2.2.3 Development of the financial position and net assets

As a result of the planned new business development, total lease receivables, which are the basis for interest income, are also expected to grow in the high single-digit percentage range in the 2025 financial year. Total assets will increase accordingly. Based on the expected development of Group earnings, grenke continues to aim for an equity ratio of around 16 percent (December 31, 2024: 16.1 percent). This figure serves as a benchmark rather than a strict limit for the Consolidated Group's capital management.

The Board of Directors expects unchanged stable cash flow from operating activities, which can be used to fully finance the planned investments internally. The Board of Directors also assumes that the grenke Group's solid equity base and cash flow development will enable it to refinance the expected volume of new business in 2025 at risk-adequate conditions in parts through its access to various money and capital market instruments and in parts through the deposit business.

6.2.2.4 Non-financial performance indicators

In the past financial year, our non-financial performance indicators, as part of our sustainability strategy, continued to focus on the categories "Climate and Environment," "Social Contribution," and "Responsibility and Trust."

In the "Climate and Environment" category, we monitor the share of green economy objects in our leasing new business volume. In the 2024 financial year, this share was 7.8 percent, compared to 7.7 percent in the previous year. We expect this figure to remain stable or see a slight increase in the current financial year.

In the past financial year, our greenhouse gas emissions, measured in tonnes of CO_2 equivalent (t CO_2e), amounted to 2,690 t CO_2e for Scope 1 (2023: 3,184 t CO_2e). Scope 1 thus accounts for around 34 percent of our total emissions (2023: 40 percent).

For Scope 2, emissions totalled 960 t CO_2e (2023: 1,197 t CO_2e), representing about 12 percent of our total emissions. The reported indirect emissions for Scope 3[9] amounted to 4,183 t CO_2e (2023: 3,581 t CO_2e), accounting for approximately 45 percent of total emissions.

We aim to reduce our business operations' emissions to net zero by 2050. On the path to this goal, we have set interim targets to reduce our Scope 1 and Scope 2 emissions by 50 percent each by 2030, and our indirect Scope 3 emissions by 25 percent, compared to the base year 2022. Our reduction efforts focus on areas with the highest emissions. For Scope 1 and Scope 2, this includes our company fleet and electricity consumption. For Scope 3, we have launched initial measures to reduce emissions from business travel, employee commuting, and downstream transportation and will continue to expand these initiatives. We also aim to improve the completeness of our Scope 3 data, such as by incorporating estimates for emissions from our leased assets, and to further enhance our Climate Action Plan with corresponding targets.

Our goal remains to continuously improve the efficiency and sustainability of our processes by leveraging a high degree of automation. In this context, we continuously measure the number of countries with available eSignature and eInvoice solutions, as well as the eContract ratio. We calculate the latter based on the proportion of leasing contracts signed with eSignature in relation to the total number of new contracts in the financial year. In the past financial year 2024, the number of countries with eSignature solutions remained at 27 markets (2023: 27 countries), while eInvoice solutions continued to be available in 26 countries (2023: 26 countries). The eContract ratio stood at 40.5 percent in the past financial year, up from 40.1 percent in the previous year. Given our "Digital Excellence" programme, we expect the eContract ratio next year to continue rising, with the goal of consistently signing more than half of our contracts through this channel.

9 Due to missing or insufficiently reliable data, our Scope 3 emissions do not yet include figures or estimates for our leased assets.

In the "Social Contribution" category, we track employee satisfaction, the turnover rate, and the number of training days per employee during the financial year.

To measure satisfaction, we developed the grenke Engagement Score (GES) based on our annual employee survey. The GES uses a scale from 1 (high satisfaction) to 7 (low satisfaction). In the 2024 financial year, the score was 2.1, consistent with 2023 (2.1). The turnover rate decreased to 8.9 percent in 2024, compared to 9.7 percent in the previous year. The number of training hours per employee was 23.65 hours (2023: 29.39 hours), slightly below the previous year's level. We aim to maintain a largely stable development, on an absolute basis, across all three key indicators.

In the "Responsibility and Trust" category, we use our "Overall Strategy Awareness Score" to measure our employees' awareness of our strategy along a scale of 1 (high awareness) to 7 (low awareness). In the 2024 reporting year, we achieved a score of 2.6, compared to 2.6 in 2023. Our goal is to achieve a score of 2.5 next year.

We also look at the proportion of top management whose variable remuneration contains sustainability components. The variable remuneration of all Board of Directors members is linked to sustainability targets. Sustainability components are also integrated into the variable remuneration of top management. The ratio is measured as the proportion of top management positions with a sustainability component in the variable remuneration compared to the total number of top management positions (i.e. the Board of Directors as well as the first and second management levels below the board). In the 2024 financial year, this resulted in a ratio of 100 percent for the Board of Directors and 1.69 percent for the Board of Directors and top management as a whole (2023: 1.8 percent). Next year, we plan to expand the integration of sustainability aspects into the variable remuneration of all top management.

To measure the effectiveness of our internal governance structures, we track the percentage of audits completed by Internal Audit in relation to the audits planned in the annual audit plan. In the past 2024 financial year, this figure was 63 percent, compared to 81 percent in 2023. Our goal is to increase the completion rate of the total planned audits compared to the prior year beginning in 2025.

6.2.2.5 Overall statement on future development

The forecast for the 2025 financial year is based on the above expectations and assumptions regarding overall economic developments and the specific market and industry developments described above. Our forecast is also based on the assumption that geopolitical tensions will not increase further. The Board of Directors firmly believes that the grenke Group is well positioned to continue its profitable growth trajectory and further expand its position as one of the leading providers of financial services for SMEs with a focus on small-ticket financing.

The "Digital Excellence" digitalisation programme, launched in spring 2023, continues to move forward. The focus is on end-to-end digitalisation in the core leasing business, with the automation of all core processes for leasing in over 30 countries. This is intended to enable a significant increase in efficiency and greater use of cloud technologies.

Against this backdrop, the Board of Directors expects leasing new business of between EUR 3.2 billion and EUR 3.4 billion in 2025. With a stable equity position, the Consolidated Group has the necessary financial foundation to achieve the targeted new business.

At the same time, Group earnings after taxes of EUR 71 to 81 million is expected for the 2025 financial year. The Board of Directors considers grenke to be well positioned to continue pursuing its international growth ambitions beyond 2025 in a profitable and scalable manner.

7. Acquisition-related disclosures

Explanatory report on the disclosures pursuant to Sections 289a and 315a HGB

Composition of subscribed capital

As of the December 31, 2024 reporting date, grenke AG had fully paid-in subscribed capital of EUR 46,495,573, divided into 46,495,573 no-par value registered shares ("shares") with a notional interest of EUR 1 each. All shares carry the same rights. Each share grants one vote. The rights and obligations of the shareholders arise from the provisions of the German Stock Corporation Act (AktG), particularly from Sections 12, 53a et seq., 118 et seq. and 186 AktG. grenke AG shares have been admitted for trading on the Frankfurt Stock Exchange in the segment of the regulated market with additional post-admission obligations defined by Deutsche Börse AG (Prime Standard segment).

Restrictions affecting voting rights and share transfers

Each share grants one vote at the Annual General Meeting and is decisive for the shareholders' participation in grenke AG's net profit. Excluded from this are the treasury shares held by grenke AG (as of December 31, 2024, this amounted to 2,317,695 shares), from which no rights can be exercised pursuant to Section 71b AktG. In cases governed by Section 136 AktG, the voting rights of the affected shares are legally excluded.

Grenke Beteiligung GmbH & Co. KG, headquartered in Baden-Baden (Germany), has entered into a preventative control termination agreement with grenke AG. Under this agreement, Grenke Beteiligung GmbH & Co. KG has pledged to exercise the voting rights from shares in grenke AG directly or indirectly attributable to it, now and in the future, or assigned to it under Section 16 (4) AktG, in specific resolution matters only to the extent that the number of votes it casts remains 3.5 percent below the number of shares held by other shareholders participating in the Annual General Meeting and eligible to vote on the respective resolution (including shares for which postal votes have been submitted).

The voting rights restrictions apply to the following resolution matters: (a) the election of Supervisory Board members, including substitute members; however, the restrictions do not apply to the election or judicial appointment of up to two Supervisory Board members by Grenke Beteiligung GmbH & Co. KG; (b) a vote of no confidence in members of the Board of Directors; (c) matters of corporate management when the Board of Directors requests a related decision pursuant to Section 119 (2) AktG; and (d) the adoption of the annual financial statements when the Board of Directors and Supervisory Board delegate the adoption to the Annual General Meeting.

Beyond the preventative control termination agreement and the lock-up periods for shares acquired through the share-based remuneration of members of the Board of Directors, as outlined in the remuneration report, the Board of Directors is unaware of any restrictions between shareholders or between grenke AG and shareholders concerning voting rights or the transfer of shares. Additional information on the lock-up periods can be found in the remuneration report.

Furthermore, in connection with Article 19 (11) of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and based on internal guidelines, certain trading prohibitions exist for members of the Board of Directors and the Supervisory Board of grenke AG when buying and selling grenke AG shares in (temporal) connection with the publication of an interim report or an annual financial report.

Direct or indirect shareholdings in the capital exceeding 10 percent of the voting rights

As of December 31, 2024, Grenke Beteiligung GmbH & Co. KG, which is domiciled in Baden-Baden (Germany), held 18,989,984 shares in the Company, corresponding to approx. 40.84 percent of the share capital. The general partner of Grenke Beteiligung GmbH & Co. KG is Grenke Vermögensverwaltung GmbH, which is domiciled in Baden-Baden (Germany), and its limited partners are the following members of the Grenke family: Anneliese Grenke, Moritz Grenke, Oliver Grenke, Roland Grenke and Wolfgang Grenke. Grenke Vermögensverwaltung GmbH has no interest in the assets or income of Grenke Beteiligung GmbH & Co. KG. Anneliese Grenke and Wolfgang Grenke are each managing directors of Grenke Vermögensverwaltung GmbH with sole power of representation.

The Company is not aware of any other direct or indirect shareholdings in the capital that exceed 10 percent of the voting rights.

Shares with special rights conferring powers of control

Shares with special rights conferring powers of control have not been issued.

Type of voting rights control if employees have an interest in the capital and do not exercise their control rights directly

Employees who hold shares in grenke AG exercise their control rights like other shareholders in accordance with the statutory provisions and the Articles of Association.

Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Board of Directors and on amendments to the Articles of Association

grenke AG's Articles of Association do not contain any provisions for the appointment of members of the Board of Directors by the Supervisory Board that deviate from the statutory provisions. Accordingly, members of the Board of Directors are appointed for a maximum of five years. A repeat appointment is permissible.

The members of the Board of Directors are appointed and dismissed by the Supervisory Board in accordance with sections 84 and 85 of the German Stock Corporation Act (AktG), Sections 24 (1) and 25c of the German Banking Act (KWG), and Article 5 (2) of the Articles of Association. Pursuant to Article 5 (1) of the Articles of Association, the Board of Directors of grenke AG consists of at least two persons. The Supervisory Board determines the number of members of the Board of Directors. It decides on their appointment, the revocation of their appointment, and the conclusion, amendment, and termination of the employment contracts to be concluded with them. The Supervisory Board may appoint a Chair of the Board of Directors and a Deputy Chair of the Board of Directors, as well as appoint deputy members of the Board of Directors. If a required member of the Board of Directors is missing without the Supervisory Board making a corresponding appointment, such member shall be appointed by court order in urgent cases in accordance with Section 85 AktG.

Pursuant to Section 179 (1) sentence 1 AktG, amendments to the Articles of Association require a resolution by the Annual General Meeting. The resolutions of the Annual General Meeting shall be adopted by a simple majority of the votes cast unless otherwise required by law or the Articles of Association and, if the law prescribes a capital majority in addition to a voting majority, by a simple majority of the share capital represented (Section 133 AktG, Article 15 [1] of the Articles of Association). Pursuant to Article 11 (2) of the Articles of Association, the Supervisory Board is authorised to adopt amendments to the Articles of Association that only affect their wording.

Authorisation of the Board of Directors, particularly related to the possibility to issue or repurchase shares

By resolution of the Annual General Meeting of August 6, 2020, the Company was authorised until the end of August 5, 2025 to acquire treasury shares for any permissible purpose in the amount of up to 5 percent of the share capital existing at the time of the resolution of the Annual General Meeting or, if this amount is lower, of the share capital existing at the time of the exercise of the authorisation and to use them for all legally permissible purposes. Among other things, the shares may be used, with the consent of the Supervisory Board, in the context of business combinations and the acquisition of companies or sold to third parties for cash at a price that is not significantly lower than the stock exchange price at the time of the sale, excluding the shareholders' subscription rights. In this case, the total of the shares sold may not exceed 10 percent of the respective share capital of the Company. The amount of the share capital at the time this authorisation becomes effective, or if the amount is lower, the amount of the share capital at the time this authorisation is exercised shall be decisive for the calculation of the 10 percent limit. If during the term of this authorisation until its utilisation, other authorisations to issue or sell shares of the Company or to issue rights that enable or oblige the subscription of shares of the Company are exercised, and the subscription right is excluded pursuant to or in accordance with Section 186 (3) sentence 4 AktG, this shall be included in the aforementioned 10 percent limit. The acquired shares may also be used to service issued convertible bonds and/or bonds with warrants or to implement a scrip dividend. The treasury shares may also be cancelled.

The authorisation to buy back treasury shares was utilised during the reporting period. In the 2024 financial year, grenke AG repurchased 2,317,695 shares, representing 4.98 percent of the share capital. All repurchased shares are currently held by the Company.

The authorisation under Article 4 (5) of the Articles of Association, valid until May 13, 2024 for the issue of warrants or convertible bonds was not exercised during the reporting period.

Significant agreements of the Company in the event of a change in control

Further disclosures in accordance with Section 289, in conjunction with Section 315a sentence 1 no. 8 HGB (Conditions of a Change of Control in the Event of a Takeover Bid) are omitted, as the corresponding disclosures would be likely to cause a significant disadvantage to the Company.

Compensation agreements of the Company with the members of the Board of Directors or employees in the event of a takeover bid

In the event of a takeover bid, no compensation agreements exist with members of the Board of Directors or employees.

8. Corporate Governance Statement/Report on Corporate Governance

The corporate governance statements to be submitted in accordance with Sections 289f and 315d of the German Commercial Code (HGB) are summarised for grenke AG and the grenke Group. The Board of Directors and Supervisory Board of grenke AG also report on the Company's corporate governance in the Declaration of Conformity in accordance with Principle 23 of the German Corporate Governance Code (GCGC).

The Board of Directors and the Supervisory Board of grenke AG are committed to responsible, transparent management and control of the Company with a view to increasing the Company's value on a sustainable and long-term basis. To this end, the Board of Directors and the Supervisory Board analyse and evaluate the Company's role in society and the resulting social responsibility, as well as social and environmental factors, and include these and their potential effects as relevant parameters for the corporate strategy and the operating business and address them accordingly.

8.1 Declaration of Conformity in accordance with Section 161 AktG

DECLARATION OF CONFORMITY OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD WITH THE GERMAN CORPORATE GOVERNANCE CODE (GCGC) IN ACCORDANCE WITH SECTION 161 AKTG

The Board of Directors and the Supervisory Board of grenke AG declare the following in accordance with Section 161 of the German Stock Corporation Act (AktG):

I. Declaration of Conformity with the German Corporate Governance Code as amended on April 28, 2022

Since the issuance of the last annual Declaration of Conformity in January 2024, grenke AG has complied with all applicable recommendations of the German Corporate Governance Code dated April 28, 2022, published in the Federal Gazette on June 27, 2022, and will continue to do so in the future.

Baden-Baden, January 28, 2025
grenke AG

On behalf of the Board of Directors	On behalf of the Supervisory Board
Dr Sebastian Hirsch	Jens Rönnberg WP/StB

The declarations of conformity issued in the past five years are available on our website in the Investor Relations section at www.grenke.com/en/investor-relations/corporate-governance/.

8.2 Management and supervision

As a stock corporation under German law, grenke AG is subject to the German Stock Corporation Act. The Company has three corporate bodies: the Board of Directors, the Supervisory Board, and the Annual General Meeting. The Board of Directors manages the Company, while the Supervisory Board monitors and advises the Board of Directors. The respective duties and powers are essentially derived from the law and the Company's Articles of Association and the respective Rules of Procedure of the Board of Directors and Supervisory Board.

The Board of Directors and Supervisory Board of the Company work closely together for the benefit of the Company. The Board of Directors keeps the Supervisory Board regularly, promptly, and comprehensively informed of all issues relevant to grenke AG and the grenke Group regarding the implementation of corporate strategy, planning, business development, the financial and earnings situation, and particular business risks and opportunities. Significant decisions of the Board of Directors are subject to the approval of the Supervisory Board; the Rules of Procedure of the Board of Directors contain a corresponding catalogue of such transactions requiring approval.

8.2.1 The Board of Directors

Pursuant to Article 5 (1) of the Articles of Association, grenke AG's Board of Directors shall consist of at least two people. The precise number of persons is determined by the Supervisory Board. The Board of Directors is responsible for managing the Company in the Company's best interests and is committed to increasing the sustainable value of the Company. The Board of Directors is responsible for the operational management and implementation of the Company's strategic orientation as well as compliance with corporate policy. The Board of Directors also prepares the annual financial statements of grenke AG as well as the quarterly reports and the Consolidated Group's half-yearly financial report and annual financial statements and informs the Supervisory Board regularly and comprehensively about the Company as a whole through Board of Directors' reports and meeting documents.

The Board of Directors develops grenke AG's corporate strategy, which also includes the sustainability strategy. The strategy is implemented by the Board of Directors as part of an ongoing exchange with the Supervisory Board. The following are regular components of Supervisory Board meetings and individual discussions between the Board of Directors and the Chair of the Supervisory Board, who reports directly to the Supervisory Board on these exchanges: issues related to strategy, implementation, planning, business development, the risk situation, compliance, the results of operations and financial position, strategic and operational business risks and their management, data protection, information security and cyber security, as well as sustainability along the dimensions of environmental, social and governance (ESG).

The Supervisory Board issued Rules of Procedure for the Board of Directors that include a requirement for approval with regard to the separation of business into individual business areas and the cooperation guidelines within the Board of Directors and between the Supervisory Board and the Board of Directors. The individual business areas are assigned to members of the Board of Directors based on the member's competence profile. These assignments do not affect the principle of overall responsibility of the Board of Directors members.

In the reporting period, the Board of Directors consisted of the following members:

Dr Sebastian Hirsch (CEO), Gilles Christ (CSO), Dr Martin Paal (since July 1, 2024: CFO), and Isabel Rösler (until December 31, 2024: CRO).

From January 1, 2024, to June 30, 2024, the Chair of the Board of Directors, Dr Sebastian Hirsch, additionally assumed the role and responsibilities of Chief Financial Officer (CFO) on an interim basis.

On March 5, 2024, Dr Martin Paal was appointed by the Supervisory Board as Chief Financial Officer (CFO), effective July 1, 2024. In this context, the schedule of responsibilities was optimised and finalised as of August 1, 2024.

At her own request, Isabel Rösler (CRO) stepped down early from the Board of Directors of grenke AG as of December 31, 2024.

Until a successor is appointed, CEO Dr Sebastian Hirsch has temporarily taken over all of Ms Rösler's responsibilities, except for Internal Audit, which has been assigned to Gilles Christ.

Schedule of responsibilities from the period January 1 to July 31, 2024

Dr Sebastian Hirsch Chief Financial Officer / Interim-Chief Financial Officer (CEO und Interim-CFO)	**Gilles Christ** Chief Sales Officer (CSO)	**Isabel Rösler** Chief Risk Officer (CRO)
Strategy and Communication	Brand Management	Risk Management
ESG	Sales grenke solutions	Compliance
Expansion and M&A	Sales Management	Internal Audit
Controlling	Services	Corporate Lending
IT	Process Management	Administration
Treasury/Corporate Finance	Legal	
Accounting/Taxes		
Human Resources		
Real Estate and Facility Management		

Schedule of responsibilities from the period August 1 to December 31, 2024

Dr Sebastian Hirsch Chief Executive Officer (CEO)	**Gilles Christ** Chief Sales Officer (CSO)	**Dr Martin Paal** Chief Financial Officer (CFO)	**Isabel Rösler** Chief Risk Officer (CRO)
Strategy	Market and Brand Development	Investor Relations	Risk Management*
ESG	Sales	Controlling	Compliance*
IT	Sales Management	Investment Controlling and M&A	Regulatory & Compliance Officers*
Human Resources	Product Development	Treasury/Corporate Finance	Internal Audit**
Location and Facility Management	Legal	Accounting/Tax	Corporate Lending*
			Administration*

** As of January 1, 2025, under the interim responsibility of CEO Dr Sebastian Hirsch.*

*** As of January 1, 2025, under the interim responsibility of CSO Gilles Christ.*

Further information on the curriculum vitae of the individual members of the Board of Directors of grenke AG is available on grenke AG's website at www.grenke.com/management/board-of-directors/.

Members of the Board of Directors are responsible for managing the business units assigned to them. The measures and transactions of business units that are of particular relevance and scope for the Company require the prior approval of the entire Board of Directors. The same applies to actions and transactions for which the Chair of the Board of Directors or another Board of Directors member requires the prior adoption of a resolution by the full Board of Directors.

The Chief Executive Officer (CEO) coordinates the work of the Board of Directors in addition to the areas of responsibility assigned to him.

An age limit for Board of Directors members has been set by the Supervisory Board, which stipulates that the members may not be more than 60 years old at the time of their appointment to the Board of Directors.

Members of the Board of Directors are liable for damages in the event of a culpable breach of their duties of care towards the Company.

Information on the remuneration system for Board of Directors' members, as well as the individual remuneration of Board of Directors members, is provided in the remuneration report, which can be downloaded from www.grenke.com/investor-relations/reports-and-presentations/.

The applicable remuneration system in accordance with Section 87a (1) and (2) sentence 1 of the AktG, the remuneration report for the 2024 financial year and the auditor's report in accordance with Section 162 of the AktG are also publicly available on grenke AG's website at www.grenke.com/investor-relations/reports-and-presentations/.

8.2.2 The Supervisory Board

8.2.2.1 Composition and work practices of the Supervisory Board

In accordance with Section 7 (1) of the Articles of Association, the Supervisory Board of grenke AG consists of six members. All Supervisory Board members were elected by the Annual General Meeting.

During the reporting period, the Supervisory Board comprised the following members: Jens Rönnberg WP/StB (Chair of the Supervisory Board), Moritz Grenke (Deputy Chair of the Supervisory Board since April 30, 2024), Norbert Freisleben, Nils Kröber, Dr Ljiljana Mitic, Manfred Piontke (since April 30, 2024), and Dr Konstantin Mettenheimer (until April 30, 2024).

All members of the Supervisory Board, with the exception of Moritz Grenke, are classified as independent by the Supervisory Board. Moritz Grenke is considered not independent due to his role as a limited partner of the major shareholder Grenke Beteiligung GmbH & Co. KG. From the perspective of the Supervisory Board, an appropriate number of independent shareholder representatives was ensured throughout the reporting period, with five independent shareholder representatives.

The Chair of the Supervisory Board was informed by Nils Kröber about his ongoing advisory role for Grenke Beteiligung GmbH & Co. KG, Baden-Baden, as well as for individual members of the Grenke family. The Chair was made aware of any potential conflicts of interest arising from this. The Chair of the Supervisory Board was also informed by Moritz Grenke about any potential conflicts of interest resulting from his role as a limited partner of Grenke Beteiligung GmbH & Co. KG.

Further information on the curriculum vitae, term of office, and other mandates of the respective members of grenke AG's Supervisory Board can be found on grenke AG's website at www.grenke.com/management/supervisory-board/.

Information on the remuneration of the members of the Supervisory Board and their individual remuneration is provided in the remuneration report (www. grenke.com/investor-relations/reports-and-presentations/). The remuneration report for the last financial year, the auditor's report in accordance with Section 162 AktG and the last remuneration resolution of the Annual General Meeting in accordance with Section 113 (3) AktG are publicly available on grenke AG's website at www.grenke.com/investor-relations/reports-and-presentations/.

The central task of the Supervisory Board is to advise and monitor the Board of Directors in its management of the Company, in particular with regard to corporate strategy and fundamental corporate decisions. It monitors adherence to legal provisions, official regulations and internal Company guidelines (compliance). The Board of Directors involves the Supervisory Board in all decisions of fundamental importance to the Company. The Supervisory Board shall stipulate approval requirements for such transactions in the Rules of Procedure of the Board of Directors, unless these are already reflected in the Articles of Association. The Supervisory Board also votes on transactions with related parties regulated in Section 111a ff AktG, insofar as these require approval. The Supervisory Board is also responsible for appointing and dismissing the members of the Board of Directors and for reviewing the annual and consolidated financial statements, the combined management report of grenke AG and the grenke Group, and the proposal for the appropriation of unappropriated surplus. It also adopts the annual financial statements of grenke AG and approves the consolidated financial statements.

In the 2024 reporting year, the Board of Directors regularly provided the Supervisory Board with comprehensive information in ordinary and extraordinary meetings on the Consolidated Group's economic situation, strategic planning, and relevant current events. In addition, the respective Chair of the Supervisory Board maintained regular close contact with the CEO on day-to-day business and reported directly to the full Supervisory Board on these exchanges. Key elements of the briefings by the Board of Directors in the current financial year continued to be the regular reports on new business, sales and digitalisation, including cybersecurity, cost development, information security, refinancing and the ongoing audit activities by the auditor BDO AG Wirtschaftsprüfungsgesellschaft (2024 annual financial statements). Furthermore, the Supervisory Board was informed by the Board of Directors on sustainability issues along the dimensions of environmental, social, and governance (ESG). With regard to the prevailing macroeconomic environment, increasing insolvencies, the development of the interest rate landscape and inflation, these topics and the associated challenges were also repeated points of discussion between the Board of Directors and the Supervisory Board. The Board of Directors liaised closely with the Supervisory Board regarding the Consolidated Group's strategic development and, together with the Supervisory Board, dealt with issues related to risk management, compliance, risk provisioning, the internal control system and internal auditing.

The Supervisory Board of grenke AG convenes at least once quarterly in ordinary meetings. Extraordinary meetings, as well as video and telephone conferences, and resolutions are passed outside of meetings are held as required. Independently of these meetings, the Supervisory Board receives routine reports from the Internal Audit, Compliance, and Risk Control departments.

In the 2024 financial year, Jens Rönnberg WP/StB served as Chair of the Supervisory Board. At no time during the reporting period did he chair the Audit Committee.

The Chair of the Supervisory Board maintains regular and impromptu contact with the individual members of the Board of Directors. In his role as Chair, Jens Rönnberg WP/StB coordinates the activities of the Supervisory Board and represents its interests publicly. As part of these duties, he also engaged in multiple discussions with investors on Supervisory Board-related topics.

A detailed description of the activities of the Supervisory Board, including an overview of its members, as well as a list of their individual attendance at meetings, is provided in the Report of the Supervisory Board.

A competence profile was developed by the Supervisory Board for the entire Supervisory Board. In this profile, targets were set regarding the individual composition of the Supervisory Board.

In addition to a competence profile that matches the profile of the Supervisory Board as a whole, diversity is also an integral part of the concept. Proposals for new members of the Supervisory Board to the Annual General Meeting are always evaluated and selected in accordance with the objectives and competence requirements set out in Chapter 8.3 below.

Supported by the Nomination Committee, the Supervisory Board regularly, and at least once annually, conducts an assessment of the structure, size, and composition of the Supervisory Board and its committees and assesses the knowledge, skills and experience of the individual business managers, the members of the administrative and supervisory body, as well as the respective body as a whole. This self-assessment is based on a comprehensive, company-specific questionnaire further developed and aligned annually to current circumstances in consultation with the Nomination Committee. The questionnaire covers various relevant topics related to the Supervisory Board's activities, including information sharing, committee work, quality of cooperation, work input and independence. The evaluations of the respective topics are submitted anonymously and in each case quantitatively, qualitatively, and according to time spent. After aggregating the entries, the results are then discussed in detail in the plenum, and suggestions for improvement are developed and recorded. The suggestions for improvement, together with the recommendations of the Nomination Committee, are then incorporated into the work of the Supervisory Board's committees.

During the reporting period, a competence and efficiency review of the Supervisory Board was carried out in the form of questionnaires to be completed digitally. The results of the survey were evaluated by the Nomination Committee in a meeting on May 17, 2024, and suggestions for improvement were developed. These results and suggestions for improvement were subsequently presented and discussed in detail with the full Supervisory Board in a meeting on July 22, 2024.

To assess the status of the competence profile's implementation, the Supervisory Board has drawn up a qualification matrix based on a self-assessment carried out by the members.

		Jens Rönnberg	Norbert Freisleben	Moritz Grenke	Nils Kröber	Dr Ljiljana Mitic	Manfred Piontke
Term of office	Member since	2019	2021	2023	2021	2015	2024
Personal suitability	Independence as defined by the Code	yes	yes		yes	yes	yes
	No “overboarding” as defined by the Code	yes	yes	yes	yes	yes	yes
Diversity	Year of birth	1957	1970	1985	1976	1969	1961
	Gender	Male	Male	Male	Male	Female	Male
	Nationality	German-Chilean	German	German	German	German	German
International experience	Germany	●	●	●	●	●	●
	EMEA (Europe, Middle East, Africa)	●	●	○	○	●	●
	APAC (Asia, Australia)	○	●	○	○	●	○
	AMER (North and South America)	●	●	○	○	●	○
Professional aptitude	Leadership experience	●	●	◔	●	●	●
	Business segment/sector familiarity (leasing)	◕	●	●	◕	●	◕
	Business segment/sector familiarity (banking)	●	◕	◑	◑	●	●
	Risk management	◕	◕	◕	◕	◕	●
	Compliance/corporate governance	◕	●	◕	●	◕	◕
	Capital market	◕	●	◑	◑	◑	●
	Strategy	●	●	●	◕	●	●
	Sustainability/ESG/CSR	◕	◑	◑	◕	●	◑
	IT, technology and digitalisation	◔	◑	●	◕	●	◑
	Sales	◑	◑	◕	◑	●	◑
	Human resources	◕	◕	◕	●	●	◕
Financial expert	Domestic and international accounting	●	●	◑	◕	◑	◕
	Auditing of financial statements	●	●	◑	◕	◔	◑

The classification results from a self-assessment by the Supervisory Board and reflects the range between 'high' ● knowledge / expertise and 'none'○ knowledge / expertise.

With its composition of proven experts in the fields of finance, accounting, corporate planning, corporate governance, controlling, accounting, risk management, auditing, compliance, environment, sustainability IT, law, and human resources and the capital markets, the Supervisory Board of grenke AG fully complies with the underlying competence profile and has the necessary knowledge, skills, and professional experience to properly perform its duties.

It has been agreed that the auditor will inform the Supervisory Board immediately of all relevant material findings and events that the auditor becomes aware of in the course of the audit. The auditor must also inform the Supervisory Board and record this in the audit report if facts are discovered during the audit that indicate that the Declaration of Conformity on the German Corporate Governance Code issued by the Board of Directors and Supervisory Board is incorrect.

The Supervisory Board has issued an age limit that states that Supervisory Board members may not be more than 70 years old at the time of their election.

Members of the Supervisory Board are liable for damages in the event of a culpable breach of their duties of care towards the Company.

The current Rules of Procedure of the Supervisory Board, which contain important information on the Supervisory Board and the Supervisory Board committees, are available on grenke AG's website at www.grenke.com/en/investor-relations/corporate-governance/.

8.2.2.2 Supervisory Board committees

In order to perform its duties efficiently, the Supervisory Board resolved, in accordance with the requirements of Section 25d (7) sentence 2 KWG, to establish a Nomination Committee, a Risk Committee and a Remuneration Control Committee in addition to the Audit Committee. Furthermore, on March 14, 2023, the Supervisory Board resolved to set up the Digitalisation Committee for the period starting April 1, 2023 and ending with the 2026 Annual General Meeting.

The tasks and powers assigned to these committees are listed in the Supervisory Board's Rules of Procedure. The Committee chairpersons report on the work of the respective committees to the full Supervisory Board.

An overview of the committees, their members and chairpersons, a list of the attendance at each committee meeting, and details of the work of the committees formed in the 2024 financial year can be found in the Report of the Supervisory Board.

8.2.2.2.1 Audit Committee

The Audit Committee consists of three members. In accordance with Section 7 (4) of the Supervisory Board's Rules of Procedure, the tasks of the Audit Committee consist primarily of monitoring the accounting and the accounting process, the risk management system (especially the internal control system), the compliance management system, combatting corruption, and internal auditing. The Audit Committee is also tasked with monitoring the performance of the audit of the annual financial statements and specifically the independence of the auditor. The Committee is also responsible for monitoring any additional services provided by the auditor and the quality of the auditor.

It is also the Audit Committee's responsibility to recommend the focal points of the auditor's audit to the Supervisory Board. In addition, the Audit Committee is tasked with receiving and evaluating the auditor's findings on the effectiveness of the internal control system, the risk management system and the efficiency of the Internal Audit department.

Furthermore, the Audit Committee deals with any other findings of the auditor; the preparation of the audits and reports incumbent on the Supervisory Board pursuant to Sections 170, 171 AktG; the monitoring of the processing of the deficiencies identified and the discussion of the interim reports (quarterly and half-yearly reports) and statements.

In the 2024 financial year, the Audit Committee consisted of Norbert Freisleben (Chair), Jens Rönnberg WP/StB, and Dr Konstantin Mettenheimer until April 30, 2024. As of April 30, 2024, the Audit Committee members are Norbert Freisleben (Chair), Jens Rönnberg WP/StB, and Dr Ljiljana Mitic. As a result, the Committee has consistently met all applicable requirements for the Audit Committee under Sections 107 (4) sentence 3 AktG, 100 (5) AktG, and 25d (9) KWG.

Norbert Freisleben, who held the position of Chair in the 2024 financial year, has demonstrable expertise in accounting and auditing due to his many years of experience at a renowned audit firm. Jens Rönnberg WP/StB has extensive expertise in accounting and auditing, gained through his longstanding work as an auditor and tax advisor for leading law firms and prestigious international organisations. Both individuals also possess expertise in sustainability reporting and auditing as a result of their professional experience. Dr Konstantin Mettenheimer, who was a member of the Audit Committee until April 30, 2024, has the necessary experience, knowledge, and skills as a tax advisor, business economist, and attorney, as well as from his experience on other audit committees. Dr Ljiljana Mitic, who has been a member of the Audit Committee since April 30, 2024, has extensive expertise in accounting and sustainability reporting due to her many years of experience as a business economist in leadership and oversight roles at globally operating companies in the banking, insurance, and IT sectors. Dr. Ljiljana Mitic also has experience serving on the audit committees of other companies.

All members of the Audit Committee are independent of the grenke Group and have knowledge and experience in the application of internal control and risk management systems. The Audit Committee as a whole is familiar with the sector in which the grenke Group operates.

8.2.2.2.2 Nomination Committee

The Nomination Committee consists of three members.

Pursuant to Section 8 (4) of the Rules of Procedure of the Supervisory Board, the main tasks of the Nomination Committee include the strategic aspects of personnel planning, such as reviewing fundamental personnel planning, and the conclusion, amendment and termination of the employment contracts with the members of the Board of Directors. The Nomination Committee also identifies candidates for Board of Directors positions and assists in the preparation of election proposals for the election of members of the Supervisory Board, taking into account the required knowledge, skills, professional experience, and diversity principles.

The development of a target to promote the representation of the underrepresented gender on the Supervisory Board and a strategy to achieve it is also the responsibility of the committee. The Committee also monitors the topic of occupational health and safety (OHS).

At least once a year, the Nomination Committee shall conduct an assessment of the structure, size, composition and performance of the Board of Directors and the Supervisory Board as well as the committees of the Supervisory Board and regularly, at least once annually, assess the knowledge, skills and experience of both the individual Board of Directors and Supervisory Board members and the respective body or committee as a whole. Reviewing the Board of Directors' policies for the selection and appointment of senior management is one of the core tasks of the Nomination Committee, as is the preparation of a diversity concept, management and talent management and succession planning. In addition, the Nomination Committee informs the full board about the conclusion, amendment, or termination of employment contracts with general agents.

From January 1 to April 30, 2024, the Nomination Committee consisted of Dr Ljiljana Mitic as Chair, Dr Konstantin Mettenheimer and Jens Rönnberg WP/StB. Following Dr Konstantin Mettenheimer's departure as of April 30, Nils Kröber was elected to the Committee. Accordingly, since April 30, 2024, the Nomination Committee comprises Dr Ljiljana Mitic as Chair, Nils Kröber and Jens Rönnberg WP/StB. All members of the Committee possess, both individually and collectively, adequate knowledge, skills, and experience regarding the Company's or the Group's business activities to assess the composition of the Board of Directors and the Supervisory Board, including the recommendation of candidates.

8.2.2.2.3 Risk Committee

The Risk Committee consists of three members. According to Section 9 (3) of the Rules of Procedure of the Supervisory Board, the tasks of the Risk Committee include mainly advising the Supervisory Board on the current and future overall risk appetite and overall risk strategy of the Company and supporting the Board of Directors in monitoring the implementation of this strategy by upper management level.

Likewise, monitoring to ensure the conditions in the customer business are in line with the business model and risk structure of the Company is also part of the Risk Committee's tasks. If it is found that this is not the case, the Risk Committee requests proposals from the Board of Directors on how the conditions in the customer business can be structured in accordance with the business model and the risk structure and monitors their implementation. In addition, the Committee is responsible for reviewing whether the incentives set by the remuneration system adequately consider the Company's risk, capital and liquidity structure, as well as the probability and timing of revenue. As part of broader corporate risk, cybersecurity also falls under the oversight of the Risk Committee. The Risk Committee also deals with the granting, extension and modification of credit lines for individual borrowers when the total limit for the associated borrower unit exceeds EUR 10,000,000.

Until April 30, 2024, the Risk Committee was composed of Dr Konstantin Mettenheimer as Chair, along with Norbert Freisleben and Moritz Grenke as members. Since April 30, Moritz Grenke has chaired the Committee, with Norbert Freisleben and Manfred Piontke as the other members. The Committee, as a whole, possesses extensive knowledge, skills, and experience in risk management and control procedures. The Chair is neither the Chair of the full Supervisory Board nor of any other committee.

8.2.2.2.4 Remuneration Control Committee

The Remuneration Control Committee consists of three members. The Committee's main tasks pursuant to Section 10 (3) of the Supervisory Board Rules of Procedure are to monitor the appropriate design of the remuneration systems for the members of the Board of Directors and employees, including employees who have a significant influence on the Company's overall risk profile and, above all, for the heads of the risk control and compliance functions. The Remuneration Control Committee also supports the Supervisory Board in monitoring the appropriate design of the remuneration systems for the Company's employees.

The Remuneration Control Committee assesses the impact of the remuneration systems on risk, capital and liquidity management, prepares Supervisory Board resolutions on the remuneration of Board of Directors members, and pays particular attention to the impact of these resolutions on the Company's risks and risk management.

The Committee takes into account the long-term interests of shareholders, investors, other stakeholders and the public. It also assists the Supervisory Board in monitoring the proper involvement of internal control and all other relevant areas in the design of the remuneration systems, target setting and achievement concerning the variable remuneration of the Board of Directors members. It advises the Supervisory Board on the composition of the remuneration policy and determines appropriate remuneration for the Board of Directors members that is geared towards sustainable corporate development.

Until April 30, 2024, the Remuneration Control Committee consisted of Chair Nils Kröber and members Norbert Freisleben and Dr Ljiljana Mitic. As of April 30, the Committee consists of Chair Nils Kröber and members Norbert Freisleben and Moritz Grenke. The Committee, as a whole, possesses sufficient expertise in risk management and risk control, particularly concerning remuneration systems. Chair Nils Kröber also has specialised knowledge and professional experience in these areas. Dr Ljiljana Mitic, Norbert Freisleben, and Moritz Grenke have expertise in risk management and risk control, particularly regarding mechanisms for aligning remuneration systems with the Company's overall risk appetite, strategy and capital structure.

8.2.2.2.5 Digitalisation Committee

The Digitalisation Committee consists of three members. The Committee was formed by a resolution of the Supervisory Board on March 14, 2023, for the period starting on April 1, 2023 until the end of the 2026 Annual General Meeting to support the digitalisation programme initiated by the Board of Directors. In accordance with Section 11 (4), of the Supervisory Board's Rules of Procedure, the main tasks of the Digitalisation Committee are to support the Supervisory Board in monitoring the implementation of the IT and digitalisation strategy, the accompanying monitoring of IT projects and process initiatives, the planned IT architecture and structure in terms of technical performance, stability and scalability, and the investment budgets. The Committee also supports the Supervisory Board in monitoring the project and performance control in the area of digitalisation at the IT, administrative, and staff cost level.

In the 2024 financial year, the Digitalisation Committee consisted of Chair Dr Ljiljana Mitic, Nils Kröber and Moritz Grenke until April 30. As of April 30, 2024, the Committee consisted of Chair Dr Ljiljana Mitic, Moritz Grenke and Manfred Piontke.

8.2.3 Annual General Meeting

The Annual General Meeting passes resolutions for cases specified by law and in the Articles of Association. These include the election of shareholder representatives to the Supervisory Board, the election of the auditor, the discharge of the members of the Board of Directors and Supervisory Board, amendments to the Articles of Association, decisions on the appropriation of profits, and capital measures. At the request of the Board of Directors, the Annual General Meeting may also decide on management issues.

8.3 Targets for the representation of women, diversity concept and competence profile

Equal opportunity and diversity are integral components of the selection process for executives and employees of grenke AG.

The target percentage of women executives for the two management levels below the Board of Directors was set by the Board of Directors at a minimum of 30 percent for the 2024 financial year. This target was achieved at grenke AG in the reporting period.

The Board of Directors has also decided to maintain its target of a gender-specific ratio of 30 percent for each of the first two management levels below the Board of Directors for the 2025 financial year. The gender ratio for grenke AG's workforce as a whole is largely balanced, with women accounting for around 50 percent. The Board of Directors regularly reports to the Supervisory Board on the development of family-friendly measures (such as financial support, childcare assistance, flexible working time models, part-time models and location-independent workplace models) and considers gender diversity in the appointment of leadership positions.

For the 2024 financial year, the Supervisory Board set a target of at least 25 percent for the proportion of female executives on the Board of Directors. This target represents a minimum threshold.

This target for the Board of Directors was achieved in 2024.

The following diversity aspects are considered in the Board of Director's composition:

The decisive factor for the Supervisory Board when filling a Board of Directors position is always the Company's interest, taking into account all circumstances of the individual case. In the view of the Supervisory Board, personal suitability and professional qualifications, in particular, are key criteria when selecting members for the Board of Directors. This includes not only an appropriate consideration of women but also diversity with regard to cultural origin and various educational and professional backgrounds.

The Supervisory Board pays particular attention to the following principles when considering which personalities would best complement the Board of Directors:

The composition of the Board of Directors shall be balanced in terms of age structure so that the body's ability to act is guaranteed at all times.

The composition of the Board of Directors shall meet the requirements of the Second Management Position Act (FüPoG II).

With regard to their educational and professional backgrounds, the members of the Board of Directors must be able to fulfil the duties of proper management in accordance with the law, the Articles of Association, and the Rules of Procedure of grenke AG. In addition, they should have primarily the following backgrounds:

- // Longstanding management experience in an international context
- // Extensive experience in IT management (digitalisation)
- // Comprehensive knowledge of the requirements and interrelationships of the capital market
- // Sound knowledge of financial management and risk management
- // Thorough knowledge of accounting according to IFRS and HGB
- // Broad knowledge of climate protection and sustainability

Based on these principles, the Supervisory Board fulfils the legal requirements by taking gender diversity into account in the selection of Board of Directors' members and implements the related aspiration to increase the proportion of women in management positions.

The Supervisory Board also fulfils all obligations under the law, the Articles of Association and the Rules of Procedure with regard to the consideration of different professional and educational backgrounds in order to ensure that the tasks and duties incumbent on this body can be properly fulfilled. In doing so, this also ensures that all changes in the business environment, which are fundamentally in an international context, as well as all effects of cultural, demographic and social change affecting the Company in its day-to-day business, are analysed and evaluated from a wide variety of perspectives. This corresponds to our understanding of stability and sustainability as well as innovation and dynamics for the further successful development of the Company.

A close, ongoing exchange between the Supervisory Board and Board of Directors regarding all important issues affecting the Company's fate and development ensures that the targets for the Board of Directors' composition are met.

As part of this exchange, the Supervisory Board regularly reviews whether or not the competencies of the respective Board of Directors members meet the requirements of their areas of responsibility. It also regularly checks whether the number of Board of Directors members and their responsibilities correspond to the requirements associated with the growth and complexity of the Company. The Supervisory Board is responsible for deciding on the composition of the Board of Directors and the schedule of responsibilities, as well as for ensuring succession planning.

The Supervisory Board, together with the Board of Directors and with the support of the Nomination Committee, ensures long-term succession planning for the Board of Directors. Long-term succession planning takes into account the requirements of the German Stock Corporation Act, the German Banking Act, the Corporate Governance Code and the Rules of Procedure of the Supervisory Board, as well as the criteria of the diversity concept developed by the Supervisory Board for the composition of the Board of Directors. Taking into account the specific qualification requirements and the aforementioned criteria, the Nomination Committee develops a target profile and, on the basis of this, draws up a shortlist of available candidates in the event of a specific succession decision. Structured interviews are conducted with these candidates. Subsequently, a recommendation is submitted to the Supervisory Board for resolution. If necessary, the Supervisory Board and the Nomination Committee are supported by external consultants in the development of requirement profiles. The position of Chief Representative serves as an opportunity for the Company to introduce internal candidates to the role of the Board of Directors.

The Supervisory Board of grenke AG shall be composed in such a way as to ensure qualified advice to and supervision of the Board of Directors at all times. The following diversity aspects are taken into account in the composition of the Supervisory Board:

The composition of the Supervisory Board shall meet the requirements of the Second Management Position Act (FüPoG II).

In terms of their educational and professional backgrounds, the members of the Supervisory Board should be in a position to fulfil the legal obligations associated with this task and, at the same time, be able to devote the time necessary to carry out this activity. In addition to the requirement for a high quality of character in the sense of personal competence, the decisive factors, above all, are professional competence and business experience, as well as the Supervisory Board member's corresponding ability to exercise objective judgement. In addition to this, the competence profile of the members of the Supervisory Board of grenke AG is also based on the following backgrounds:

- // Longstanding management experience in an international context
- // Comprehensive knowledge of the requirements and interrelationships of the capital market
- // Sound knowledge of financial management (financing and controlling)
- // Thorough knowledge of accounting according to IFRS and HGB
- // Extensive experience in IT management (digitalisation and transformation)
- // Experience in strategy and sales management
- // Broad knowledge of climate protection and sustainability

The members of the Supervisory Board as a whole must be familiar with the sector in which the Company operates.

The objectives pursued with the diversity concept for the composition of the Supervisory Board are as follows:

In order to fulfil its role as a supervisory and control body, the Supervisory Board should be able to provide an accurate assessment of the current development and future direction of the Company. Accordingly, the aim is to compose the Supervisory Board in such a way as to ensure qualified control and advice at all times in accordance with the German Stock Corporation Act and the German Corporate Governance Code. In the 2024 financial year, the Supervisory Board's composition as a whole fully represented the knowledge and experience necessary. This made it possible for the Supervisory Board to deal with and evaluate the issues relevant to decision-making in a qualified manner. The Supervisory Board's composition also placed it in a position to make its decisions for effective supervision and control from an objective point of view.

The competence profile and diversity concept for the Supervisory Board are generally implemented as part of the election proposals to the Annual General Meeting, while the diversity concept for the Board of Directors is implemented through the appointment of Board of Directors' members by the Supervisory Board.

For the 2024 financial year, the Supervisory Board set a target of at least 33 percent for the proportion of female members on the Supervisory Board. This target represents a minimum threshold. The target for the Supervisory Board was not met in 2024 but is expected to be achieved again in the future. The reason for the current non-fulfilment is a decision in favour of a candidate based on a highly specific requirement profile.

Curricula vitae of all Supervisory Board and Board of Directors members have been published by the Company on its website and provide information on the relevant individual knowledge, skills and experience of the members. The curricula vitae are updated annually.

8.4 Remuneration of the Board of Directors and Supervisory Board

The respective remuneration and the underlying remuneration system for the Board of Directors and the Supervisory Board are described in the remuneration report, which can be downloaded at www.grenke.com/investor-relations/reports-and-presentations/.

The remuneration report for the last financial year and the auditor's report in accordance with Section 162 AktG, the applicable remuneration system in accordance with Section 87a (1) and (2) sentence 1 AktG and the last remuneration resolution in accordance with Section 113 (3) AktG are publicly available on grenke AG's website at www.grenke.com/investor-relations/reports-and-presentations/.

8.5 Securities transactions subject to reporting requirements (Directors' dealings)

By law, persons who perform management duties at grenke AG and persons closely related to them are required to disclose any trading in grenke AG shares or related financial instruments if the value of the transaction reaches or exceeds the threshold of EUR 20,000 within one calendar year. In accordance with Article 19 (2) and (3) of the Market Abuse Regulation (MAR), grenke AG ensures the required notifications and disclosures are made and publishes them on the Company's website at www.grenke.com/investor-relations/corporate-governance/directors-dealings/.

8.6 Shareholdings of the Board of Directors and Supervisory Board

As of December 31, 2024, the shareholdings directly attributable to the members of the Board of Directors and the Supervisory Board of grenke AG amounted to 104,503 shares. This corresponds to around 0.2 percent of the shares outstanding. The shareholdings were distributed among the members of the Board of Directors and the Supervisory Board as follows:

Number of attributable shares as of December 31, 2024:

Name	Attributed Shares
Dr Sebastian Hirsch (CEO)	15,000
Gilles Christ (CSO)	11,730
Dr Martin Paal	830
Isabel Rösler (CRO)	3,845
Jens Rönnberg WP/StB (Chair)	0
Moritz Grenke (Deputy Chair)[1]	50,000
Norbert Freisleben	1,400
Kils Kröber	294
Dr Ljiljana Mitic	1,404
Manfred Piontke	20,000
Total	**104,503**

[1] *Including the share of the spouse, excluding shares held by Grenke Beteiligung GmbH & Co. KG.*

8.7 Transparency and shareholder information
Capital market-relevant announcements made by grenke AG are published in the German Federal Gazette (Bundesanzeiger). In addition, the Company uses a variety of other channels to fully inform the financial market and the public about its business developments and relevant events. In accordance with Article 18 (MAR), grenke AG maintains insider lists. The persons on these lists have been informed of their legal obligations and sanctions in the event of possible violations. The methods used by grenke AG to inform the capital market are described in detail in the "Share and Investor Relations" section of this Annual Report.

8.8 Responsible corporate governance
Responsible corporate governance covers the areas of compliance, money laundering prevention, corporate governance, data protection, information security, environment and climate, and social contribution. Due to the high importance of these topics – both for customer trust and the trust of the capital market, which also have far-reaching relevance for the Company's success, a separate section is dedicated to this subject in the Non-financial reportingin Chapter 4.

8.9 Controlling and risk management
The purpose of risk management at grenke AG is to enable the Board of Directors and all employees involved to consciously manage risks and take advantage of opportunities. As a financial services provider, grenke AG is subject to the Minimum Requirements for Risk Management (MaRisk) defined by the Deutsche Bundesbank and the German Federal Financial Supervisory Authority (BaFin), as well as the regulatory requirements for IT (BAIT). The topic of risk management and the respective responsibilities are dealt with in detail in the management report.

8.10 Accounting, auditing and financial reporting
In accordance with Sections 315 (5) and 298 (2) HGB, the management report of the grenke Group and the management report of grenke AG are combined in a single report. Any deviations are explained in detail in the management report of grenke AG.

The grenke Group's consolidated financial statements for the financial year of January 1 – December 31, 2024 have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRSs) as adopted by the European Union and, for the Company, in accordance with the German Commercial Code (HGB). grenke AG also observed and applied the provisions of Section 315a HGB.

After the review by the Supervisory Board, the adopted annual financial statements and the approved consolidated financial statements are generally published within four months of the end of the financial year. For the 2024 financial year, the Annual General Meeting on April 30, 2024 elected BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditor and Group auditor. This auditor will also perform the audit review of interim financial reports to the extent this is carried out.

Further information on the subject matter and scope of the audit of the annual financial statements in accordance with Section 317 HGB and on the duties of the Audit Committee can be found in this Annual Report in the Report of the Supervisory Board.

9. Management report of grenke AG

In the following management report, the development of grenke AG (the "Company") in the 2024 financial year is discussed in addition to the information reported on the grenke Group. The Company's financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB). The Company's annual financial statements for the 2024 financial year, as well as the consolidated financial statements, will be published in the German Federal Gazette. The annual financial statements for the 2024 financial year will also be made available to download at www.grenke.com/investor-relations/reports-and-presentations. With regard to the general economic conditions and sector development, there were no deviating material developments that would have only affected the Company.

9.1 Corporate legal framework, group affiliation

grenke AG was created in 1997 under the former name GRENKELEASING AG. grenke Investitionen Verwaltungs Kommanditgesellschaft auf Aktien ("GRENKE KGaA") was also formed in the same year. Both companies represent a structural business separation, with grenke AG serving as the operating company and the GRENKE KGaA as the holding company. Using a two-level model, the operating company rents leased assets from the holding company and then leases these assets to sub lessees. grenke AG holds an indirect interest of 100 percent in the GRENKE KGaA, and a control and profit transfer agreement is in effect. As the parent company of the grenke Group, grenke AG held direct investments in 43 subsidiaries and structured entities as of the end of 2024.

9.1.1 Branches

Apart from its function as the parent company of the Consolidated Group, grenke AG operates the leasing business in Germany. In addition to its head office in Baden-Baden, grenke AG maintains locations in the following cities in Germany:

Locations in Germany

Entity	
Berlin*/**	Kieselbronn*/**
Bielefeld**	Köln*/**
Bremen*/**	Leipzig**
Dortmund**	Magdeburg**
Dresden**	Mannheim*/**
Düsseldorf*/**	Mönchengladbach*/**
Erfurt**	Munich**
Frankfurt am Main*/**	Neu-Ulm**
Freiburg*/**	Nürnberg*/**
Hamburg**	Potsdam*/**
Hannover*/**	Regensburg**
Heilbronn**	Rostock*/**
Karlsruhe*	Saarbrücken**
Kassel**	Stuttgart*/**
Kiel**	

** Registered branches of grenke AG*

*** Registered branches of GRENKE BUSINESS SOLUTIONS GmbH & Co KG*

9.1.2 Investments

Associated companies

grenke AG holds a 25.96 percent stake in Miete24 P4Y GmbH, based in Velten, Germany.

9.1.3 Affiliated companies

Subsidiaries

In addition to the shares in the GRENKE KGaA, grenke AG held 100 percent of the shares in GRENKE Service GmbH, Baden-Baden, GRENKEFACTORING GmbH, Baden-Baden, grenke Bank AG, Baden-Baden, and GRENKE digital GmbH, Karlsruhe, as of December 31, 2024. GRENKE BUSINESS SOLUTIONS GmbH & Co. KG, founded in 2019, is the sales company of grenke AG. The general partner of GRENKE BUSINESS SOLUTIONS GmbH & Co. KG is GRENKE Service GmbH, Baden-Baden.

GRENKE MANAGEMENT SERVICES GmbH was merged into GRENKE Service GmbH (= absorbing company) retroactively as of October 1, 2023 (merger date) by merger agreement dated December 1, 2023 and addendum dated December 13, 2023. The merger was entered in the commercial register of the absorbing GRENKE Service GmbH on January 2, 2024.

As of the end of the reporting year, grenke AG held the following investments outside of Germany:

Investments outside of Germany

Entity	Registered office	Share in %
GRENKELEASING GmbH	Vienna/Austria	100
GRENKELEASING AG	Zurich/Switzerland	100
GRENKEFACTORING AG	Basel/Switzerland	100
GRENKELEASING s.r.o.	Prague/Czechia	100
GRENKE ALQUILER S.L.	Barcelona/Spain	100
GRENKELEASING ApS	Herlev/Denmark	100
Grenkefinance N.V.	Vianen/Netherlands	100
GRENKE LIMITED	Dublin/Ireland	100
GRENKE FINANCE PLC	Dublin/Ireland	100
GRENKE LOCATION SAS	Schiltigheim/France	100
GRENKE LOCAZIONE S.R.L.	Milan/Italy	100
GRENKELEASING AB	Stockholm/Sweden	100
GRENKE LEASING LIMITED	Guildford/United Kingdom	100
GRENKELEASING Sp. z o.o.	Poznan/Poland	100
GRENKELEASING Magyarország Kft.	Budapest/Hungary	100
GRENKE LEASE SRL	Brussels/Belgium	100
GRENKE RENTING S.R.L.	Bucharest/Romania	100
GRENKE RENTING S.A.	Lisbon/Portugal	100
Grenkeleasing Oy	Vantaa/Finland	100
GRENKELEASING s.r.o.	Bratislava/Slovakia	100
GRENKELOCATION SARL	Munsbach/Luxembourg	100
GRENKELEASING d.o.o.	Ljubljana/Slovenia	100
GRENKE RENT S.L.	Madrid/Spain	100
GRENKE Kiralama Ltd. Sti.	Istanbul/Turkey	100
GRENKE Renting Ltd.	Sliema/Malta	100
GC Locação de Equipamentos LTDA	São Paulo/Brazil	100
GC Leasing Middle East	Dubai/United Arab Emirates	100
GRENKE Hrvatska d.o.o.	Zagreb/Croatia	100
GC Lease Singapore Pte. Ltd.	Singapore/Singapore	100
GC Factoring Ireland Limited	Dublin/Ireland	100
GC Faktoring Polska Sp. z o.o.	Posen/Poland	100
GC Factoring Ltd.	Guildford/United Kingdom	100
GF Faktor Zártkörűen Működő Részvénytársaság	Budapest/Hungary	100
GC LEASING Melbourne PTY LTD	Melbourne/Australia	100
GC LEASING SYDNEY PTY LTD	Sydney/Australia	100
GRENKE LEASING IL LLC	Chicago/United States of America	100
GC Leasing AZ, LLC	Phoenix/United States of America	58

9.2 Net assets, financial position and results of operations

The annual financial statements of grenke AG as of December 31, 2024, were prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act in conjunction with the German Ordinance on Accounting Policies for Financial Services Providers and securities institutions.

Selected key figures from the income statement and statement of financial position

EURk	2024	2023
Income from leases	759,966	697,422
Expenses from leases	564,075	485,073
Profit from leases	**195,891**	**212,349**
Net interest income	–13,158	–11,445
Other operating income	77,794	86,613
General and administrative expenses	155,054	132,536
Staff cost	46,712	41,202
Depreciation and impairment	116,573	135,844
Net profit	**46,624**	**41,695**

EURk	2024	2023
Investments in associated companies	473,639	447,892
Leased assets	339,444	301,167
Property, plant and equipment	17,098	15,542
Receivables from banks	106,516	84,120
Receivables	68,699	56,971
Equity	493,499	523,941
Subordinated liabilities	200,000	200,000
Payables	68,031	52,381
Accruals and deferrals	283,570	256,528
Total assets	1,105,836	1,077,947

9.2.1 Results of operations

grenke AG's income is dominated by two functional areas: the leasing business in Germany and the holding function of the Consolidated Group.

In the reporting year, the profit from leases before depreciation and impairment was lower compared to the prior year at EUR 195.9 million (previous year: EUR 212.3 million). The proceeds from the buybacks of GRENKE KGaA will not have a full effect until the following year, as tranches totalling EUR 85.5 million were only repurchased in the last quarter of 2024. Net interest income amounted to EUR –13.2 million, compared to EUR –11.4 million in the prior year. In addition to the interest portions included in the lease-purchase contracts, which are forwarded to the grenke KGaA under the two-level model, interest expenses also included both expenses and income for interest from back tax payments and refunds, as well as accrued interest from outstanding AT1 bonds. Total interest expenses were primarily related to the financing of leased assets from which the leasing income is generated.

Current income from investments in associated companies decreased in the reporting year to EUR 80.8 million after EUR 110.7 million in the previous year. Income from profit and loss transfer agreements increased to EUR 32.2 million following EUR 22.2 million in the previous year.

This was offset by the transfer of losses from subsidiaries of EUR 6.1 million (previous year: EUR 1.6 million). Other operating income declined by EUR 8.8 million to EUR 77.8 million (previous year: EUR 86.6 million) primarily due to lower income from the reversal of provisions compared to the recognised in the previous year.

Commission income saw a sharp increase in the reporting year, rising to EUR 12.8 million (previous year: EUR 4.8 million), driven by an adjustment of the intra-group guarantee fee for subsidiaries and franchise companies. At the same time, commission expenses increased to EUR 25.9 million (previous year: EUR 24.2 million) due to higher volumes of new business.

General and administrative expenses rose by EUR 22.5 million to EUR 155.1 million. This was mainly due to increased intra-Group allocations for services and research and development costs. It also included higher expenses for third-party licences, which were passed on to subsidiaries as well as higher year-on-year staff costs totalling EUR 46.7 million (previous year: EUR 41.2 million). Depreciation, amortisation and impairment on intangible assets and property, plant, and equipment, and lease assets – which make up the majority – decreased from EUR 135.8 million in the previous year to EUR 116.6 million. Write-downs and impairment of receivables and certain securities, as well as additions to loan loss provisions, declined sharply from EUR 37.6 million in the prior year to EUR 10.0 million. This decline was primarily due to the absence of expenses related to debt waivers for subsidiaries, which had been recorded in the prior year, as well as lower additions to provisions.

In the reporting year, unscheduled write-downs and impairments totalling EUR 57.7 million (previous year: EUR 53.8 million) were recognised in the carrying amounts of investments in associated companies. This was offset by write-ups totalling EUR 53.5 million (previous year: EUR 3.3 million).

In the 2024 financial year, the result from ordinary business activities reached EUR 65.2 million, up from EUR 42.1 million in the prior year. Following tax expenses of EUR 18.6 million (previous year: EUR 0.4 million), primarily related to additional taxes from a tax audit covering the years 2015-2023, net income for the year amounted to EUR 46.6 million (previous year: EUR 41.7 million).

9.2.2 Report on financial position and net assets

As of December 31, 2024, the Company's total assets rose by 2.6 percent to EUR 1,105.8 million (previous year: EUR 1,077.9 million). This increase was driven by several factors:

Leased assets grew by 12.7 percent to EUR 339.4 million (previous year: EUR 301.2 million), primarily due to the repurchase of leased assets in multiple tranches from GRENKE KGaA. These leased assets predominantly serve as collateral for grenke Bank AG for sold lease receivables.

Other assets declined by EUR 71.0 million to EUR 87.4 million (previous year: EUR 158.4 million), mainly due to a reduction in receivables from affiliated companies, particularly the cash pool receivable from GRENKE FINANCE PLC, Dublin, Ireland.

As of December 31, 2024, receivables from credit institutions rose from EUR 84.1 million in the prior year to EUR 106.5 million. The cash reserve, held as a balance with central banks, remained unchanged at EUR 100. grenke uses this liquidity, together with the balance of grenke Bank AG, to manage regulatory liquidity requirements at the Group level.

Receivables from customers increased from EUR 57.0 million to EUR 68.7 million.

Shares in affiliated companies rose from EUR 447.9 million to EUR 473.6 million, mainly due to write-ups on these shares, which were partially offset by write-downs and impairments.

Accruals and deferrals increased by 10.5 percent to EUR 283.6 million (previous year: EUR 256.5 million). The majority of this amount related to the deferral from the forfaiting of instalment payments from lease contracts, which rose from EUR 217.0 million to EUR 242.7 million during the financial year. Liabilities to customers grew by 29.9 percent to EUR 68.0 million, up from EUR 52.4 million at the end of the previous financial year. This increase was primarily driven by a rise in lease-purchase liabilities reported under the two-level model with GRENKE KGaA, which increased from EUR 45.9 million in the previous year to EUR 57.8 million in the reporting year.

Subordinated liabilities remained unchanged from the previous year at EUR 200.0 million and consist solely of the AT1 bonds issued by grenke AG, which qualify as Additional Tier 1 capital for regulatory purposes and are recognised as equity under IFRS. grenke AG did not exercise the option to redeem the first issued AT1 bond of EUR 50 million on March 31, 2021. Consequently, the AT1 bond was extended for another five years until March 31, 2026, with an interest coupon of 7.33 percent.

The Company's equity declined to EUR 493.5 million (previous year: EUR 523.9 million), resulting in an equity ratio of 44.6 percent as of December 31, 2024 (previous year: 48.6 percent). During the reporting year, a share buyback was conducted, with 2,317,695 shares repurchased for a total of EUR 55.4 million. As of the reporting date, the Company's own shares are held by grenke AG and have been deducted from equity in accordance with Section 272 (1a) HGB as follows: the notional amount of share capital, EUR 2.3 million, has been directly deducted from the share capital;

the acquisition costs exceeding this amount, totalling EUR 53.1 million (excluding ancillary costs), have been offset against other retained earnings.

9.2.3 Liquidity and refinancing

grenke AG's high level of cash and cash equivalents and broadly diversified refinancing structure enabled it to meet its payment obligations at all times during the past financial year. grenke AG's total liquidity as of the reporting date amounted to EUR 34.6 million and included central bank deposits (EUR 100.0) and receivables from banks due on demand (EUR 34.6 million) resulting in 3.1 percent (previous year: 2.3 percent) of the total assets being available as liquidity.

grenke BANK AG is the Company's direct refinancing partner. grenke AG regularly sells lease receivables to grenke Bank AG to finance its business. Additional financing was provided from cash pooling through the Consolidated Group's internal clearing account with GRENKE FINANCE PLC. The net balance as of the reporting date was a receivable totalling EUR 6.0 million (previous year: EUR 82.2 million).

Private placements can also be made either directly or indirectly via the wholly owned subsidiary GRENKE FINANCE PLC, based in Dublin/Ireland. In the reporting year, two new euro-denominated bonds with a total volume of EUR 1,000 million were issued and one existing bond was increased by EUR 50 million. In turn, bonds with a volume of EUR 384.7 million were redeemed. In addition, a voluntary early partial redemption of three bonds totalling EUR 263.2 million was made.

The Irish subsidiary also has access to a syndicated revolving credit facility with a volume of EUR 400 million. This facility can also be utilised by other subsidiaries.

There are also nine ABCP programmes Group-wide with a potential total volume of EUR 1,119.4 million and GBP 286.36 million. Under these programmes, GRENKE FINANCE PLC, GRENKE KGaA and GRENKE LEASING LIMITED, United Kingdom, have the right to sell receivables to the programmes for a specified period or use the programmes to obtain refinancing.

grenke AG and GRENKE FINANCE PLC also have the ability to issue commercial paper up to a total of EUR 750.0 million with maturities between 1 and 364 days. As per the reporting date of December 31, 2024, the commercial paper programme had been utilised up to an amount of EUR 60.0 million (previous year: EUR 50.0 million).

9.3 General statement on the Company's business performance and financial position (Management Report of the AG)

The 2024 financial year was another challenging year for grenke AG. On a global scale, the wars in Ukraine and the Middle East weighed on the world economy. In response to economic weakness in the eurozone and decreasing inflationary pressures, the ECB initiated a shift in its interest rate policy, lowering the benchmark rate in four steps from 4 percent to 3 percent between June and the end of 2024. Typically, more favourable financing conditions stimulate corporate investment demand.

Although macroeconomic uncertainty dominated economic activity and investment behaviour throughout the year, grenke AG achieved planned growth in leasing new business in all quarters, continuing the growth trajectory of the previous year. The portfolio's overall quality remained high in the 2024 financial year. However, rising insolvency rates across the core markets of Germany, France, and Spain led to an increase in losses. As a result, and due to the corresponding increase in the settlement of claims and risk provision, and the goodwill impairment of the Spanish subsidiary, grenke announced an adjustment to its forecast for Group earnings for the 2024 financial year on October 29, 2024.

In September 2024, grenke AG successfully concluded its share buyback programme initiated in February 2024. In this period, grenke AG repurchased 4.98 percent of its outstanding capital.

Based on a solid equity ratio of 44.6 percent at year-end 2024 and traditionally well-diversified refinancing options, the Board of Directors remains confident in the Group's ability to finance the planned growth in leasing new business at market conditions in the coming year.

As part of the Group-wide refinancing programmes, the Company issued guarantees to associated companies in the amount of EUR 10,528.9 million (previous year: EUR 10,127.4 million).

9.4 Two-level model

The Company is refinanced primarily through the Consolidated Group companies grenke Bank AG, GRENKE FINANCE PLC and GRENKE KGaA. The leased assets of the new business are partially leased from the GRENKE KGaA as part of a two-level model. GRENKE KGaA's lease receivables are sold to financial institutions via structured entities under three ABCP programmes or locally to two savings banks (forfaited). The underlying contractual agreements secure the financing for new business, even as volumes increase.

9.5 Dividends

The Board of Directors and the Supervisory Board propose a dividend of EUR 0.40 per share for the 2024 financial year at the Annual General Meeting to be held on May 7, 2025. In the previous year, the Company distributed a dividend of EUR 0.47 per share.

9.6 Employees

The average number of full-time employees at grenke AG (excluding the Board of Directors and including trainees) increased in the reporting year to 454 (previous year: 410). The staff turnover rate dropped to 6.7 percent (previous year: 7.8 percent).

9.7 Report on risks, opportunities, forecasts and outlook

9.7.1 Report on risks and opportunities

The risks and opportunities described for the Consolidated Group also largely apply to the Company. However, the German domestic market continues to play a special and more important role for the Company than for the Consolidated Group as a whole. The Company is not exposed to material currency risk in its operating business because it does not enter into cross-border transactions with countries outside the eurozone.

9.7.2 Report on forecasts and outlook

The global economic environment remains challenging at the start of 2025. The Russian war of aggression against Ukraine and the war in the Middle East continue to create uncertainty for the global economy. The economic and political consequences of the U.S.'s fundamental realignment are currently difficult to fully assess. The formation of the government following the new elections in February 2025 may impact economic activity in Germany and Europe and is currently making a reliable forecast difficult.

On the other hand, the market's expectation of continued monetary policy easing by central banks worldwide is likely to stimulate economic activity. An ECB survey from mid-January 2025 indicates that financial markets expect the key interest rate to drop to 2 percent by mid-2025 and stabilise there in the medium term.

For the 2025 financial year, the Board of Directors of grenke AG is aiming for double-digit growth at the Group level and expects high single-digit growth in new business in Germany.

The Board of Directors further expects grenke AG to be able to report net profit for the 2025 financial year, subject to the income from investments and profit transfers from subsidiaries.

For more details, please refer to the statements made by the Board of Directors regarding the 2025 and 2026 forecast for the Group. These can be found in Chapter 6.2 Report on forecasts and outlook in the combined management report.

Baden-Baden, March 7, 2025

The Board of Directors

Consolidated Financial Statements

for the 2024 financial year

Consolidated income statement [1]

EURk	Note	2024	2023
Interest and similar income from financing business[2]	4.1	574,348	467,412
Expenses from interest on refinancing including deposit business	4.1	217,611	128,879
Net interest income		**356,737**	**338,533**
Profit from service business	4.2	146,400	135,109
Profit from new business	4.3	61,080	46,560
Gains (+) / losses (–) from disposals	4.4	11,830	2,597
Income from operating business		**576,047**	**522,799**
Staff costs	4.5	198,209	176,007
Selling and administrative expenses (not including staff costs)	4.6	117,889	106,465
Depreciation and amortisation	4.7	24,921	26,468
Total operating expenses		**341,019**	**308,940**
Operating result before settlement of claims and risk provisioning		**235,028**	**213,859**
Result from claims settlement and risk provisioning	4.8	–131,012	–90,829
of which impairment loss(-)/income(+)		–35,669	13,872
Impairment of goodwill	4.9	4,415	600
Other operating result	4.10	–9,586	–9,516
Operating result		**90,015**	**112,914**
Result from investments accounted for using the equity method		–462	–216
Result from market valuation		–3,049	–4,114
Other net interest income		2,898	1,819
Group earnings before taxes		**89,402**	**110,403**
Income taxes	4.13	19,244	23,689
Group earnings		**70,158**	**86,714**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of grenke AG		75,944	92,316
of which total comprehensive income attributable to non-controlling interests		–5,786	–5,602
Earnings per share (basic / diluted in EUR)	4.14	1.44	1.79
Average number of shares outstanding	4.14	45,462,141	46,495,573

[1] *The income statement was adjusted in accordance with IAS 8 (see section 2.3 of the notes to the consolidated financial statements).*

[2] *Interest and similar income calculated according to the effective interest method EUR 9,787k (previous year: EUR 9,112k).*

Consolidated statement of comprehensive income

EURk	Note	2024	2023
Group earnings		**70,158**	**86,714**
Items that may be reclassified to profit or loss in future periods			
Appropriation to / reduction of hedging reserve	7.3	–5,929	–10,137
thereof income tax effects		1,372	2,234
Change in currency translation differences / effects of high inflation		30	5,373
thereof income tax effects		0	0
Items that may be reclassified to profit or loss in future periods			
Equity instruments		500	0
thereof income tax effects		0	0
Appropriation to / reduction of reserve for actuarial gains and losses	5.15	–519	–1,034
thereof income tax effects		131	204
Other comprehensive income		**–5,918**	**–5,798**
Total comprehensive income		**64,240**	**80,916**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of grenke AG		69,581	85,881
of which total comprehensive income attributable to non-controlling interests		–5,341	–4,965

Consolidated statement of financial position

EURk	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Current assets			
Cash and cash equivalents	5.1	974,551	697,202
Derivative financial instruments that are assets	7.3	4,555	6,880
Lease receivables	5.2	2,594,088	2,076,719
Other current financial assets	5.3	102,012	135,734
Trade receivables	5.4	9,706	7,214
Lease assets for sale		26,272	19,702
Tax assets		27,935	20,956
Other current assets	5.5	208,056	215,940
Non-current assets held for sale	5.17	33,253	0
Total current assets		**3,980,428**	**3,180,347**
Non-current assets			
Lease receivables	5.2	3,922,154	3,623,135
Derivative financial instruments that are assets	7.3	12,969	11,811
Other non-current financial assets	5.3	79,776	79,501
Investments accounted for using the equity method		2,444	2,906
Property, plant and equipment	5.6	98,445	88,829
Right-of-use assets	5.10	37,958	35,521
Goodwill	5.7	30,052	34,373
Other intangible assets	5.8	9,837	12,172
Deferred tax assets	5.9	42,569	29,366
Other non-current assets		2,428	1,580
Total non-current assets		**4,238,632**	**3,919,194**
Total assets		**8,219,060**	**7,099,541**

Consolidated statement of financial position

EURk	Note	Dec. 31, 2024	Dec. 31, 2023
Liabilities and equity			
Liabilities			
Current liabilities			
Financial liabilities	5.11	3,198,394	1,831,589
Lease liabilities	5.10	11,625	11,576
Derivative liability financial instruments	7.3	6,416	5,235
Trade payables		57,373	41,680
Tax liabilities		28,557	7,480
Deferred liabilities	5.14	46,220	38,144
Other current liabilities	5.12	67,994	60,821
Deferred lease payments	5.13	43,244	46,124
Liabilities related to disposal groups classified as held for sale	5.17	6,720	0
Total current liabilities		**3,466,543**	**2,042,649**
Non-current liabilities			
Financial liabilities	5.11	3,311,214	3,587,328
Lease liabilities	5.10	27,376	24,500
Derivative liability financial instruments	7.3	19,758	17,081
Deferred tax liabilities	5.9	65,452	68,463
Pensions	5.15	5,544	4,650
Total non-current liabilities		**3,429,344**	**3,702,022**
Equity	**5.16**		
Share capital		46,496	46,496
Capital reserves		298,019	298,019
Retained earnings		849,344	813,586
Own shares		–55,551	0
Other components of equity		4,514	10,877
Total equity attributable to shareholders of grenke AG		**1,142,822**	**1,168,978**
Additional equity components*		200,000	200,000
Non-controlling interests		–19,649	–14,108
Total equity		**1,323,173**	**1,354,870**
Total equity and liabilities		**8,219,060**	**7,099,541**

* *Including AT1 bonds (hybrid capital), which are reported as equity under IFRS.*

Consolidated statement of cash flows

EURk		Note	2024	2023
	Group earnings		**70,158**	**86,714**
	Non-cash items included in group earnings and reconciliation to cash flow from operating activities			
+	Depreciation, amortization and impairment of goodwill		29,336	27,068
–/+	Profit / loss from the disposal of property, plant and equipment and intangible assets		11	–359
–/+	Other non-cash income / expenses		9,799	14,305
+/–	Increase / decrease in deferred liabilities, provisions, and pensions		8,970	60
=	**Subtotal**		**118,274**	**127,788**
	Change in assets and liabilities from operating activities after adjustment for non-cash items			
+/–	Lease receivables	5.2	–816,388	–455,910
+/–	Loan receivables		8,014	2,071
+/–	Factoring receivables		24,285	–2,478
+/–	Other assets		–42,912	22,640
+/–	Financial liabilities	5.11	1,089,773	624,166
+/–	Other liabilities		30,563	26,550
+	Interest received		34,403	25,706
–	Interest paid		–31,505	–23,887
–	Income taxes paid		–20,543	–17,395
=	**Cash flow from operating activities**		**393,964**	**329,251**
–	Payments for the acquisition of property, plant and equipment and intangible assets		–8,577	–7,033

EURk		Note	2024	2023
–	Payments for the acquisition of subsidiaries		–3,569	–24,088
–	Payments for the acquisition of associated entities		0	–3,121
+	Proceeds from the sale of property, plant and equipment and intangible assets		66	904
=	**Cash flow from investing activities**		**–12,080**	**–33,338**
–	Repayment of lease liabilities		–13,338	–13,429
–	Interest coupon payments on hybrid capital		–14,989	–12,946
–	Payments for the acquisition of own shares		–55,551	0
–	Dividend payments to grenke shareholders		–21,628	–20,923
=	**Cash flow from financing activities**		**–105,506**	**–47,298**
	Cash and cash equivalents at beginning of period[1]	**5.1**	**696,930**	**448,605**
+	Cash flow from operating activities		393,964	329,251
+	Cash flow from investing activities		–12,080	–33,338
+	Cash flow from financing activities		–105,506	–47,298
+/–	Change due to currency translation		53	–290
=	**Cash and cash equivalents at end of period**[1]	**5.1**	**973,361**	**696,930**

[1] *Less current account liabilities with an amount of EUR 1,190k (previous year: EUR 272k).*

Consolidated statement of changes in equity

EURk	Share capital	Capital reserves	Retained earnings / Consolidated group earnings	own shares	Hedging reserve	Reserve for actuarial gains / losses	Currency translation	Revaluation for equity instruments	Total equity attributable to shareholders of grenke AG	Additional equity components	Non-controlling interests	Total equity
Equity as of Jan. 1, 2024	**46,496**	**298,019**	**813,586**		**3,064**	**137**	**10,901**	**−3,225**	**1,168,978**	**200,000**	**−14,108**	**1,354,870**
Group earnings			65,446						65,446	10,498	−5,786	70,158
Other comprehensive income					−5,929	−519	−415	500	−6,363		445	−5,918
Total comprehensive income			**65,446**		**−5,929**	**−519**	**−415**	**500**	**59,083**	**10,498**	**−5,341**	**64,240**
Dividend payment			−21,628						−21,628			−21,628
Interest coupon payment for hybrid capital										−14,989		−14,989
Interest coupon for hybrid capital			−4,491						−4,491	4,491		
Transactions with nci			−3,569						−3,569		−200	−3,769
Purchase of own shares				−55,551					−55,551			−55,551
Equity as of Dec. 31, 2024	**46,496**	**298,019**	**849,344**	**−55,551**	**−2,865**	**−382**	**10,486**	**−2,725**	**1,142,822**	**200,000**	**−19,649**	**1,323,173**
Equity as of Jan. 1, 2023	**46,496**	**298,019**	**799,475**		**13,201**	**1,171**	**6,165**	**−3,225**	**1,161,302**	**200,000**	**−29,135**	**1,332,167**
Group earnings			83,248						83,248	9,068	−5,602	86,714
Other comprehensive income					−10,137	−1,034	4,736		−6,435		637	−5,798
Total comprehensive income			**83,248**		**−10,137**	**−1,034**	**4,736**		**76,813**	**9,068**	**−4,965**	**80,916**
Dividend payment			−20,923						−20,923			−20,923
Interest coupon payment for hybrid capital										−12,946		−12,946
Interest coupon for hybrid capital			−3,878						−3,878	3,878		
Others			−44,336						−44,336		19,992	−24,344
Equity as of Dec. 31, 2023	**46,496**	**298,019**	**813,586**		**3,064**	**137**	**10,901**	**−3,225**	**1,168,978**	**200,000**	**−14,108**	**1,354,870**

Notes to the consolidated financial statements

for the 2024 financial year

1. General information

GRENKE AG is a stock corporation with its registered office located at Neuer Markt 2, Baden-Baden, Germany. The Company is recorded in the commercial register at the District Court of Mannheim, Section B, under HRB 201836. GRENKE AG Group (hereinafter referred to as "grenke AG") is the parent company of the grenke AG Group ("the grenke Group"). grenke AG is a listed parent company trading on an organised market as defined by Section 2 (11) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

The grenke Group conducts financing business and is a partner for mainly small- and medium-sized enterprises. Its products and services range from leasing to factoring and include various payment transaction services as well as deposit business for private customers.

The consolidated financial statements of grenke AG as of December 31, 2024 (the "consolidated financial statements") include the financial statements of grenke AG, its subsidiaries and consolidated structured entities. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the European Union (EU) and the supplementary regulations applicable under German commercial law in accordance with Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). The consolidated financial statements of grenke AG take into account all of the standards and interpretations applicable in the EU for the 2024 financial year.

The consolidated financial statements were prepared in euros (EUR). Unless stated otherwise, all figures are rounded and stated in thousands of euros (EURk). The accounting policies applied correspond with those of the previous year. Exceptions are listed in Note 2.1–2 and relate to changes resulting from the mandatory adoption of new or amended accounting standards.

Disclosures in accordance with IFRS 7 "Financial Instruments: Disclosures" on the nature and extent of risks arising from financial instruments are contained in the chapter "Report on risks, opportunities and forecasts" in the management report and are an integral part of the consolidated financial statements.

The consolidated financial statements were prepared by the Board of Directors on March 10, 2025, submitted to the Supervisory Board for review and approval, and released for publication.

2. Accounting changes

2.1 First-time adoption of revised and new accounting standards

The following amendments to standards whose adoption was mandatory as of the 2024 financial year had no or only an immaterial effect on grenke AG's consolidated financial statements:

// Amendments to IAS 1 "Presentation of Financial Statements" regarding the classification of liabilities as current or non-current and the classification of long-term liabilities with covenants

// Amendments to IFRS 16 "Leases" concerning the accounting for lease liabilities arising from sale-and-leaseback transactions

// Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" related to supplier financing arrangements

Amendments to IAS 1 "Presentation of Financial Statements"

In January 2020, the amendments to IAS 1 on the classification of liabilities as current or non-current were published. The focus of the amendments to IAS 1 is to clarify that the classification of liabilities as current or non-current must be based on the entity's existing rights as of the reporting date.

In October 2022, the IASB published amendments to IAS 1 on the classification of non-current liabilities with covenants. The purpose of the amendment to IAS 1 is to clarify that covenants that must be met before or on the reporting date can have an impact on the classification as current or non-current. Covenants that are only to be met after the reporting date have no influence on the classification as current or non-current.

Amendments to IFRS 16 “Leases” regarding the Accounting for Lease Liabilities Arising from Sale-and-Leaseback Transactions

The amendments to IFRS 16 clarify the subsequent measurement of a lease liability in the case of a sale-and-leaseback transaction. According to the amendments, the lease liability must be measured in such a way that no gain or loss is recognised during subsequent measurement to the extent that it relates to the retained right-of-use assets.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” regarding supplier financing arrangements

The amendments relate to additional disclosures in the notes concerning supplier financing arrangements, particularly including reverse factoring agreements. The amendments supplement the existing requirements under IFRS and require companies to disclose the terms and conditions of supplier financing arrangements, specify the related balance sheet items and their carrying amounts at the beginning and end of the reporting period, provide ranges of payment terms, and disclose risk concentrations.

2.2 Accounting standards and interpretations already issued – not yet adopted

The IASB has published further amended standards or interpretations that will only become mandatory at a later date. Some of these standards have already been endorsed into European law (“endorsement”) by the EU. Early voluntary application of these standards is explicitly permitted. The grenke AG generally does not make use of this option. These standards will be implemented in the consolidated financial statements at the time of mandatory application. The effects on the consolidated financial statements of grenke AG are being reviewed. With the exception of IFRS 18, these changes are not expected to have a material impact on the reporting in grenke AG’s consolidated financial statements.

Accounting Standard or Interpretation		Publication IASB	First-time adoption IASB	Adopted by EU
IAS 21	Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” (Lack of Exchangeability)	Aug. 15, 2023	Jan. 01, 2025	Yes
IFRS 18	Presentation and Disclosure in Financial Statements	Apr. 09, 2024	Jan. 01, 2027	No
IFRS 19	Subsidiaries without Public Accountability: Disclosures	May. 09, 2024	Jan. 01, 2027	No
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	May. 30, 2024	Jan. 01, 2026	No
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Improvements to IFRS	Jul. 18, 2024	Jan. 01, 2026	No
IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	Dec. 18, 2024	Jan. 01, 2026	No

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" on accounting for a lack of exchangeability

The amendments to IAS 21 introduce detailed rules for assessing whether one currency is exchangeable for another and for measuring exchange rates when exchangeability is absent. These amendments will take effect for financial years starting on or after January 1, 2025. For companies reporting under IFRS as adopted by the EU, the changes will apply once they are incorporated into European law. EU endorsement is still pending.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding classification and measurement of financial instruments

The amendments to IFRS 9 and IFRS 7 address the derecognition of electronically transferred financial liabilities, the application of the cash flow criterion for categorising financial instruments in various scenarios, and additional disclosure requirements under IFRS 7.

For financial liabilities settled via electronic payment systems, companies will be granted an option regarding the timing of derecognition. This option allows the derecognition of a financial liability using an electronic payment system before the settlement date. In terms of the classification of financial assets under the cash flow criterion, particularly when specific contractual terms (e.g., ESG-related conditions) affect the timing or amount of contractual cash flows, adjustments will be made to the IFRS 9 criteria. The amendments also include changes to the classification of non-recourse assets and contractually linked instruments. For disclosures in the notes under IFRS 7, the amendments introduce additional reporting requirements, including enhanced reporting on equity instruments classified as "at fair value through other comprehensive income" (FVTOCI). Furthermore, new disclosures are introduced for financial instruments with cash flows whose amount or timing depends on the occurrence or non-occurrence of a contingent event.

The amendments are to be applied to financial years beginning on or after January 1, 2026. For companies preparing financial statements in accordance with IFRS as adopted by the EU, the provisions will apply following their incorporation into European law. Adoption by the EU is still pending. The amendments are not expected to have any or only an immaterial impact on the consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements"

On April 9, 2024, the IASB published IFRS 18 "Presentation and Disclosure in Financial Statements". The new standard aims to provide investors with more transparent and comparable information about a company's financial performance to support better decision-making. The new standard, IFRS 18, replaces the previous standard, IAS 1 "Presentation of Financial Statements", and includes requirements for the presentation and disclosure of information in financial statements.

The key changes resulting from the introduction of IFRS 18 are briefly outlined below. With regard to the income statement, three new categories (operating, investing and financing) are introduced, each with specific allocation rules. Additionally, IFRS 18 requires the presentation of certain totals and subtotals in the income statement.

In addition, the notes to the financial statements must include information on management-defined, publicly communicated performance measures (management-defined performance measures – MPMs), along with a reconciliation to the closest comparable IFRS subtotal. Additional principles for the aggregation and disaggregation of items are also introduced. Limited amendments affect IAS 7 "Statement of Cash Flows", including the removal of the previous options for the classification of dividends and interest received or paid. IFRS 18 also results in targeted changes to other IFRSs, including IAS 33 "Earnings per share."

The changes are applicable for financial years beginning on or after January 1, 2027. For companies preparing financial statements under IFRS as adopted by the EU, the regulations will apply once incorporated into European law. EU endorsement is still pending. grenke AG is currently assessing the expected impact of these requirements on the consolidated financial statements.

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IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

On May 9, 2024, the IASB issued the new standard IFRS 19 “Subsidiaries without Public Accountability: Disclosures”. The new standard allows certain subsidiaries, particularly those that are neither financial institutions nor publicly listed, to apply IFRS accounting standards with reduced disclosure requirements in the notes.

The application of IFRS 19 by a subsidiary is contingent upon the subsidiary not having public accountability and its parent company preparing IFRS consolidated financial statements. The simplifications apply only to the notes to the financial statements. The recognition, measurement and presentation requirements of other IFRS standards continue to apply.

The amendments are to be applied for financial years beginning on or after January 1, 2027. For companies preparing financial statements in accordance with IFRS as adopted by the EU, the provisions will apply after their incorporation into European law. Adoption by the EU is still pending.

Annual IFRS Improvements

On July 18, 2024, as part of the “Improvements to IFRS” project, the IASB published several amendments to existing IFRS standards. These include adjustments in terminology and editorial corrections. The amendments affect IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 7 “Financial Instruments: Disclosures”, as well as the implementation guidance for IFRS 7, IFRS 9 “Financial Instruments” (clarifications on the derecognition of lease liabilities by lessees and transaction price), IFRS 10 “Consolidated Financial Statements”, and IAS 7 “Statement of Cash Flows”.

The amendments apply to financial years beginning on or after January 1, 2026. For companies reporting under IFRS as adopted by the EU, the provisions will apply once incorporated into European law. Adoption of these amendments by the EU is still pending.

Amendments to IFRS 9 and IFRS 7

On December 18, 2024, the IASB published amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” for contracts for price-dependent natural resources. The amendments primarily address the classification and measurement of such contracts, as well as the related disclosure requirements. The objective of the amendments is to provide a clearer distinction between financial and non-financial contracts and to enhance transparency for users of financial statements.

The amendments are applicable for financial years beginning on or after January 1, 2026. For companies reporting under IFRS as adopted in the EU, the provisions will apply once they are incorporated into European law. EU endorsement is still pending.

2.3 Adjustments in accordance with IAS 8

The revision of the income statement in accordance with IAS 8 was carried out to align with common reporting structures in the financial industry. This change enhances comparability and allows for a simpler and more direct derivation of the cost-income ratio from the financial data or the income statement. The grenke Group therefore decided to present “settlement of claims and risk provision” and “goodwill impairment” as separate line items in the income statement as of December 31, 2024. Below “net interest income”, the items “settlement of claims and risk provision” and “of which impairment losses” will no longer be reported. Consequently, the subtotal “net interest income after settlement of claims and risk provision” has been eliminated and would have amounted to EUR 225,724k (previous year: EUR 247,704k). The “net interest income after settlement of claims and risk provision” will continue to be reported within “operating result”. The “income from operating business” will now simply be referred to as “operating income”, and will no longer contain “after the result from settlement of claims and risk provision”. Under the previous method, “income from operating business” would have amounted to EUR 445,035k (prior year: EUR 431,970k). “Operating expenses” will now include only “staff costs”, “selling and administrative expenses”, and “depreciation, amortisation and impairment”, excluding “goodwill impairment”. The latter will be reported separately but will still be included in “operating result”. For the line item “selling and administrative expenses”, the addition “(excluding staff costs)” was eliminated. This results in the introduction of new subtotals: “operating expenses” (numerator of the CIR) and “operating result before settlement of claims and risk provision”. For the denominator of the CIR, “operating income” remains the relevant measure. “Other operating income” and “other operating expenses” will now be consolidated under “other operating result”. The item “expenses/income from fair value measurement” has been renamed to “result from fair value measurement”. In addition, “other interest income” and “other interest expenses” will be presented under “other net interest income”. To ensure comparability with the previous year, the previous-year figures have been adjusted accordingly.

The prerequisites for classification as assets held for sale under IFRS 5, as explained in the events after the reporting date section as of September 30, have been met. Accordingly, the presentation under IFRS 5 is applied for the first time in the consolidated financial statements as of December 31, 2024. Further explanations can be found in the notes to the consolidated financial statements under Note 5.17.

Additionally, as of December 31, 2024, segment reporting has been restructured as a geographical presentation. Previous-year figures have been adjusted accordingly. For more information, see Chapter 8.

3. General accounting policies

3.1 Composition of the Consolidated Group

The Consolidated Group consists of grenke AG and 56 consolidated entities (previous year: 56), of which 8 (previous year: 8) are consolidated structured entities and 5 are consolidated franchise companies without equity investments (previous year: 5). The Consolidated Group holds either directly or indirectly a 100 percent equity interest in 45 (previous year: 45) of the entities controlled by the Consolidated Group. Furthermore, 1 for the grenke Group non-material associated company (previous year: 1) has been accounted for using the equity method. In the consolidated financial statements, all assets and liabilities, as well as all expenses and income of grenke AG and the Consolidated Group companies it controls (the "grenke Group"), are eliminated in all material intra-Group transactions. Uniform accounting principles are applied Group-wide to the consolidated financial statements. All intra-Group receivables and liabilities, as well as expenses and income resulting from transactions between companies included in the consolidated financial statements, are eliminated as part of the consolidation of liabilities, expenses and income. Gains or losses incurred in the Consolidated Group from intercompany transactions are also eliminated.

Affiliated entities are consolidated as of the date control is assumed by the grenke Group and are no longer consolidated as of the date that control ceases.

For more information, please refer to the schedule of shareholdings in Note 10.

3.1.1 Subsidiaries

Subsidiaries are entities in which the Consolidated Group holds either a direct or indirect interest and over which grenke AG exerts control. Control exists when grenke AG's existing rights give it the ability to direct the relevant activities of the subsidiary (power of disposition) and, in doing so, is exposed to variable returns, and there is a link between this power of disposition and the amount of return. To determine whether an entity should be consolidated, a number of control factors need to be considered. These include an examination of

- // the purpose and design of the entity,
- // the relevant activities and how they are determined,
- // whether the Consolidated Group has rights giving it the ability to direct the relevant activities,
- // whether the Consolidated Group has risk exposure or rights to variable returns and
- // whether the Consolidated Group has the ability to use its power in a manner that affects the amount of returns.

Structured entities are entities in which voting or similar rights are not the dominant factors in determining control, for example, when voting rights only relate to administrative tasks and the relevant activities are governed by contractual agreements.

For the consolidated franchise companies, voting rights and comparable rights are not the dominant factors in determining control. These companies are controlled specifically due to the ability to determine the relevant activities.

3.1.2 Associated entities

Associated entities are entities whose financial and business decisions can be significantly influenced by the Consolidated Group, but the Consolidated Group cannot control or jointly control the entities' decision-making processes. Significant influence typically exists when there is an interest in the associated entities' voting rights of 20 percent to 50 percent.

Associated entities are accounted for in the consolidated financial statements using the equity method and initially recognised at acquisition cost.

The share of profit and loss of the associated entity following its acquisition or establishment is recognised in the consolidated income statement, and the share in any earnings-neutral changes in equity is directly recognised in the Consolidated Group's equity. Goodwill arising from the acquisition of an associated or jointly controlled entity is included in the carrying amount of the investment (less accumulated impairment losses). As a result, no separate goodwill impairment test is conducted.

3.2 Foreign currency translation

3.2.1 Conversion methods and exchange rates

In the individual Group units, the payment of cash flows from leasing business, refinancing and the recognition of selling and administrative expenses are carried out in the local currency. The functional currency for all international business enterprises is therefore the enterprises' respective national currency. If this is not the euro, the separate financial statements of the international Consolidated Group companies are converted to euros using the functional currency concept. The assets and liabilities of international subsidiaries whose functional currency is not the euro are translated into euros at the closing rate on the reporting date. The income and expenses of these subsidiaries are translated at the average rate for the financial year. The translation differences that result are recognised as a separate component of equity. When an international operation is sold, the cumulative amount recognised in equity for this international operation is released in profit and loss.

Transactions in a currency that differs from the functional currency of a subsidiary are first translated into the functional currency at the prevailing spot rate on the day of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the closing rate on each reporting date. The translation differences that result are recognised through profit and loss. Non-monetary items denominated in a foreign currency are carried at historical exchange rates.

Currency translation was based on the following key exchange rates versus the euro:

	Closing rate Dec. 31, 2024	Average rate 2024	Closing rate Dec. 31, 2023	Average rate 2023
GBP	0.8292	0.8466	0.8691	0.8698
AUD	1.6772	1.6397	1.6263	1.6288
CHF	0.9412	0.9526	0.9260	0.9718
SEK	11.4590	11.4325	11.0960	11.4788
CAD	1.4948	1.4821	1.4642	1.4595
DKK	7.4578	7.4589	7.4529	7.4509

3.2.2 Application of IAS 29 "Financial Reporting in Hyperinflationary Economies"

In the 2024 financial year, Turkey continued to be classified as a hyperinflationary economy as defined under IAS 29 "Financial Reporting in Hyperinflationary Economies". The financial results of the Turkish subsidiary, which are based on the concept of historical acquisition and production costs, were therefore adjusted for inflation effects and stated in the unit of measurement applicable as of the year-end reporting date. The consumer price index, published by the Turkish Statistical Institute (TURKSTAT), was used as the basis for the adjustment for inflation effects in the current financial year. This index was at a level of 2,646.9 points as of December 31, 2024 (December 31, 2023: 1,805.0 points; January 1, 2023: 1,109.2 points).

The gain from the net position of monetary items recognised within the scope of applying IAS 29 amounted to EUR 531k (previous year: EUR 2,840k). This gain, however, was offset by higher depreciation on operating leases resulting from the indexation of leased assets.

3.3 Leases

3.3.1 Consolidated Group as lessor

Leases are defined as agreements in which the lessor transfers the right to the lessee to use an identifiable asset for an agreed time period in exchange for the payment of consideration.

Whether an agreement can be considered as a lease or containing a lease depends on the economic substance of the agreement at the beginning of the agreement. For the lessor, leases are to be classified as either finance leases or operating leases.

3.3.1.1 Finance leases

In the case of finance leases, all of the significant risks and rewards of legal ownership are transferred from the lessor to the lessee.

Finance leases are initially recognised in the statement of financial position as of the date they are available for use (upon the issue of the lease's letter of acceptance) as lease receivables at an amount equal to the net investment, which represents the sum of outstanding lease payments and non-guaranteed residual values of the existing lease agreements, discounted at the interest rate underlying the lease. Lease payments as of the date of the lease's availability for use are divided into interest payments and principal payments in such a manner that they reflect a periodic rate of return for the receivable. Initial direct costs incurred in connection with the conclusion of the contract, e.g. reseller commissions, are taken into consideration when calculating the net investment value. The capitalisation of initial direct costs is recorded in profit from new business. This item also includes portions of revenue from lease down payments, which is the fee paid by the lessee for the use of the lease object during the period from the transfer of the object until the issuance of the lease acceptance letter. Service fees for making the lease object available for use are also a component of the profit from new business.

3.3.1.2 Operating leases

Operating leases are leases in which the grenke Group does not transfer all the significant risks and rewards of ownership of the asset to the lessee. Initial direct costs incurred in the negotiation and conclusion of an operating lease are added to the carrying amount of the lease object. These amounts are depreciated together over the term of the lease agreement until the residual value is reached. At the grenke Group, the term of an operating lease corresponds to the non-cancellable basic term as, based on internal analyses, the exercise of the extension options is considered sufficiently certain.

Contingent rents are recognised as income in the period in which they are generated. Operating lease assets are recorded in the statement of financial position as property, plant and equipment based on the type of asset (see Note 5.6). Revenue from lease instalments and significant portions of depreciation on lease assets are recognised on a straight-line basis in the profit from service business.

3.3.2 grenke Group as lessee

In the case of a lease contract in accordance with IFRS 16, the lessee is generally obliged to capitalise rights of use and to recognise a corresponding lease liability.

An agreement constitutes a lease within the meaning of IFRS 16 if it entitles the holder to use an underlying asset for a specified period of time in return for the payment of a fee. The existence of a lease therefore requires not only an identified asset but also the right of the customer to derive economic benefit from its use and to decide on its use.

The only exceptions to the recognition are “short-term” and “low-value” leases, which the grenke Group does not recognise as rights of use and lease liability despite the existence of a leasing relationship. Instead, the lease payments for these agreements are recognised as an expense over the term of the lease. “Short-term” leases are leases with a maximum term of twelve months and that do not include purchase options. “Low-value” leases are leases where the underlying asset is of minor value. In the grenke Group, an initial value of no more than EUR 4,500 is taken as a basis for determining leases for low-value assets.

Where contracts contain both leasing and non-leasing components, only the leasing components are recognised as rights of use and lease liabilities in accordance with IFRS 16. The first-time measurement of lease liabilities recognised in accordance with IFRS 16 is at the present value of the lease payments not yet made.

When determining the lease payments, in addition to the non-terminable basic term, extension periods are taken into account provided that the exercise of the underlying extension option is deemed sufficiently certain. The grenke Group uses the lessee’s respective incremental borrowing rate to discount cash flows. This is a company- and contract-specific interest rate applicable to each grenke Group company in its role as a lessee. In subsequent measurement, the lease liabilities are carried at amortised cost using the effective interest method. The interest incurred in the financial year is recognised as an expense in the item “other interest result”. Lease liabilities are gradually reduced by the repayment portions included in the lease payments. A revaluation of the lease liability (and a corresponding adjustment of the related rights of use) is to be carried out if the future lease payments resulting from the underlying agreement change. This may be due to contract adjustments or renegotiations of contracts as well as changes in estimates with regard to the expected exercise of termination or renewal options.

The initial recognition of the associated rights of use is based on the valuation of the lease liabilities. Based on the amount of the lease liability, the amount of the rights of use is determined by additionally capitalising all lease payments made at or before the asset’s availability for use, as well as initial direct costs and estimated costs for deconstruction obligations. Lease incentives received are to be subtracted. In subsequent measurement, the rights of use recognised are amortised over their useful life and, if necessary, impaired in accordance with IAS 36 “Impairment of Assets”. The amortisation of the rights of use is included in the item depreciation and amortisation.

3.4 Measurement of fair values

The grenke Group measures only derivative financial instruments at their fair value. Additionally, the fair values of financial instruments measured at cost are presented in Note 7.4.

The fair value is the amount that would be obtained from the sale of an asset in an arm's length transaction between market participants at the valuation date as part of an orderly business transaction under current market conditions or the amount to be paid for the transfer of a liability. Fair value measurement assumes that the transaction leading to the sale of the asset or the transfer of the liability takes place on the asset's principal market or the principal market for the transfer of the liability or, if such a principal market is not available, on the most favourable market for the asset or the transfer of the liability.

Fair value is determined for a certain point in time and by applying those assumptions that representative market participants would take into consideration in pricing. With respect to pricing, it is assumed that market participants act in their own best economic interest.

The grenke Group uses observable market data, as far as possible, for determining the fair value of an asset or a liability. The fair values are assigned to different levels of the following fair value hierarchy based on the input parameters used in the valuation methods.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Measurement procedures in which all input factors that have a significant effect on the recognition of fair value are directly or indirectly observable

Level 3: Measurement procedures that use input factors that have a significant effect on the fair value recognised and are not based on observable market data

If the input factors used to determine the fair value of an asset or a liability can be assigned to different levels of the fair value hierarchy, then the fair value measurement is assigned entirely to the level in the fair value hierarchy that corresponds to the lowest input factor material for the overall measurement.

The grenke Group recognises reclassifications between the different levels of the fair value hierarchy at the end of the reporting period in which the change has occurred. In the reporting year, there were no reclassifications among the three levels of the measurement hierarchy.

3.5 Financial instruments

3.5.1 Categories of financial instruments

The grenke Group classifies financial assets and liabilities in the following categories pursuant to the provisions of IFRS 9:

Financial assets

// Amortised cost (AC)
// Fair value through other comprehensive income (FVTOCI)
// Fair value through profit or loss (FVTPL)

Financial liabilities

// Amortised cost (AC)
// Fair value through profit or loss (FVTPL)

The grenke Group divides the IFRS 9 categories into the following classes:

Financial assets

// Cash and cash equivalents
// Lease receivables
// Other financial assets (factoring receivables, receivables from lending business, other financial assets)
// Trade receivables
// Other investments
// Derivative financial instruments without hedging relationship
// Derivative financial instruments with hedging relationship

Financial liabilities

// Financial liabilities (liabilities from deposit business, liabilities from the refinancing of lease receivables and bank liabilities)
// Trade payables
// Derivative financial instruments without hedging relationship
// Derivative financial instruments with hedging relationship
// Financial guarantees and irrevocable credit commitments

3.5.2 Financial assets

IFRS 9 categories

IFRS 9 divides financial assets into debt instruments, derivatives and equity instruments. The classification of financial assets into measurement categories is determined based on the business model and the contractual cash flow characteristics of the financial asset (“SPPI”; solely payments of principal and interest).

The business model employed for the administration and management of the financial assets determines how the future cash flows from the financial assets should be realised and represents the strategic decisions of persons holding key positions. The assessment of the business model does not depend on the management’s intended use of an individual asset; instead, the decision on the classification is made at a portfolio level. The method in which the cash flows within the respective business model are realised is crucial for the assessment of the business model in accordance with IFRS 9. Next to the strategic objectives of the management, the Consolidated Group observes several other factors when defining the business model, such as how the performance within the respective portfolio is measured and to which persons holding key positions in the Company this should be reported. In addition to taking into account the risks affecting the portfolio’s performance and the portfolio’s financial assets, special attention is paid to how the market and credit risks are managed, as well as how the executives in this department are remunerated. It follows that the description of the business model is not the decisive factor in making the assessment but, instead, the actual management. Consequently, the determination of the business model is not done arbitrarily but, instead, is based on observable facts and actual circumstances.

IFRS 9 provides for three business models:

// Achievement of cash flows by collecting contractual cash flows (the “hold” business model)
// Generation of cash flows through the receipt of contractual cash flows and the sale of financial assets (the “hold and sell” business model)
// For financial assets that do not qualify for either the “hold” or “hold and sell” business models (the “sell” business model)

In addition to the business model requirement, a review of the contractual cash flow characteristics (“SPPI”) must also be carried out, which requires that the contractual terms of the relevant debt instrument result in payments consisting exclusively of interest and principal at predetermined dates in the context of a traditional credit relationship. In contrast to the business model assessment, the individual contract specification of each financial instrument should be considered individually. The business model is assigned on a portfolio basis, while the SPPI criterion must always be reviewed for each individual financial instrument assigned to the “hold” or “hold and sell” business models.

IFRS 9 provides for the following types of subsequent measurement of financial assets:

- // Measurement at amortised cost (AC)
- // Measurement at fair value through OCI (fair value through other comprehensive income / FVTOCI) with or without recycling
- // Measurement at fair value through P&L (fair value through profit or loss / FVTPL)

Finance lease receivables are recognised in accordance with IFRS 16 (see Note 3.3.) Finance lease receivables, however, are subject to the provisions of IFRS 9 for derecognition and impairment.

Financial assets are allocated to the measurement categories upon initial recognition. Reclassifications are only permissible in the event of a change in the business model that results in a significant impact on business processes. Where appropriate, reclassifications are made prospectively as of the first day of the first reporting period following the change in the business model. No reclassifications took place during the reporting year or the previous year.

Financial assets at amortised cost (AC)

Debt instruments are accounted for at amortised cost when the contractually agreed payment characteristics consist solely of principal and interest payments ("SPPI criterion") on the outstanding principal and are recognised within the scope of a business model whose objective is to hold financial assets in order to collect the contractual cash flows of the financial asset.

The initial measurement in the measurement category is at fair value plus any additional and individually allocable transaction costs which, in the case of financial assets, increase the fair value. This, however, excludes trade receivables with no significant financing components. Trade receivables with no significant financing components are measured at their transaction price. The transaction price generally corresponds to the fair value. After their initial recognition, financial assets in the category "financial assets at amortised cost" are measured at amortised cost using the effective interest method less any impairment. Amortised cost includes all discounts and premiums paid upon acquisition and includes all fees that are an integral part of the effective interest rate, including transaction costs. Impairment is tested based on the expected credit loss model under IFRS 9. The model stipulates the recognition of impairment through profit and loss based on expected future credit losses. Please refer to Note 3.5.5. Financial assets measured at amortised cost are recognised as of the settlement date.

At the grenke Group, financial assets in the category "at amortised cost" include the line items "cash and cash equivalents", "other financial assets" and "trade receivables". The item cash and cash equivalents in the consolidated statement of financial position comprises cash on hand and balances at banks and central banks with a maturity of less than three months. Current account liabilities are deducted from cash and cash equivalents in the statement of cash flows.

Financial assets at fair value through other comprehensive income (FVTOCI)

The fair value measurement through other comprehensive income with recycling is applied to financial assets whose cash flows also meet the SPPI criterion and are allocated to the "hold and sell" business model. grenke does not hold any instruments that are allocated to the hold and sell business model and, consequently, does not use this classification.

Equity instruments held that comply with the definition of equity under IAS 32 do not fulfil the cash flow condition due to a lack of contractual payment entitlements in terms of interest and credit repayments and are therefore measured at fair value through profit or loss. There is the option (OCI option) of designating equity instruments that are not intended to be traded as "at fair value through other comprehensive income". grenke applies this option and classifies its 13.71 percent investment in Finanzchef24 GmbH as FVTOCI without recycling because it constitutes an equity instrument. As a result, all changes in fair value are presented in other comprehensive income, no impairment losses are recognised in profit or loss, and no gains or losses are reclassified to profit or loss upon disposal. If dividends are paid, they must be recognised in profit or loss. This alternative presentation is chosen to ensure that volatility in the Company's fair value measurement is not recognised in the income statement. Financial assets at fair value through other comprehensive income are measured at fair value upon acquisition.

Financial assets at fair value through profit or loss (FVTPL)

The measurement at fair value with changes recognised in profit or loss is compulsory if either the financial instrument has not been allocated to a portfolio of the other aforementioned business models (AC, FVTOCI) or if its cash flows do not meet the SPPI criterion.

The subsequent measurement at amortised cost is not possible for derivatives since they do not regularly meet the SPPI criterion. Derivatives are always to be measured at fair value through profit or loss provided they are not in a hedging relationship (hedge accounting). The grenke Group does not hold any financial assets at fair value through profit or loss as of the reporting date except for derivatives. Derivative financial instruments held by the grenke Group that are not in a hedging relationship are solely used to hedge interest rate and currency risk. Changes in the fair value of these derivatives are recorded under "result of market value measurement" or, in the case of derivatives used to hedge currency risk, under "other operating result".

In order to avoid accounting mismatches resulting from the classification of a financial asset at amortised cost or at fair value through other comprehensive income, the financial asset may be irrevocably classified as measured at fair value through profit or loss. The utilisation of this option is conditional and therefore limited under IFRS 9. grenke is not currently applying the fair value option.

Modification of financial assets and lease receivables

In the case of modifications that affect the contractual cash flows of financial assets, the Consolidated Group must examine whether this poses a substantial or non-substantial modification of the contractual cash flows. This assessment is done by taking an overall view of the qualitative and quantitative circumstances. An example of a qualitative indicator is a change of debtor. A quantitative criterion that leads to a substantial modification of the contract is if the discounted present value of the cash flows of the new contractual terms differs by at least 10 percent from the discounted present value of the remaining cash flows of the original debt instrument. A substantial modification results in the derecognition of the original agreement and the recognition of a new financial asset. The date of the initial recognition of the new financial asset is the date of the modification. In the case of a non-substantial modification, the asset is not derecognised, and the difference between the respective carrying amounts is recognised in profit or loss.

3.5.3 Financial liabilities

Financial liabilities at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction costs. In subsequent periods, they are recognised at amortised cost. The deducted transaction costs and any debt discounts are amortised over the lease term in profit and loss using the effective interest method.

Refinancing liabilities, which result from the sale of the lease receivables to the respective refinancing party, are recognised at the present value of the payments yet to be made to the refinancing party. The originally agreed interest rate is used as the discount rate for fixed interest loans. Upon repayment, regular payments are split into an interest portion and a principal component. The interest portion is recognised as an expense from interest on refinancing.

A financial guarantee is a contract that contains an obligation for the guarantor to make payments that compensate the guarantee holder for a loss that arises because a given debtor fails to meet payment obligations on time and according to the terms of the debt instrument. Liabilities from financial guarantees are initially recognised at fair value. The fair value typically corresponds to the net present value of the consideration received in return for the provision of the financial guarantee. In the case of marketable contracts, the fair value of a financial guarantee at the time of conclusion of the contract is usually the value of the obligation and, therefore, zero (net method).

Subsequently, the measurement is made at the higher of amortised cost or the amount of the provision that must be recognised in the event of an imminent claim. Financial liabilities are measured at amortised cost using the effective interest method under IFRS 9, except when they are financial liabilities measured at fair value.

Financial liabilities at fair value

The grenke Group did not hold any financial liabilities at fair value through profit or loss as of the reporting date except for derivatives. Derivative financial instruments held by the grenke Group are solely used to hedge interest rate and currency risk. Changes in the fair value of derivatives are recorded under “result of market value measurement” or, in the case of derivatives used to hedge currency risk, under “other operating result”.

In order to avoid accounting mismatches resulting from the classification of a financial asset or a financial liability that would otherwise result from the measurement of assets or liabilities or the recognition of gains or losses on a different basis, the financial asset or financial liability may be irrevocably classified upon initial recognition as measured at fair value through profit or loss. grenke is not currently applying the fair value option.

Embedded derivatives

Embedded derivatives are derivatives that are embedded in primary financial instruments. In accordance with IFRS 9, only derivatives that are embedded in financial liabilities and non-financial basic contracts are separated. According to IFRS 9, financial assets are assessed as a whole, with the result that there is no longer any separate accounting between the basic instrument and the embedded derivative. Instead, financial assets are classified in accordance with the business model and contract terms.

Presentation as a separate line item is only required when the following three conditions are met:

- // The economic characteristics and risks of the embedded derivative are not closely related to those of the basic contract.
- // A standalone derivative with the same conditions as the embedded derivative meets the definition of a derivative.
- // The original financial liability is not measured at fair value through profit or loss.

In this case, the embedded derivative to be separated is recognised at fair value. Measurement changes are recognised in profit or loss under financial assets and liabilities measured at fair value through profit or loss. By contrast, the accounting and measurement of the basic contract follow the rules of the assigned category of the financial instrument.

3.5.4 Derivative financial instruments with hedging relationship

The grenke Group uses derivative financial instruments to hedge and manage interest rate and foreign currency risks. These are interest rate swaps, cross-currency swaps and foreign currency forward contracts. IFRS 9 differentiates between three types of hedging relationships: fair value hedges, cash flow hedges and hedging the net investment in an international business operation. The grenke Group employs cash flow hedges only. These serve to avoid one-sided earnings effects for derivatives used to hedge the risk of changes in future cash flows. The grenke Group accounts for interest rate derivatives to hedge variable cash flows in addition to derivative financial instruments to hedge currency risk under hedge relationships (hedge accounting). The interest rate swap contracts are offset against the variable cash flows of the underlying bond and private placement transactions, as well as against the variable cash flows of the underlying ABCP and ABS refinancing transactions. The currency swaps (cross-currency swaps) are offset against variable cash flows of the underlying bond and private placement transactions in foreign currencies. The forward currency contracts are offset against the variable cash flows from the granting of foreign currency loans and the purchase of receivables in foreign currencies. The Consolidated Group recognises changes in the fair value of interest rate and currency swaps and forward currency transactions relating to the effective portion of the hedging relationship in other comprehensive income (hedging reserve) while taking deferred taxes into consideration. The ineffectiveness is recognised in profit and loss. For more information, please refer to Note 7.3.

Derivative financial instruments are recognised at fair value at the time of acquisition. Subsequent measurement is also at fair value. The fair value is derived from the discounted future cash flows, which are adjusted for counterparty risk. Future variable-rate cash flows are estimated on the basis of future interest rates (based on observable yield curves at the end of the reporting date). Fixed and variable-rate cash flows are discounted at future interest rates and translated using the exchange rates at the end of the reporting period. Forward currency contracts are used to hedge spot rate risk. The forward price elements of these contracts are recognised in the income statement.

Hedge accounting requires documentation at the beginning of the hedging relationship that should identify the hedge and the hedged underlying transaction, the nature of the risk being hedged and the way in which the Company assesses whether the hedging relationship meets the requirements for hedge effectiveness. In addition, the risk management objectives and strategies must be explained. The grenke Group assesses hedge effectiveness both at the inception of the hedging relationship and on an ongoing basis. As soon as the conditions for hedge accounting are no longer met, the derivative is measured at fair value with changes in value recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The cumulative net gain or loss previously recognised in the consolidated statement of comprehensive income is reported in the consolidated income statement.

3.5.5 Impairment of financial assets and provisions for off-balance-sheet liabilities

At each reporting date, the grenke Group determines the impairment on financial assets or a group of financial assets based on a model of expected credit losses in accordance with the requirements of IFRS 9.

The impairment provisions under IFRS 9 are applied to debt securities measured at amortised cost (AC) or fair value through other comprehensive income (FVTOCI), lease receivables under IFRS 16 “Leases” and off-balance-sheet obligations such as loan commitments and financial guarantees. Equity instruments are not subject to the impairment requirements of IFRS 9.

Level assignment

The standard provides for a determination of expected credit losses based on a three-step approach. Under the general approach, the loss from expected loss events during the next year (12M ECL) is already recognised as a risk provision upon acquisition (Level 1). If there has been a significant deterioration in the credit risk since the first-time recognition but no credit impairment, the risk provision is recognised at the level of the expected credit losses over the entire remaining contractual life (lifetime expected loss – LT ECL) (Level 2). If there is credit impairment, the risk provisioning must also be set in the amount of the losses expected over the remainder of the entire contract period on the basis of the estimated, expected future cash flows of the asset (LT ECL) (Level 3). The financial assets remain at Level 2 or 3 as long as the conditions for these levels are met; otherwise they will be reassigned to an appropriate lower level.

Financial assets are generally recognised in Level 1 upon initial recognition. An exception to this are financial instruments whose credit is already considered impaired at the time of the acquisition of the transaction (“Purchased or Originated Credit-Impaired Financial Assets – POCI”). These are not assigned to any of the three levels, but, instead, are treated and reported separately. The grenke Group does not hold any financial instruments classified as POCI as of the reporting date. Additionally, all transactions with a low credit default risk (low credit risk exemption) may be classified under Level 1. The grenke Group does not apply the low credit risk exemption.

For financial instruments classified as POCI, no impairment or provision is recognised at the time of acquisition; measurement is at fair value. In the subsequent measurement, the risk provisioning corresponds to the accumulated change in the LT ECL since the time of acquisition. A financial instrument classified as a POCI remains in this approach until it is derecognised, i.e. there is no transfer to another level.

In addition to the general approach (three-level model), IFRS 9 provides for a simplified method for trade receivables and contract assets as well as for lease receivables falling within the scope of IFRS 16. Under the simplified method, it is not necessary to track the change in credit risk. Instead, expected losses are to be recognised as a risk provision in the amount of the expected losses over the entire term (LT ECL) – both upon initial recognition and at each subsequent reporting date. The assets are transferred to Level 3 once credit is impaired. An option exists to apply this simplified method to those trade receivables and contract assets that contain a material financing component, as well as for lease receivables. The grenke Group uses the simplified method for factoring receivables and trade receivables. The exercise of the option was waived for determining risk provisions for lease receivables. Therefore, the general approach and classification of lease receivables in three levels applies. The financial assets remain at Level 3 as long as the conditions for this level are met, otherwise they will be reassigned to an appropriate lower level.

For Level 1 and Level 2 financial assets, the grenke Group calculates interest income using the effective interest method on the gross carrying amount (i.e. without deduction of expected credit losses). The interest income on Level 3 financial assets is determined using the effective interest method at amortised cost (i.e. the gross carrying amount less risk provisioning).

Significant increase in credit risk and credit impairment

Determining a significant increase in credit risk is necessary to establish the timing of the transition between Level 1 and Level 2 as defined above. Defining credit impairment is relevant to the timing of the transition to Level 3. The grenke Group assesses a significant increase in credit risk since initial recognition and defines credit impairment on the basis of appropriate and comprehensible information. The information used is adapted to the circumstances of the respective portfolio and is explained below:

// Lease receivables: The grenke Group expects a significant deterioration in the credit quality of lease receivables when contractually agreed payments are more than 30 days past due or when the estimated probability of loss for the remaining term has at least doubled compared to the estimated probability of loss for the same period based on the information available at the conclusion of the contract. Creditworthiness is impaired if contractually agreed payments are more than 90 days overdue, the contract has been terminated by the grenke Group, or at least one of the two conditions was not met as of the measurement date but was met within the three preceding months. The grenke Group usually terminates a lease contract as soon as the second lease instalment lapses. For terminated receivables, the expected value of the claim for damages is recognised.

// Factoring receivables: The grenke Group applies the simplified procedure for factoring receivables. Therefore, outstanding receivables are included in Level 2 as long as they are not classified as credit-impaired. Credit is impaired when the impaired receivables are overdue for more than 90 days and are not in an internal loss class. An internal loss class is assigned to factoring receivables of Processing Classes 2 to 7. Otherwise, they will be considered credit-impaired and will be reflected in Level 3.

// Loan receivables: The grenke Group expects a significant deterioration in the credit quality of loan receivables when payments are delayed for more than 30 days, the receivable is transferred internally to a special watch list, or a current deferral agreement is in place. The criteria for the special watch list are, for example, performance disruptions, negative notifications of the credit agency, significant deterioration in economic conditions and abnormalities in bookkeeping. Receivables that, among others, are delayed for more than 90 days, are in reorganisation or settlement, or have a viability rating (VR) signalling default are considered to be credit-impaired.

// Trade receivables: The grenke Group applies the simplified impairment model to these receivables. As a result, outstanding receivables are included in Level 2 as long as they are classified as credit-impaired. Credit is impaired when receivables are more than 90 days past due, or there is an objective indication of credit impairment. An objective indication, for example, could be the default or delinquency of a debtor, indications of bankruptcy or other features that indicate a reduction in the expected payments of the debtor.

// Cash and cash equivalents: The assessment of whether credit risk has significantly deteriorated and the determination of credit impairment for these receivables is based on credit ratings, which are determined by observing published external credit ratings.

3.5.6 Derecognition of financial assets and liabilities

Derecognition of financial assets

A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is derecognised along with the related impairment when the requirements have been met. The grenke Group derecognises financial assets when its contractual rights to cash flows have expired or the risks and rewards associated with the contractual rights are transferred to a buyer. When the grenke Group transfers its contractual rights to receive the cash flows of an asset to the buyer, but the opportunities and risks are not transferred, then the receivable is not derecognised; but instead, a financial liability is recognised in the same amount.

An impairment also represents a derecognition. This is usually the case at the grenke Group when, after reasonable assessment, it can no longer be assumed that the contractual cash flows of a financial asset can be realised in whole or in part. This is the case, for example, if legal proceedings are terminated or, in the case of lease transactions, the asset is disposed.

Derecognition of financial liabilities

Financial liabilities are derecognised if the contractual obligation underlying the liability is discharged or definitively expires. If an existing financial liability is exchanged for another financial liability of the same lender with substantially different terms, or if the terms of an existing liability are changed substantially, then such an exchange or change is treated as a derecognition of the original liability and recognition of a new liability. A criterion that leads to a material change in the contract is met when the discounted present value of the cash flows of the new contract conditions deviates by at least 10 percent from the discounted present value of the remaining cash flows of the original debt instrument. The difference between the corresponding carrying amounts is recognised in profit and loss.

3.6 Lease assets for sale

Lease assets for sale are recognised at their recoverable amount on the basis of historical figures. Appropriate measurement is ensured through the use of maturity bands reflecting the age of the lease assets. The sale proceeds calculated using this approach are netted against the expenses that are still incurred until the sale in order to correspond to the net realisable value.

3.7 Property, plant and equipment

Property, plant and equipment are recognised at acquisition costs net of accumulated depreciation and impairment. Financing costs are capitalised when the necessary requirements are met. Property, plant and equipment are depreciated on a straight-line basis over their expected economic life. When property, plant and equipment are sold or retired, their cost and accumulated depreciation are derecognised, and any gains or losses resulting from their disposal are recognised in the income statement as other operating income or expenses.

Rates of depreciation are based on the following estimated economic lives of assets:

Office buildings	25–33 years
Operating and office equipment	
IT hardware	3 years
Leasehold improvements	10 years
Other (office equipment)	3–20 years

The useful life and depreciation method for the respective property, plant and equipment are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

3.8 Goodwill

Goodwill resulting from acquisitions is initially determined as the excess of the purchase price over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity as of the date of acquisition.

Goodwill is not subject to scheduled amortisation. Following initial recognition, goodwill undergoes an impairment test at least once a year to prove it is not impaired (the “impairment-only approach”). If there are indications that goodwill might be impaired, further tests must be conducted in addition to the mandatory annual impairment test. In subsequent periods, goodwill is recognised at cost less accumulated impairment.

The impairment test for goodwill is carried out on the basis of cash-generating units. In the Leasing segment, these units are equivalent to the business activities in the respective regions (countries). This cash-generating unit represents the lowest level at which goodwill is monitored internally.

The recoverable amount is the higher of the fair value less selling costs and the value in use of the cash-generating unit. If one of these amounts exceeds the carrying amount, then it is not always necessary to determine both amounts. The recoverable amount of each of the cash-generating units is determined based on a value-in-use calculation using cash flow projections. The cash flows of the five-year detailed planning phase are based in principle on financial plans approved by management for a period of three years and supplemented by two additional years. In the case of valuations in the Leasing segment, the five-year detailed planning phase is supplemented by a four-year ramp-up phase using the sustainable growth rate in order to achieve a steady state. For further explanations on the impairment testing of goodwill in the reporting year, please refer to Note 5.7.

3.9 Other intangible assets

3.9.1 Licences, software

Purchased licences and software are recognised at amortised cost. The acquisition costs include the purchase price plus directly attributable costs necessary to prepare the asset for its intended use. The acquisition costs are reduced by scheduled amortisation on a straight-line basis over their expected economic life, which is usually either three or five years according to individual assessment.

3.9.2 Internally generated intangible assets

An intangible asset that is generated from the development of a single project is only recognised if the grenke Group is able to prove the technical feasibility of completing the intangible asset for internal use or sale and also prove the intention to complete the intangible asset and use or sell it. In addition, the asset’s generation of future economic benefits, the availability of resources to complete the asset and the ability to measure the expenditure attributable to the intangible asset during its development must exist.

Internally generated intangible assets are measured at cost. The cost comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended. The capitalised amounts are amortised on a straight-line basis over the period during which the project is expected to generate revenue or during which the software can probably be amortised. Based on the technical developments expected in the future, the economic life is assumed to be five to six years, depending on the development project.

3.9.3 Customer relations / reseller networks

Customer relations / reseller networks acquired in a business combination are measured at fair value upon initial recognition. The fair value of customer relations / reseller networks is based on a net present value method by applying the residual value method. Customer relations and reseller networks are amortised on a straight-line basis over their economic life of seven years.

3.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is recognised in profit and loss as soon as the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Internally generated intangible assets are tested once annually for impairment during the period in which they have not yet been used.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life. The recoverable amount is estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

The carrying amounts of goodwill are tested in order to assess the probability of continuing future benefits in accordance with the rules described in Note 3.8. Impairment is recognised in profit and loss if the recoverable amount is lower than the carrying amount of the respective cash-generating unit. If the reason for an impairment recorded in a previous period ceases to apply, an impairment loss must be reversed. Exceptions to this rule exist only for goodwill impairment, the reversal of which is expressly prohibited.

3.11 Equity

The hybrid bonds issued by grenke AG and reported under additional equity components meet the definition of equity under IAS 32 and are recognised accordingly. The bonds are recognised at their nominal amount and are to be allocated to core capital according to CRR (Capital Requirements Regulation) / CRD (Capital Requirements Directive) IV. The share in earnings attributable to hybrid bondholders is only attributed to them once there is a legally enforceable right to distribution. Discounts and the cost of issuance of hybrid bonds reduce equity, whereas premiums increase equity, each net of deferred taxes and recorded under retained earnings.

3.12 Provisions

Provisions are carried at their probable settlement amount if a present obligation (legal or constructive) exists for the grenke Group due to an event occurring before the end of the reporting period, and it is probable that the settlement of the obligation will lead to an outflow of resources embodying economic benefits, and if a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In addition, any provisions for off-balance-sheet obligations, such as loan commitments and financial guarantees, must be recognised in accordance with the impairment requirements of IFRS 9 (see Note 3.5).

3.13 Pensions and other post-employment benefits

Defined benefit plans relate to benefits following the end of employment and are based on direct benefit commitments for which the amount of the benefit is determined and dependent on factors such as age, remuneration and time employed. The provision recognised for defined benefit plans in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of the plan assets. Current and past service costs for benefits following the end of employment are recorded under staff costs. Interest expenses resulting from defined benefit obligations and interest income on plan assets are recorded as net interest expenses under other interest result. Past service costs resulting from plan adjustments are directly recognised in profit and loss.

The present value of the defined benefit obligation is calculated annually by an independent actuarial expert using the projected unit credit method of discounting the forecast future cash outflows using the interest rate of industrial bonds of excellent credit standing. The industrial bonds are denominated in the currency of the payment amounts, and their terms match those of the pension obligations. The calculation takes the current market interest rate into particular account as well as forecasts of future salary and pension increases in addition to biometric assumptions.

In accordance with Swiss law, the Consolidated Group has set up a defined benefit pension plan in Switzerland for employees, which requires that contributions be made to separately administered funds. The obligation under the defined benefit plans is calculated using the projected unit credit method. In addition, there is a defined benefit pension plan for employees of grenke Bank AG, which were acquired in the acquisition of Hesse Newman & Co. AG. These benefits are not financed by funds.

The underlying pension plans relate to both final salary and flat salary pension plans. Actuarial gains and losses, for example due to adjustment of the discount rate, are recognised as other comprehensive income in equity.

The amount to be recognised as an asset or a liability under a defined benefit plan is the total of the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled directly.

Contributions to defined contribution plans are recognised as an expense when the employees have rendered services. These expenses include contributions to statutory pension schemes and, specifically, direct insurance premiums. The grenke Group primarily uses defined contribution plans.

3.14 Taxes

3.14.1 Actual tax assets and tax liabilities

Actual tax assets and liabilities for current and previous periods are measured at the amount expected to be recovered from or paid to the tax authorities. They are calculated based on the tax rates and tax laws applicable as of the end of the reporting period.

3.14.2 Deferred tax liabilities and deferred tax assets

Deferred tax liabilities are calculated using the liability method. Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of an asset or a liability for financial reporting purposes and its tax base.

Deferred tax assets for previously non-utilised tax-loss carryforwards are recognised to the extent that it is probable that taxable profit will be available in the future to utilise these carryforwards. Deferred tax assets and liabilities are recognised on the basis of tax rates anticipated for the period in which the temporary differences will reverse. For this purpose, tax rates are used which are applicable as of the end of the reporting period or will be applicable in the near future.

Deferred taxes relating to items that are recognised directly in equity are recognised in shareholders' equity and not in the income statement. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the entity at the end of the reporting period expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are not discounted and are classified as non-current assets or liabilities in the consolidated statement of financial position.

3.14.3 Value-added tax

Revenue, expenses and assets are recognised net of VAT, with the following exceptions:

// VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the acquisition costs of the asset or as part of the expense item

// VAT included in the stated receivables and liabilities

The net VAT recoverable from or payable to the tax authorities is stated under other receivables or liabilities in the consolidated statement of financial position.

3.14.4 Trade tax

In calculating the trade income for the German Consolidated Group companies grenke AG, GRENKE Investitionen Verwaltungs KGaA and GRENKEFACTORING GmbH, Section 19 of the German Trade Tax Implementation Ordinance (Gewerbesteuer-Durchführungsverordnung – GewStDV) was applied since the 2008 assessment period and charges and similar amounts relating directly to financial services as defined by Section 1 (1a) Sentence 2 of the German Banking Act (Kreditwesengesetz – KWG) were not added. For grenke Bank AG, Section 19 GewStDV is applied in a relevant manner for banks.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the Group earnings attributable to the ordinary shareholders of grenke AG by the weighted average number of shares outstanding during the financial year. Diluted earnings per share are calculated on the assumption that all potentially dilutive securities and share-based compensation plans have been converted or exercised.

3.16 Revenue from contracts with customers

The grenke Group acts as a principal and recognises income when it fulfils a performance obligation by transferring a promised good or service to a customer. The transfer is deemed to have occurred when the customer has obtained control over this asset.

The prerequisite for this is that the following criteria are met in identifying the contract with the customers: the contracting parties agreed to the contract; the corresponding rights to the goods or services to be transferred can be determined; the payment terms can be identified; the contract has an economic substance and the receipt of the consideration is probable.

The grenke Group is required to identify the performance obligations for each contract. When identifying the contractual performance obligations, any commitment to supply a good or to provide a service under a contract with a customer must first be identified. If goods and services from a contract have been identified, there is then an assessment as to whether these goods and services should be considered separate service obligations or whether certain services should be deferred from the overall package of services.

In determining the transaction price, the grenke Group estimates the fee based on the identified customer contract that can be claimed in exchange for the goods or services supplied. The variable purchase price components, fees to customers, non-cash consideration as well as material financing components are taken into account when determining the transaction price.

The transaction price is to be allocated to the individual performance obligations of the contract identified. The grenke Group allocates the transaction price generally on the basis of the individual selling prices. Individual selling prices are the prices at which a good or service would be sold separately at the time the contract begins or at the time the contract is concluded. Contracts that contain multiple performance obligations are referred to as multi-component contracts. When the actual individual selling prices are not immediately apparent, they are then estimated by the grenke Group. The individual selling price estimate takes into account all available information and uses as many observable parameters as possible. Estimates are calculated based on the market price as part of the adjusted market assessment approach.

The grenke Group takes into account all separately recognised benefit obligations of the relevant customer contract that were previously identified within the framework of the allocated transaction prices. Revenue is recognised either at a single point in time or over the period of time that the performance obligation is fulfilled.

A contract liability is recognised when the customer renders a payment or the payment becomes due (whichever event occurs first) before the Consolidated Group has transferred the respective goods or services to the customer and the Consolidated Group has an unconditional right to a certain consideration before transferring a good or a service to the customer. Contract liabilities are recognised as revenue once the Consolidated Group has met its contractual obligations or has transferred control over the respective goods or services to the customer.

3.16.1 Revenues from service and protection business

Revenues from service and protection business are reported under the profit from service business. The lease assets must be included under the Group insurance policy of the grenke Group unless the lessees themselves insure the lease asset. For this service, the lessee will be charged fees on an annual basis that are recognised as revenue. The lessee's payments are made in advance at the beginning of the respective calendar year or, in the case of newly concluded contracts, at the beginning of the lease term during the year. Deferred income from contracts with customers in service and protection business is presented as contractual liabilities under the item deferred lease payments. When recognising the revenue from service and protection business, the performance obligation over a certain period of time can be said to be fulfilled, meaning the income must also be realised over this period. Income is realised by means of output-based methods, under which revenue is determined on a straight-line basis over time.

3.16.2 Sale of lease assets

The sale of lease assets relates to lease assets from contracts that have exhausted their basic lease term, defective lease contracts or mutually agreed early termination. Revenue from the sale of lease assets is recognised when grenke fulfils a performance obligation by transferring the promised good to a customer. The transfer occurs when the customer obtains control over this asset. The Consolidated Group recognises the revenue at a certain point in time.

Revenue from sales after the end of the basic lease term or due to the mutually agreed early termination of the contract is recognised in gains / losses from disposals, sale proceeds from defective lease contracts are recognised in the line item "settlement of claims and risk provision".

3.16.3 Service fees for making lease assets available for use

Service fees for making the lease asset available for use are usually recognised at the beginning of the lease agreement when the performance obligation has been fulfilled.

3.16.4 Commission income from banking business

Commission income from banking business consists primarily of account fees and is usually charged or invoiced on a quarterly basis. These performance obligations are fulfilled over a period of time. Income is realised by means of output-based methods, under which revenue is determined on a straight-line basis over time.

3.16.5 Revenue from reminder fees

Revenue from reminder fees is realised when due payment obligations are paid. The grenke Group fulfils its performance obligation at the payment date. Income is, therefore, recognised at a certain point in time.

3.16.6 Other revenue to lessees

Other revenue to lessees, such as those for an additional printout of the invoice, are realised at the time the invoice is issued or the performance obligation is fulfilled.

3.16.7 Interest income

Interest and similar income from financing business are recognised using the effective interest method. An exception is fees such as factoring fees, which are realised at the time of invoice.

3.17 Accounting judgements

In applying the accounting policies, the senior management has made the following judgements that substantially influence the recognition and amounts in the financial statements. This does not include those decisions involving estimates.

3.17.1 Principles of consolidation

When deciding whether to consolidate an entity, the following control factors, among others, are evaluated: the purpose and design of the entity; the relevant activities and how they are determined; whether the Consolidated Group's rights give the ability to direct the relevant activities; whether the Consolidated Group has risk exposure or rights to variable returns; and whether the Consolidated Group can use its power to influence its returns.

When voting rights are decisive, the Consolidated Group is said to have control over an entity where it holds, directly or indirectly, more than half of the voting rights. This is the case unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities.

In determining control, potential voting rights are also considered if they are deemed as substantial.

The Consolidated Group gives a similar assessment on the existence of control where it does not control the majority of the voting rights but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of the voting rights of the shareholders give the Consolidated Group the power to direct the activities of the investee.

Moreover, when assessing whether to consolidate an entity, the possibility to control parts of the investee as a fictitious separate entity, a "silo", is also considered.

If any facts or circumstances indicate changes in one or more of the control factors listed in IFRS 10, the Consolidated Group reviews the adequacy of previous decisions. The Consolidated Group reassesses the consolidation status on an annual basis. This includes changes in decision-making rights, changes in contractual arrangements, changes in the financing, ownership or capital structure, as well as changes triggered by an event that was anticipated in the original contractual agreements.

For further explanations regarding changes in the scope of consolidation during the reporting period, please refer to Note 6.

3.17.2 Consolidation of structured entities

For refinancing, the Consolidated Group uses various structured entities in the form of asset-backed commercial paper (ABCP) programmes.

The structured entities or ABCP programmes CORAL PURCHASING (IRELAND) 2 DAC, Kebnekaise Funding Limited, Elektra Purchase No. 25 DAC, Opusalpha Purchaser II Limited and SILVER BIRCH FUNDING DAC are subject to control under IFRS 10. Control is established, in the case of "single-seller" entities, through the cumulatively fulfilled criteria of the respective standard. These entities are explicitly established or used for the refinancing of the grenke Group. In the case of "multi-sellers", where credit institutions establish securitisation vehicles to provide customers with access to specific portfolios of assets and supply market liquidity through the securitisation of financial assets, it has been determined that there is a legal separation from other assets and liabilities (silos). As a result, the grenke Group consolidates only these specific assets and the related liabilities.

A significant activity over the term of these programmes is the selection of the receivables to be transferred. Furthermore, the initial selection of the receivables for each silo is defined according to specific selection criteria. In the event of a default on receivables, the settlement is managed by the grenke Group. The opportunities and risks of the receivables of the silos remain in the grenke Group. In the case of revolving receivables purchases or sales, the variable returns may be affected in such a manner that the part of the investee is controlled as a fictitious separate entity.

With the Fonds Commun de Titrisation (FCT), GK 2, FCT GK 4, and FCT GK 5 shares of the funds are held by two subsidiaries and are included in consolidation. The lease receivables purchased by the FCTs are underwritten by the ABCP programmes described above. The shares that are directly and indirectly held by the Consolidated Group are an indication for inclusion in the scope of consolidation, but not the decisive criteria since all assumptions contained in IFRS 10 must be met for consolidation. The FCTs are included in the scope of consolidation since all control factors are met, and the Consolidated Group controls the entities by having the power to direct the relevant activities, having the right of variable returns, as well as having the power to affect the amount of the returns.

As of December 31, 2024 and December 31, 2023 and during both years, the grenke Group did not hold any interests where it did not have the controlling influence. Therefore, there were no significant restrictions due to protection rights in favour of these shareholders.

3.17.3 Consolidation of franchise companies

The grenke Group has used a franchise model to facilitate its expansion strategy in the Leasing and Factoring segments in new markets. To this end, franchise companies were founded in the local markets by financial investors, with the respective managing director also holding shares in the franchise company. The grenke Group could acquire the company after approximately four to six years based on a pre-emptive right. Due to this strategy, an increasing number of former grenke employees have been recruited as managing directors and shareholders in recent years. Through the franchise agreements concluded, grenke grants rights that are intended to protect the franchise brand. In a typical franchise agreement, the franchisor is granted certain decision-making rights with regard to the franchisee's business activities. Generally, the franchisor's rights do not restrict the ability of third parties to make decisions that have a significant impact on the franchisee's return on investment. Similarly, the franchisor's rights under franchise agreements do not necessarily give the franchisor the ability to direct activities that have a material impact on the franchisee's return. A distinction has to be made between the present ability to make decisions that materially affect the franchisee's return and the ability to make decisions that protect the franchise brand. The franchisor does not have control over the franchisee if third parties have existing rights that give them the present ability to direct the franchisee's relevant activities. By entering into the franchise agreement, the franchisee has made a unilateral decision to conduct its business in accordance with the terms of the franchise agreement but on its own account.

Fundamental decisions, such as the choice of legal form and financial structure of the franchisee, may be dominated by parties other than the franchisor and may significantly affect the franchisee's return. The lower the level of financial support provided by the franchisor and the lower the franchisor's risk exposure to the franchisee's return fluctuations, the greater the likelihood that the franchisor will only have protective rights. A certain degree of management's judgement is required in assessing whether or not franchise agreements and the accompanying objective control of the relevant activities of the franchise companies preclude a relationship requiring consolidation. The franchise companies are therefore included in the grenke Group's scope of consolidation in accordance with IFRS 10.

3.17.4 Leasing – grenke Group as lessor

In its capacity as lessor, the grenke Group has determined from its analysis of the contractual terms and conditions of nearly all leases during the basic lease term that all significant risks and rewards incidental to ownership of the leased assets concerned are transferred to the lessee. Accordingly, these leases are recognised in full as finance leases. In the case of individual Consolidated Group companies, the leases are set for the basic lease term in such a way that the significant risks and rewards incidental to ownership of the leased assets are not transferred to the lessee. These contracts are therefore accounted for as operating leases.

The determination of the term of a lease is subject to discretion. The term of a lease includes the non-cancellable basic term during which a lessee has the right to use an underlying asset. It also includes extension periods if the exercise of the underlying extension option by the lessee can be considered reasonably certain. Periods resulting from an option to terminate the lease are also only taken into account if there is sufficient certainty.

The grenke Group's contracts are structured so that there are no early termination options for the lessee that can be unilaterally exercised without grenke's consent until the agreed basic term ends. Early termination can only take effect through mutual agreement with grenke being released from damages. At the specified end of the basic term, both the lessee and grenke have a right of termination.

It is nevertheless possible for the lessee to obtain an extension of the period of use of the leased asset after the end of the fixed basic term by not terminating at the end of the basic term if grenke does not itself give notice of termination at the end of the basic term, e.g. in the event of an advantageous disposal opportunity. However, at the inception of the lease, experience does not indicate with sufficient certainty that leases will continue beyond the basic term. The term of the lease therefore generally corresponds to the basic term of the contract. When assessing whether there is sufficient certainty, the grenke Group takes into account all facts and circumstances that give the lessee an economic incentive to exercise or not exercise the extension option.

3.17.5 Leasing – grenke Group as lessee

The grenke Group, in its role as lessee, makes assessments affecting the amount of lease liabilities and rights of use recognised in the statement of financial position under IFRS 16. Such assessments concern, for example, the determination of appropriate incremental borrowing rates for discounting the expected cash flows and the determination of the lease term.

The determination of the lease's term is subject to discretion, as the property agreements concluded regularly include extension and termination options for flexibility purposes that are to be included in the determination of the lease's term when there is sufficient certainty that these options will be exercised. In assessing the existence of sufficient certainty, the grenke Group takes into account all of the facts and circumstances that give it an economic incentive in its role as lessee to exercise or not exercise the extension or termination option.

For further explanations of the recognised lease liabilities and rights of use, please refer to Note 5.10.

3.17.6 Impairment of financial assets

For information on discretionary decisions with regard to level transfers, credit impairment and other discretionary decisions made in determining the impairment of financial assets, please refer to the explanations in Note 3.5.5.

3.18 Use of assumptions and estimates

In preparing the consolidated financial statements, assumptions and estimates have been made that have affected the recognition and carrying amounts of assets, liabilities, income, expenses and contingent liabilities.

Assumptions and estimates generally relate to the grenke Group-wide uniform determination of the useful lives of assets; the measurement of provisions; the impairment of receivables; the recognition of realisable residual values of lease assets; the determination of parameters for assessing the recoverability of intangible assets and other non-financial assets and the determination of the fair value of financial instruments as well as the probability of future tax benefits. In individual cases, the actual amounts may differ from the assumptions and estimates. Any changes will be recognised in profit and loss as and when better information becomes available.

The key uncertainties in relation to estimates and the associated disclosure requirements are described in the chapters that follow.

3.18.1 Assumptions made in impairment tests for measuring existing goodwill

The underlying cash flows used to measure goodwill under the discounted cash flow method are based on the most current business plans and internal plans. In this context, assumptions are made as to the future development of income and expenses. Future growth rates of the respective cash-generating unit are assumed on the basis of past experience, and income and expense trends to date are projected into the future, taking into account current and expected market developments. The plans determined reflect the best possible estimates of further development of the macroeconomic environment and the respective cash-generating unit. The estimates made and the underlying methodology can have a significant influence on the values determined. Due to the current overall political and economic environments, the estimates regarding the development of future new business and returns for the cash-generating units continue to be associated with additional uncertainties. If significant assumptions differ from actual figures, impairments may have to be made in the future in profit and loss. For further information on the assumptions made, please refer to Note 5.7.

3.18.2 Determination of impairment for lease receivables (risk provisions)

Current lease receivables ("performing lease receivables") are generally to be measured in accordance with the provisions of IFRS 16. Additionally, appropriate risk provisions as defined by IFRS 9 must be taken into account. The grenke Group uses the expected credit loss (ECL) model to determine the expected loss and thus the risk provisions. The ECL is calculated as a multiplication of the three parameters: probability of default (PD), loss given default (LGD) and exposure at default (EaD). This standard formula for determining the expected loss takes into account the probability of failure (PD), the maximum possible loss on failure (EaD) and ultimately the actual loss (LGD). Depending on whether the twelve-month period or the total residual term is considered, different models are used to estimate the parameters, taking into account the period under consideration.

The individual parameters are described in the following:

// PD: The default probability model is determined using a recognised mathematical statistical method. The model weighs input variables and, based on these weightings, determines an estimate for the probability of default until the actual end of the contract. Variables from three areas are included in the PD models. These are customer-specific variables, contract-specific variables and variables that reflect the observed payment behaviour of the lessee. Macroeconomic variables are included in our models in the form of country-specific parameters that are based on the respective country risk. Countries for which there is insufficient data to calculate a separate PD are summarised. In addition, various scenarios for the development of macroeconomic variables are considered. The aim here is to obtain forward-looking information on the gross domestic product and the unemployment rate in individual countries. The probabilities of the possible developments of macroeconomic variables are taken from a survey of professional forecasters published by the ECB. The final impact on the PD, and thus the risk provisioning within the individual scenarios, is determined using internal data. The final weighting of the PD derived from the internal data within the individual macroeconomic scenarios with their probability of occurrence according to the ECB expert survey results in the final PD that is decisive for risk provisioning.

// EaD: We calculate the EaD for lease receivables as the sum of the outstanding instalments and the IFRS residual value at the date of the loss. Since the time at which the loss event occurs is unknown at the reporting date, an estimate is made about the distribution of loss events during the observation period based on past experience and considered in our EaD model. Discounting takes place at the internal interest rate of the lease contract concerned.

// LGD: The LGD models reflect the past loss experience and determine how high the level of losses will be as a quota of estimated EaD. For countries with insufficient data for the determination of LGDs, average values of the grenke Group are used. In addition, various scenarios for the development of macroeconomic variables are taken into account similar to the PD model.

The ECL model, including the input parameters and sub models, is validated at least once a year or based on the occasion and updated if necessary.

Terminated lease contracts or contracts in arrears ("non-performing lease receivables") are also to be measured in accordance with the provisions of IFRS 16, taking the appropriate impairment pursuant to IFRS 9 into consideration. The amount of impairment is determined using percentages and processing categories. Percentages are calculated using statistical methods, which include both payments as well as expected payments. They are reviewed once a year for validity using backtesting. Processing statuses are grouped together in processing categories that are set up with respect to risk.

The following table lists the processing categories in leasing business:

Category	Description
0	Current contract not in arrears
1	Current contract in arrears
2	Terminated contract with service instalment agreement
3	Terminated contract (recently terminated or court order for payment applied for)
4	Legal action (pending or after objection to court payment order)
5	Order of attachment issued/debt-collecting agency commissioned
6	Statement in lieu of oath (requested or issued), insolvency proceedings instituted but not completed, protracted legal action/long-term monitoring (lawyer or debt collection)
7	Extended long-term monitoring/derecognition certificate insolvency required
8	Contract extension after end of the basic lease term (not terminated)
9	Discharged (completely paid) or being settled

Processing categories 2 to 7 are allocated to Level 3 because the contracts have been terminated due to defaults in payment and are thus credit-impaired. The impairment rates range between 20 percent and 100 percent. Processing categories 0 and 1 are impaired in the context of current lease receivables.

Management adjustments

Within the scope of risk provisioning as of December 31, 2024, management adjustments were recognised for future risks that are novel and difficult to calculate ("novel risks") in addition to the risk provisioning calculated in the model in accordance with IFRS 9. These adjustments cover, among other things, uncertainties due to inflation, recession, supply and energy shortages, as well as geopolitical risks. At the end of the financial year, these additional management adjustments totalled EUR 26,894k (previous year: EUR 42,241k). This includes an in-model adjustment of EUR 4,806k (previous year: EUR 4,202k), which reflects the increased economic uncertainty through the rise in PD factors. For current lease receivables, PD factors were increased in the base scenario due to economic uncertainties. In-model adjustments additionally recognised in the previous year from the increase in LGD factors amounting to EUR 12,150k were utilised in the current year due to the materialisation of losses. Based on the improved outlook in the ECB's GDP forecast, the LGD factors regularly considered in the model, in our view, represent an appropriate anticipation of the expected losses. Additionally, a post-model adjustment of EUR 22,088k (previous year: EUR 25,889k) was recognised, which is also considered in the level allocation under IFRS 9. This is determined to cover difficult to calculate risks based on an additional sensitivity analysis. For current lease receivables, the stability of supply chains and the criticality of energy intensity were aggregated and evaluated by country group to form an industry assessment. For impaired lease receivables, macroeconomic country factors were specifically increased and incorporated into the calculation. Due to the fact that risks associated with the established adjustments have already partially materialised within the IFRS 9 model, and especially since the impacts of geopolitical risks related to conflicts in Ukraine and the Middle East were overestimated, the management adjustments were reduced compared to December 31, 2023, based on new insights. The required adjustments are continuously reviewed and updated as necessary.

3.18.3 Determination of impairment from lending business (risk provision)

Receivables from lending business are carried at amortised cost. Appropriate risk provisions within the meaning of IFRS 9 must be taken into account. The grenke Group uses the expected credit loss (ECL) model to determine the expected loss and thus to determine the risk provisions, as is the case for lease receivables. The following sub portfolios are to be distinguished for lending business: start-up loans, microcredits and other loans. The microcredit receivables are fully guaranteed by the German microcredit fund (Mikrokreditfonds Deutschland) to ensure the recognition of an LGD of zero and no loan loss provisions for this portfolio.

For the remaining two portfolios, the individual parameters of the ECL model are defined as follows:

// PD: The default probability model is determined based on a viability rating (VR) procedure for corporate clients, if available. Otherwise, the modelling is carried out with the help of historical empirical values on defaults. The VR is updated monthly and, in addition to customer information, focuses on an analysis of their payment behaviour. Furthermore, various scenarios for the development of macroeconomic variables are taken into account. The aim here is to obtain forward-looking information on the gross domestic product and the unemployment rate in individual countries. The probabilities of the possible developments of macroeconomic variables are taken from a survey of professional forecasters published by the ECB. The final impact on the PD, and thus the risk provisioning within the individual scenarios, is determined using internal data. The final weighting of the PD derived from the internal data within the individual macroeconomic scenarios with their probability of occurrence according to the ECB expert survey results in the final PD that is decisive for risk provisioning.

// EaD: We calculate the EaD for receivables from lending business as the balance of outstanding receivables. Since the time at which the loss event occurs is unknown at the reporting date, an estimate is made about the future distribution of loss events during the observation period based on past experience and considered in our EaD model.

// LGD: The LGD models reflect the past loss experience and determine how high the level of losses in the future will be as a quota of estimated EaD. LGDs are determined separately for each portfolio. Macroeconomic factors are also taken into consideration.

The ECL model, including the input parameters and sub models, is validated at least once a year or based on the occasion and updated if necessary.

3.18.4 Consideration of estimated residual values at the end of the lease term to determine the present value of lease receivables

Non-guaranteed (estimated) residual values are taken into account when determining the present value of the lease receivables in accordance with the definition in IFRS 16. The residual values estimated at the end of the contract period are determined according to the expiration group of the respective lease contract and include the expected subsequent business at the end of the term, based on historical experience. For additions as of January 1, 2024, residual values amounted to between 1 percent and 30 percent of the acquisition cost (previous year: as of January 1, 2023, between 1 percent and 25 percent). The estimated residual values are best determined on the basis of statistical analyses. If the post-transaction recoverable amount is lower than expected (from the sale and subsequent lease), the lease receivables are impaired. However, an increase in the recoverable amount remains unrecognised.

3.18.5 Recognition of lease assets in the process of disposal at calculated residual values

The valuation of lease assets in the process of disposal is based on the disposal proceeds achieved over the past financial year, averaged by age category relative to the original acquisition cost. Lease assets in the process of disposal are measured based on their actual marketability, using residual values determined from historical data. As of the reporting date, the recognised residual values ranged from 2.9 percent to 12.8 percent (previous year: between 2.3 and 14.5 percent) of the original acquisition cost. If disposal is deemed unrealistic due to the condition of the respective asset, it is impaired through profit or loss.

3.18.6 Fair value of financial instruments

The fair values of financial assets and financial liabilities that could not be directly derived from information on active markets are determined using a valuation model. The input parameters of these models are based on observable market data, if possible. If this is not possible, determining fair values requires a certain degree of judgement. This judgement relates to input parameters such as liquidity risk, credit risk and volatility. Changes regarding the assumptions of these input parameters may have an effect on the recognised fair value of financial instruments. If observable prices and parameters from active markets are available, they are used to determine fair value without requiring extensive assessments, as an active (liquid) market must also exist in addition to the price.

3.18.7 Recognition and measurement of deferred taxes on tax-loss carryforwards

Deferred tax assets are recognised for all unused tax-loss carryforwards to the extent to which it is likely that taxable income will be available. This means that the tax-loss carryforwards may, in fact, be used. Determining the amount of the deferred tax assets requires considerable use of judgement on the part of management with regard to the expected occurrence and level of the future taxable income, as well as to future tax planning strategies.

3.18.8 Recognition and measurement of actual tax assets and tax liabilities

Due to the complexity of tax legislation, taxpayers and local tax authorities may have varying constructions and interpretations of the tax laws. This can lead to subsequent tax payments for previous financial years. Tax provisions are recognised in the event that the amounts stated in the tax declarations are not likely to be realised (uncertain tax items). The amount is determined from the best estimate of the anticipated tax payment. Tax receivables from uncertain tax items are recognised when it is probable and adequately ensured that they can be realised. The assumptions of the amount of uncertain tax items that can be recognised are based on the management's assessment.

3.19 Categorisation as current and non-current

The Consolidated Group classifies assets and liabilities on the statement of financial position into current and non-current assets and liabilities. The residual term or the date of expected realisation or settlement is defined as current if there is less than one year between the reporting date and the due date. Financial instruments without contractual maturities, cash on hand, demand deposits and actual income taxes are generally categorised as "current". Deferred tax assets and liabilities are classified as non-current assets or liabilities.

3.20 Assets, liabilities and disposal groups classified as held for sale

Non-current assets and liabilities are classified as held for sale when their sale rather than continued use is intended and highly probable within one year. The sale must be feasible in its current condition without any significant changes to the plans being expected.

A disposal group exists when the affected assets and liabilities are designated for sale in a single transaction or as part of an overall disposal plan. These are reported separately as current items on the balance sheet and measured at the lower of carrying amount or fair value less costs to sell.

Disposal costs include additional expenses directly attributable to the sale of the asset or disposal group, excluding financing costs and income tax expenses.

Depreciation and amortisation cease, while impairments and gains or losses from revaluations are recognised in profit or loss. Impairment reversals are possible up to the amount of prior impairments, provided that this does not relate to goodwill.

Further details are provided in Note 5.17 in the notes to the consolidated financial statement.

4. Selected notes to the income statement

4.1 Net interest income

4.1.1 Interest and similar income from financing business

Interest and similar income from financing business break down as follows:

EURk	2024	2023
Interest income from leasing business	556,148	449,571
Interest and similar income from factoring business	13,353	13,465
Interest income from bank's lending business	4,847	4,376
Total	**574,348**	**467,412**

4.1.2 Interest expenses from refinancing including deposit business

Interest expenses from refinancing, including deposit business, break down as follows:

EURk	2024	2023
Interest expenses from refinancing (excl. deposit business)	181,279	104,646
Interest expenses from deposit business	36,332	24,233
Total	**217,611**	**128,879**

4.2 Profit from service business

The line item profit from service business contains income and expenses from service and protection business (the processing of property insurance policies within the scope of leasing business), as well as income and expenses from operating leases. The effect from hyperinflation results from the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” in the context of leasing business in Turkey.

The income and expenses from service business break down as follows:

EURk	2024	2023
Revenue from service and protection business	161,598	146,726
Expenses from service and protection business	14,217	11,918
Profit from service and protection business	**147,381**	**134,808**
Revenue from operating leases	24,381	25,191
Depreciation of lease assets from operating leases	27,858	29,405
Effect of high inflation	2,496	4,515
Profit from operating leases	**–981**	**301**
Total	**146,400**	**135,109**

4.3 Profit from new business

The profit from new business is comprised as follows:

EURk	2024	2023
Capitalised initial direct costs	36,800	24,591
Revenue from lease down payments	13,139	12,433
Service fees for making lease assets available for use	10,374	9,139
Net commission income from lending and factoring business	768	393
Other	–1	4
Profit from new business	**61,080**	**46,560**

Based on the calculations specific to the lease agreement, mainly initial direct costs, revenue from lease down payments and service fees for making lease assets available for use are recorded in the profit from new business. Initial direct costs primarily include commissions paid to resellers, bonus payments, variable remuneration components and other initial direct costs incurred in connection with the conclusion of the lease. The presentation of capitalised initial direct costs is on a gross basis, which means the costs incurred are still included within the corresponding items of the income statement.

4.4 Gains (+) / losses (–) from disposals

EURk	2024	2023
Capital gains / losses from disposal after end of the basic lease term	14,044	6,424
Capital losses from the mutually agreed early dissolution of contracts	–2,214	–3,827
Profit	**11,830**	**2,597**

The gains / losses from disposals consist of gains and losses from the termination of lease contracts after the agreed basic lease term and gains / losses from the premature mutual termination of contracts. The income components of subsequent business are reported as interest and similar income from financing business within the framework of finance leases.

4.5 Staff costs

In the 2024 reporting year, the grenke Group's headcount (excluding the Board of Directors) averaged 2,295 employees (previous year: 2,158). Additionally, the Consolidated Group employed 77 trainees (previous year: 58).

Number of employees	2024	2023
Europe	2,160	2,036
of which in Germany	982	912
of which in France	218	194
of which in Italy	202	208
Other countries	135	122
grenke Consolidated Group	**2,295**	**2,158**

The average number of employees (excluding the Board of Directors) in full-time equivalents was 2,196 (previous year: 2,068).

Staff costs consisted of the following:

EURk	2024	2023
Salaries	162,617	144,468
Social security and pension expenses	35,592	31,539
Total	**198,209**	**176,007**

Severance payments totalling EUR 2,477k (previous year: EUR 2,157k) are included in salaries.

Staff costs do not include government grants of EUR 0k (previous year: EUR 84k). The grants recorded in the previous year were related to the use of training subsidies in various countries.

For the existing defined benefit pension plans, a net pension expense of EUR 692k (previous year: EUR 496k) was recognised in staff costs for the 2024 financial year.

Expenses by category were as follows:

EURk	2024	2023
Staff costs	198,209	176,007
Own work capitalised	892	555
Total staff costs	**199,101**	**176,562**

4.6 Selling and administrative expenses

Selling and administrative expenses are divided into the following categories:

EURk	2024	2023
Operating expenses	30,301	31,738
Consulting and audit fees	17,553	17,117
Distribution costs (excl. commissions and bonuses)	24,450	17,287
Administrative expenses	24,773	21,099
Other taxes	5,162	4,964
IT project costs	14,795	13,384
Remuneration of the supervisory committees	855	876
Total	**117,889**	**106,465**

Information technology (IT) project costs that were not capitalised as development costs occurred as a result of the involvement of external expertise, particularly for process optimisation projects of the central and standardised IT processes. The costs are at the same level as for the previous year as a result of activities related to the Digital Excellence Programme, which included the design and implementation of automated processes in the areas of customer verification and money laundering, as well as the gradual establishment of a suitable cloud infrastructure.

Expenses by category were as follows:

EURk	2024	2023
Selling and administrative expenses	117,889	106,465
Expenses from service and protection business	14,217	11,918
Commissions and bonuses paid to dealers and recorded in profit from new business	75,901	64,975
Total selling and administrative expenses	**208,007**	**183,358**

4.7 Depreciation, amortisation and impairment

EURk	2024	2023
Other intangible assets	5,132	6,732
Operating and office equipment	4,634	4,845
Office buildings	1,172	1,156
Rights of use	13,983	13,735
Financial assets	0	0
Total	**24,921**	**26,468**

For expenses from impairment of property, plant and equipment and other intangible assets, please refer to Notes 5.6 to 5.8. For the depreciation of right-of-use assets recognised under IFRS 16 as a lessee, please refer to Note 5.10.

Expenses by category were as follows:

EURk	2024	2023
Depreciation and amortisation	24,921	26,468
Depreciation and amortisation of operating leases recorded in the profit from service business	27,858	29,405
Depreciation and amortisation of operating leases recorded in the risk provisions of leasing business	81	92
Total depreciation and amortisation	**52,860**	**55,965**

4.8 Settlement of claims and risk provision

The expenses from the settlement of claims and risk provision break down as follows:

EURk	2024	2023
Claims settlement and risk provisioning in leasing business	**135,123**	**86,879**
Impairment in leasing business	42,457	–8,469
Settlement of claims in leasing business	92,231	95,083
Depreciation of terminated operating leases	81	92
Expenses from disposal of residual carrying amounts under operating leases	354	173
Claims settlement and risk provisioning in bank's lending business	**–7,329**	**–5,842**
Impairment in bank's lending business	–7,848	–13,970
Settlement of claims in lending business	519	8,128
Claims settlement and risk provisioning in factoring business	**1,193**	**7,874**
Impairment in factoring business	–751	7,039
Settlement of claims in factoring business	1,944	835
Settlement of claims and risk provisioning in trade receivables	**2,025**	**1,918**
Impairment in trade receivables	1,811	1,528
Settlement of claims in trade receivables	214	390
Total	**131,012**	**90,829**
thereof impairment	35,669	–13,872

4.9 Impairment of goodwill

The recognised impairment of goodwill is as follows:

EURk	2024	2023
Impairment of goodwill (ES)	4,415	600
Total	**4,415**	**600**

The goodwill of the cash-generating unit Spain was fully impaired in the 2024 financial year. For further information on the recognised goodwill, please refer to Note 5.7. Concerning goodwill impairment of the cash-generating unit Spain, see Note 5.7.2.2.

4.10 Other operating result

Other operating result consists of other operating income and other operating expenses.

Other operating income is structured as follows:

EURk	2024	2023
Revenue from overdue payment fees	1,885	1,433
Maintenance revenues	669	863
Other revenue from lessees	568	860
Revenue from the disposal of merchandise	111	67
Change in inventory	6	–38
Previous period income	1,032	1,129
Proceeds account management	130	156
Rental income	99	94
Capital gains from the disposal of non-current assets	71	400
Reversal of other provisions	1,389	1,778
Government grants	126	167
Other items	1,817	1,936
Total	**7,903**	**8,845**

Other operating expenses is structured as follows:

EURk	2024	2023
Currency translation differences	10,230	12,400
Revenue deductions	6,087	5,085
Non-deductible input tax	421	177
Capital losses from the disposal of operating and office equipment	81	40
Expenses from previous periods	5	3
Other items	665	656
Total	**17,489**	**18,361**

4.11 Revenue from contracts with customers

The following table shows revenue from contracts with customers (IFRS 15):

EURk	2024	2023
Revenue from contracts with customers (IFRS 15)		
Gross revenue from service and protection business (service business)	161,598	146,726
Service fee for making lease assets available for use	10,374	9,139
Revenue from reminder fees	1,871	1,418
Revenue from reminder fees	14	15
Other revenue from lessees	568	860
Disposal of lease assets	199,460	186,365
Commission income from banking business	768	393
Total	**374,653**	**344,916**

4.12 Revenue from contracts with customers and other revenue

The following table shows revenue from contracts with customers (IFRS 15) and other revenue (IFRS 9, IFRS 16):

EURk	2024	2023
Revenue from contracts with customers (IFRS 15)	**374,653**	**344,916**
Other revenue (IFRS 9, IFRS 16)		
Interest and similar income from financing business	574,348	467,412
Revenue from operating leases	24,381	25,191
Portions of revenue from lease down payments	13,138	12,434
Total	**986,520**	**849,953**

4.13 Income taxes

EURk	2024	2023
Current taxes	34,640	24,059
Corporate and trade taxes (Germany)	18,385	842
International income taxes	16,255	23,217
Deferred taxes	−15,396	−370
Germany	7,167	−10,503
International	−22,563	10,133
Total	**19,244**	**23,689**

Current taxes include tax expenses of EUR 13,636k from previous years (previous year: EUR 623k).

The reconciliation of the expected applicable tax rate of grenke AG to the effective tax rate based on earnings before taxes (100 percent) is as follows:

Applicable tax rate	2024	2023
Trade tax	14.13%	14.13%
Corporate income tax	15.00%	15.00%
Solidarity surcharge	0.83%	0.83%
Expected average tax rate grenke AG	**29.96%**	**29.96%**
Non-deductible expenses	4.54%	7.13%
Changes due to international taxes	−2.32%	−10.26%
Effective changes in tax rates	0.42%	0.09%
Utilisation of non-capitalised loss carryforwards	−18.01%	−1.11%
Tax-free income	2.05%	2.42%
Effect of non-tax deductible goodwill impairment	1.48%	0.16%
Tax reductions due to tax-free income	−8.14%	−6.22%
Back payments and tax refunds from previous years	15.25%	0.56%
Tax credits	0.00%	0.00%
Other	−3.70%	−1.27%
Effective average tax rate for the Consolidated Group	**21.53%**	**21.46%**

4.14 Earnings per share

Group earnings attributable to the shareholders of grenke AG in the amount of EUR 65,446k (previous year: EUR 83,248k) is the basis for the calculation of both diluted and basic earnings per share. There was no dilutive effect in the 2024 financial year or in the previous year. Earnings per share for the reporting year amounted to EUR 1.44 (previous year: EUR 1.79).

Shares	2024	2023
Shares outstanding at beginning of period	46,495,573	46,495,573
Average number of shares outstanding at end of period	45,462,141	46,495,573
Shares outstanding at end of period	44,177,878	46,495,573

EURk	2024	2023
Net profit attributable to grenke AG ordinary shareholders	65,446	83,248
Net profit attributable to grenke AG hybrid capital holders	10,498	9,068
Profit / loss attributable to non-controlling interests	−5,786	−5,602
Group earnings	**70,158**	**86,714**

5. Selected notes to the statement of financial position

5.1 Cash and cash equivalents

EURk	Dec. 31, 2024	Dec. 31, 2023
Bank balances	183,834	212,464
Balances at Deutsche Bundesbank	790,711	484,721
Cash in hand	6	17
Total	**974,551**	**697,202**

For the purposes of the statement of cash flows, cash and cash equivalents break down as follows:

EURk	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents as per the statement of financial position	974,551	697,202
Less current account liabilities	1,190	272
Cash and cash equivalents as per the statement of cash flows	**973,361**	**696,930**

5.2 Lease receivables

The following table shows the maturity of the expected non-discounted lease payments from leases that were classified as finance leases upon their inception:

EURk	Dec. 31, 2024	Dec. 31, 2023
Lease payments outstanding under finance leases as of reporting date		
Up to 1 year	2,464,734	2,233,373
1 to 2 years	1,855,250	1,590,640
2 to 3 years	1,319,724	1,095,970
3 to 4 years	792,282	654,453
4 to 5 years	351,999	278,172
More than 5 years	72,856	52,594
Total	**6,856,845**	**5,905,202**
+ non-guaranteed residual values	792,209	720,312
Gross investment	**7,649,054**	**6,625,514**
– unrealised (outstanding) finance income	1,156,818	910,816
Net investment	**6,492,236**	**5,714,698**

The net investment includes only contracts that are still active as of the reporting date. The reconciliation of the net investment to the reported carrying amount of lease receivables on the balance sheet is as follows.

EURk	Dec. 31, 2024	Dec. 31, 2023
Current lease receivables (performing)	6,492,236	5,714,698
Lease receivables in arrears (non-performing)	27,854	20,361
Terminated lease receivables (non-performing)	513,194	441,601
Gross lease receivables	**7,033,284**	**6,176,660**
Impairment on performing lease receivables	–148,059	–151,490
Impairment on non-performing lease receivables	–368,983	–325,316
Impairment	**–517,042**	**–476,806**
Carrying amount lease receivables	**6,516,242**	**5,699,854**
thereof long-term lease receivables	3,922,154	3,623,135
thereof short-term lease receivables	2,594,088	2,076,719

Receivables from terminated contracts or contracts in arrears are included in current lease receivables. In the vast majority of cases (99.1 percent), the grenke Group remains the legal owner of the leased assets securing the lease receivables. Additionally, there are bank guarantees amounting to EUR 13.7 million, as well as third-party guarantees and warranties covering 4 percent of the lease receivables, based on their carrying amount. The maximum credit risk, without considering collateral, credit risk mitigation or other measures, is limited to the carrying amount of the receivables.

Due to a diversified portfolio of contracts and lessees, the lease receivables exhibit a high degree of credit risk diversification in terms of lessees, industries and countries, which has an effect on credit quality. Risk concentration arises from the underlying receivables and is determined based on the key geographic revenue regions. A total of 55 percent (previous year: 57 percent) of the gross lease receivables volume is attributable to Germany, France and Italy. The total risk exposure per risk concentration country is presented in the following table. The table also provides a breakdown of gross receivables and impairments by IFRS 9 impairment level, classified according to the default risk rating categories defined within the grenke Group. Impairment and the definition of the default risk rating categories follow the methodology described in Note 3.18.

EURk	Level 1	Level 2	Level 3	Total
Germany				
Categories 0, 8: Low risk	1,251,735	49,098	0	1,300,833
Categories 1, 8: Higher risk	0	10,254	16,344	26,598
Categories 2–6: Doubtful receivables	0	0	22,814	22,814
Total gross receivables Germany	**1,251,735**	**59,352**	**39,158**	**1,350,245**
France				
Categories 0, 8: Low risk	1,304,740	66,450	0	1,371,190
Categories 1, 8: Higher risk	0	16,903	39,665	56,568
Categories 2–6: Doubtful receivables	0	0	110,068	110,068
Total gross receivables France	**1,304,740**	**83,353**	**149,733**	**1,537,826**
Italy				
Categories 0, 8: Low risk	764,908	41,958	0	806,866
Categories 1, 8: Higher risk	0	7,070	28,215	35,285
Categories 2–6: Doubtful receivables	0	0	112,845	112,845
Total gross receivables Italy	**764,908**	**49,028**	**141,060**	**954,996**
Other countries				
Categories 0, 8: Low risk	2,620,503	140,852	0	2,761,355
Categories 1, 8: Higher risk	0	60,943	100,452	161,395
Categories 2–6: Doubtful receivables	0	0	267,467	267,467
Total gross receivables Other countries	**2,620,503**	**201,795**	**367,919**	**3,190,217**
Total Consolidated Group				
Categories 0, 8: Low risk	5,941,886	298,358	0	6,240,244
Categories 1, 8: Higher risk	0	95,170	184,676	279,846
Categories 2–6: Doubtful receivables	0	0	513,194	513,194
Total gross receivables Consolidated Group	**5,941,886**	**393,528**	**697,870**	**7,033,284**
Impairment	71,770	36,981	408,291	517,042
Carrying amount	**5,870,116**	**356,547**	**289,579**	**6,516,242**

Gross lease receivables grew by EUR 856,624k, or 13.9 percent, compared to the previous year. The increase, primarily driven by strong new business growth and the rise in Level 1 receivables, amounted to EUR 719,790k. The increase in Level 1 was the strongest in “Other countries” and France. In “Other countries”, Level 1 receivables rose by 18.2 percent (EUR 404,099k), while in France, they increased by 12.4 percent (EUR 144,018k). At the same time, the strongest increase in Level 3 receivables was also observed in the “Other countries” category and in France. Level 3 receivables increased by 30.1 percent (EUR 85,060k) in the “Other countries” category and by 25.9 percent (EUR 30,828k) in France. This development was primarily due to the high number of insolvencies in France and Spain. Italy also recorded significant growth of 11.1 percent in Level 1. However, unlike other groups of countries, receivables in Level 2 and 3 declined. The decrease amounted to 21.6 percent in Level 2 and 5.7 percent in Level 3. In Germany, the increase in receivables was less pronounced across all levels, amounting to 8.2 percent in Level 1, 5.7 percent in Level 2, and 8.6 percent in Level 3.

EURk	Level 1	Level 2	Level 3	Total
Germany				
Categories 0, 8: Low risk	1,156,441	48,685	0	1,205,126
Categories 1, 8: Higher risk	0	7,456	15,803	23,259
Categories 2–6: Doubtful receivables	0	0	20,253	20,253
Total gross receivables Germany	**1,156,441**	**56,141**	**36,056**	**1,248,638**
France				
Categories 0, 8: Low risk	1,160,722	61,201	0	1,221,923
Categories 1, 8: Higher risk	0	15,080	35,191	50,271
Categories 2–6: Doubtful receivables	0	0	83,714	83,714
Total gross receivables France	**1,160,722**	**76,281**	**118,905**	**1,355,908**
Italy				
Categories 0, 8: Low risk	688,529	56,911	0	745,440
Categories 1, 8: Higher risk	0	5,649	24,582	30,231
Categories 2–6: Doubtful receivables	0	0	125,013	125,013
Total gross receivables Italy	**688,529**	**62,560**	**149,595**	**900,684**
Other countries				
Categories 0, 8: Low risk	2,216,404	125,587	0	2,341,991
Categories 1, 8: Higher risk	0	46,580	70,238	116,818
Categories 2–6: Doubtful receivables	0	0	212,621	212,621
Total gross receivables Other countries	**2,216,404**	**172,167**	**282,859**	**2,671,430**
Total Consolidated Group				
Categories 0, 8: Low risk	5,222,096	292,384	0	5,514,480
Categories 1, 8: Higher risk	0	74,765	145,814	220,579
Categories 2–6: Doubtful receivables	0	0	441,601	441,601
Total gross receivables Consolidated Group	**5,222,096**	**367,149**	**587,415**	**6,176,660**
Impairment	70,565	44,789	361,452	476,806
Carrying amount	**5,151,531**	**322,360**	**225,963**	**5,699,854**

The following tables provide an overview of the changes in gross lease receivables for financial years 2024 and 2023:

EURk	Level 1	Level 2	Level 3	Total
Gross receivables as of Jan. 1, 2024[1]	**5,222,096**	**367,149**	**587,415**	**6,176,660**
Newly extended or acquired financial assets[2]	2,913,430	128,788	105,904	3,148,122
Reclassifications				
to Level 1	67,959	–55,631	–12,328	0
to Level 2	–150,421	189,464	–39,043	0
to Level 3	–170,137	–74,130	244,267	0
Mutual contract dissolution or payment for financial assets (without derecognition)	–2,447,593	–192,238	–118,184	–2,758,015
Derecognition of financial assets	–4,235	–2,280	–85,093	–91,608
Currency translation and other differences	984	123	870	1,977
Interest income	509,803	32,283	14,062	556,148
Gross receivables as of Dec. 31, 2024	**5,941,886**	**393,528**	**697,870**	**7,033,284**

[1] The presentation of the previous year has been modified to improve comprehensibility.

[2] The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocated at their time of acquisition to Level 1 but were reallocated to another level during the financial year.

EURk	Level 1	Level 2	Level 3	Total
Gross receivables as of Jan. 1, 2023	**4,809,765**	**378,858**	**539,905**	**5,728,528**
Newly extended or acquired financial assets*	2,478,697	105,716	71,897	2,656,310
Reclassifications				
to Level 1	61,167	–49,694	–11,473	0
to Level 2	–145,552	173,991	–28,439	0
to Level 3	–135,588	–66,064	201,652	0
Mutual contract dissolution or payment for financial assets (without derecognition)	–2,261,707	–202,866	–116,278	–2,580,851
Derecognition of financial assets	–3,539	–1,703	–82,724	–87,966
Currency translation and other differences	7,493	993	2,581	11,067
Interest income	411,360	27,918	10,294	449,572
Gross receivables as of Dec. 31, 2023	**5,222,096**	**367,149**	**587,415**	**6,176,660**

** The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocated at their time of acquisition to Level 1 but were reallocated to another level during the financial year.*

The following tables show the changes in impairments of current and non-current lease receivables portfolio for financial years 2024 and 2023:

EURk	Level 1	Level 2	Level 3	Total
Impairment as of Jan. 1, 2024	**70,565**	**44,789**	**361,452**	**476,806**
Newly extended or acquired financial assets*	31,628	16,593	39,838	88,059
Reclassifications				
to Level 1	6,119	–4,478	–1,641	0
to Level 2	–2,737	11,119	–8,382	0
to Level 3	–3,266	–11,772	15,038	0
Change in risk provision due to change in level	–5,259	–383	82,646	77,004
Mutual contract dissolution or payment for financial assets (without derecognition)	–30,891	–13,784	–19,435	–64,110
Change in contractual cash flows due to modification (no derecognition)	0	0	0	0
Change in category in processing losses	0	0	26,063	26,063
Change in models / risk parameters used in ECL calculation	471	–7,719	–11,128	–18,376
Derecognition of financial assets	–45	–389	–74,122	–74,556
Currency translation and other differences	–43	–193	–4,867	–5,103
Accrued interest	5,228	3,198	2,829	11,255
Impairment as of Dec. 31, 2024	**71,770**	**36,981**	**408,291**	**517,042**
thereof impairment on non-performing lease receivables	0	0	368,983	368,983
thereof impairment on performing lease receivables	71,770	36,981	39,308	148,059

The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocated at their time of acquisition to Level 1 but were reallocated to another level during the financial year.

Risk provisions for lease receivables rose by EUR 40,236k, or 8.5 percent, in the 2024 financial year. This increase was primarily driven by IFRS 9 Level 3, with a smaller contribution from IFRS 9 Level 1, while risk provisions in IFRS 9 Level 2 declined. Specifically, risk provisions in Level 3 increased by EUR 46,839k (13.0 percent) and in Level 1 by EUR 1,206k (1.7 percent), whereas provisions in Level 2 decreased by EUR 7,808k (17.4 percent). The increase in risk provisions in IFRS 9 Level 1 is directly related to the higher volume of receivables at that Level. The decrease in risk provisions in IFRS 9 Level 2 is primarily due to the specific changes to management adjustments. For further explanations regarding these adjustments, see Note 3.18.2.

The rise in IFRS 9 Level 3 risk provisions was mainly attributable to a steadily increasing number of insolvencies, particularly in the core markets of France and Spain.

EURk	Level 1	Level 2	Level 3	Total
Impairment as of Jan. 1, 2023	**71,296**	**49,912**	**363,376**	**484,584**
Newly extended or acquired financial assets*	29,859	14,302	27,309	71,470
Reclassifications				
to Level 1	5,989	−4,119	−1,870	0
to Level 2	−2,891	9,418	−6,527	0
to Level 3	−2,641	−10,134	12,775	0
Change in risk provision due to change in level	−5,163	1,551	64,689	61,077
Mutual contract dissolution or payment for financial assets (without derecognition)	−27,989	−16,407	−20,595	−64,991
Change in contractual cash flows due to modification (no derecognition)	0	0	0	0
Change in category in processing losses	0	0	1,542	1,542
Change in models / risk parameters used in ECL calculation	−2,295	−2,620	−7,802	−12,717
Derecognition of financial assets	−44	−263	−73,621	−73,928
Currency translation and other differences	49	131	13	193
Accrued interest	4,395	3,018	2,163	9,576
Impairment as of Dec. 31, 2023	**70,565**	**44,789**	**361,452**	**476,806**
thereof impairment on non-performing lease receivables	0	0	325,316	325,316
thereof impairment on performing lease receivables	70,565	44,789	36,136	151,490

** The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocated at their time of acquisition to Level 1 but were reallocated to another level during the financial year.*

Sensitivity analysis

The calculation of impairment losses on financial assets is based on assumptions and estimates regarding the risk of default and the expected loss rates. The Consolidated Group exercises judgement in determining these assumptions and in selecting the inputs to the impairment calculation based on the Consolidated Group's past experience, existing market conditions and forward-looking estimates at the end of each reporting period. The most important assumptions and input factors used are presented under accounting policies.

To determine the risk provision in accordance with IFRS 9, expected credit defaults of various macroeconomic scenarios are weighted. grenke calculates a negative, a positive and a baseline scenario for this purpose.

The assumed developments of the gross domestic product are shown in the following table for each scenario:

Gross domestic product (in % vs. reporting date)	Jan. 1, 2025–Dec. 31, 2025			Jan. 1, 2026–Dec. 31, 2026			Jan. 1, 2027–Dec. 31, 2027		
	Negative	Baseline	Positive	Negative	Baseline	Positive	Negative	Baseline	Positive
Eurozone	–6.3%	1.2%	2.6%	1.2%	1.4%	2.6%	1.4%	1.4%	2.6%
Germany	–4.1%	0.8%	2.3%	0.8%	1.4%	2.3%	1.4%	1.1%	2.3%
France	–7.6%	1.1%	2.4%	1.1%	1.3%	2.4%	1.3%	1.4%	2.4%
Italy	–8.9%	0.8%	1.8%	0.8%	0.7%	1.8%	0.7%	0.6%	1.8%
Spain	–10.9%	2.1%	3.5%	2.1%	1.8%	3.5%	1.8%	1.6%	3.5%
United Kingdom	–10.3%	1.5%	2.7%	1.5%	1.5%	2.7%	1.5%	1.5%	2.7%

The amount of risk provisioning for current lease receivables per scenario is shown in the following table:

	Scenarios as of Dec. 31, 2024		
EURk	**Negative**	**Baseline**	**Positive**
Risk provision	147,217	131,527	126,298

	Scenarios as of Dec. 31, 2023		
EURk	**Negative**	**Baseline**	**Positive**
Risk provision	147,476	124,364	104,158

Baseline scenario: A stable geopolitical situation and moderate trade relations foster a cautious recovery. Inflation remains under control, enabling central banks to maintain a prudent geopolitical stance. The unemployment rate gradually declines, supported by the labour market and retraining programmes. Economic growth continues, though without explosive growth rates, driven by moderate investments in infrastructure and new technologies. Inflation stabilises within the ECB's target range (in the euro area), and fiscal policy remains moderately expansionary to support growth. Unemployment gradually decreases, aided by structural reforms and targeted employment promotion programmes.

Negative scenario: Persistent geopolitical uncertainties and trade conflicts undermine consumer and business confidence, leading to reduced economic activity. Ongoing high inflation, driven by supply chain issues and increased production costs, forces central banks to implement restrictive monetary policies. These measures negatively impact investments in key industries, further deteriorating long-term growth prospects. The unemployment rate rises as companies cut costs and reduce jobs, exacerbating the economic downturn.

Positive Scenario: A stable geopolitical environment and improved trade relations boost consumer and business confidence, resulting in robust economic growth. Moderate inflation allows central banks to pursue supportive monetary policies that foster economic expansion. Unemployment declines, driven by targeted labour market programmes and increased investments in education and retraining. Sustainable growth is promoted through investments in green technologies and digitalisation, enhancing productivity and competitiveness. Long-term economic growth is supported by technological innovation and ecological transformation, while robust labour markets and stable social security systems ensure long-term economic stability.

Various minimum default rates (floors) are taken into account in all scenarios. The probabilities of occurrence of the macro scenarios are determined on a country-specific basis in order to take into account the different economic and political circumstances of the respective countries. These scenario weightings are derived from public data published by the ECB. By means of a survey among various analysts, the ECB establishes a probability distribution for the GDP of the years 2024 to 2026. Probabilities of occurrence for individual scenarios can be calculated from these probability distributions. The publicly available GDP expectations as well as the historical GDP observations of the IMF are also used for the country-specific determination of the probabilities of occurrence.

As of December 31, 2024, the scenarios in the core markets of the grenke Group were weighted as follows:

Scenario weighting	Jan. 1, 2025–Dec. 31, 2025			Jan. 1, 2026–Dec. 31, 2026			Jan. 1, 2027–Dec. 31, 2027		
	Negative	Baseline	Positive	Negative	Baseline	Positive	Negative	Baseline	Positive
Germany	13.2%	82.8%	4.0%	8.3%	77.4%	14.3%	9.8%	80.7%	9.5%
France	10.4%	85.3%	4.3%	8.6%	82.4%	9.0%	7.9%	81.4%	10.7%
Italy	14.1%	78.3%	7.6%	19.1%	72.4%	8.5%	21.0%	71.3%	7.7%
Spain	1.4%	94.6%	4.0%	5.3%	91.4%	3.3%	6.4%	91.0%	2.6%
United Kingdom	6.8%	87.6%	5.6%	7.3%	84.4%	8.3%	7.6%	84.6%	7.8%

Due to the increased economic uncertainty, various sensitivity analyses were also carried out. In these sensitivity analyses, the effects on risk provisioning were analysed by shifting various input parameters. Specifically, the probability of default (PD) was multiplied by a factor of 1.15, resulting in a 15 percent upward or downward adjustment. A 15 percent increase in the PD would lead to an increase in risk provisions of EUR 15,485k. Conversely, a 15 percent decrease in the PD would result in a reduction in risk provisions of EUR 15,250k. Additionally, the macroeconomic scenario was adjusted upward or downward by 20 percent. A 20 percent improvement in the macroeconomic scenario would result in a decrease in risk provisions of EUR 366k, while a 20 percent deterioration in the macroeconomic scenario would lead to an increase in risk provisions of EUR 369k. The post-model adjustment established on the basis of these sensitivity analyses accounts for heightened economic uncertainties.

In addition, sensitivities regarding the calculated residual values at the end of the contract term were calculated for the determination of the present value of lease receivables (additions in the financial year). A reduction of the residual value rates by 1 percent or 5 percent would decrease the present values as of the reporting date by EUR 898k or EUR 4,501k, respectively. A corresponding increase would result in higher present values of EUR 902k or EUR 4,497k, respectively.

Presentation of lease receivables in the cash flow statement

For the purposes of the statement of cash flows, lease receivables are composed as follows:

EURk	2024	2023
Payments by lessees	2,583,173	2,409,747
Interest and similar income from leasing business	−556,148	−449,572
Additions of lease receivables / net investments	−3,148,122	−2,656,310
Subtotal	**−1,121,097**	**−696,135**
Disposals / reclassifications of lease receivables at residual carrying amounts	174,842	171,104
Change in other receivables from lessees	−7,745	2,073
Non-cash income / expenses	137,612	67,048
Change in lease receivables	**−816,388**	**−455,910**

The non-cash income and expenses include derecognition amounting to EUR 91,608k (previous year: EUR 87,966k), changes in recognised impairments totalling EUR 40,236k (previous year: EUR –7,778k) and foreign currency translation differences of EUR 5,768k (previous year: EUR –13,140k).

5.3 Other financial assets

EURk	Dec. 31, 2024	Dec. 31, 2023
Other current financial assets		
Instalments collected before end of month	907	609
Receivables from factoring business	59,659	83,944
Receivables from refinancers*	8,363	10,308
Loans (bank)	33,083	40,873
Total other current financial assets	**102,012**	**135,734**
Other non-current financial assets		
Loans (bank)	79,276	79,501
Other investments	500	0
Total other non-current financial assets	**79,776**	**79,501**
Total financial assets	**181,788**	**215,235**

* *This item also includes the loans related to ABCP. There is no separate identification of the item.*

Factoring receivables contain traditional factoring services focused on small-ticket factoring. Deductibles amounting to EUR 447k (previous year: EUR 679k) serve as collateral that is agreed upon with individual factoring clients at the beginning of each year. Collateral as of December 31, 2024 was utilised in the amount of EUR 51k (previous year: EUR 34k).

As of the reporting date, the gross receivables from lending business of grenke Bank AG include receivables from granting business start-up loans in the amount of EUR 8,193k (previous year: EUR 11,161k). Total receivables from lending business also include receivables from granting microcredits in the amount of EUR 90,987k (previous year: EUR 96,933k), promotion loans of EUR 2,819k (previous year: EUR 4,930k) and other commercial loans of EUR 1,293k (previous year: EUR 2,952k). Interest income is recognised as such under net interest income.

The other investments under non-current financial assets contain the interest in Finanzchef24 GmbH at fair value of EUR 500k (previous year: EUR 0k). Finanzchef24 GmbH did not pay a dividend in the 2024 financial year.

The maximum credit risk without taking into account collateral, credit deterioration systems and other tools is limited to the carrying amount of the other financial assets. The following overview shows the gross receivables broken down into the credit risk rating categories of other financial assets as defined in the grenke Group and the impairment for other financial assets for each IFRS 9 impairment level. For receivables from lending business, the impairment and definition of the default risk rating category are based on the approach described in Note 3.18.

Dec 31, 2024

EURk	Level 1	Level 2	Level 3	Simplified method	Total
Low risk	101,729	6,513	0	57,218	165,460
Doubtful receivables	0	0	31,072	0	31,072
Total gross receivables	**101,729**	**6,513**	**31,072**	**57,218**	**196,532**
Impairment	111	283	14,698	152	15,244
Carrying amount	**101,618**	**6,230**	**16,374**	**57,066**	**181,288**

Dec 31, 2023

EURk	Level 1	Level 2	Level 3	Simplified method	Total
Low risk	114,158	7,769	0	79,772	201,699
Doubtful receivables	0	0	38,757	0	38,757
Total gross receivables	**114,158**	**7,769**	**38,757**	**79,772**	**240,456**
Impairment	1,369	5,413	18,114	325	25,221
Carrying amount	**112,789**	**2,356**	**20,643**	**79,447**	**215,235**

The following overview shows changes in impairment for other financial assets:

EURk	Level 1	Level 2	Level 3	Simplified method	Total
Impairment as of Jan. 1, 2024	**1,369**	**5,413**	**18,114**	**325**	**25,221**
Newly extended or acquired financial assets*	12	2	595	88	697
Reclassifications					
to Level 1	78	−43	−35	0	0
to Level 2	−10	29	−19	0	0
to Level 3	−4	−26	45	−15	0
Change in risk provision due to change in level	−19	−3	285	0	263
Payments for financial assets (without derecognition)	−100	−31	−1,817	−187	−2,135
Change due to changed status in legal proceedings	0	0	337	0	337
Change in models / risk parameters used in ECL calculation	−1,215	−5,058	−696	0	−6,969
Disposal to assets classified as held for sale	0	0	−1,228	−59	−1,287
Derecognition of financial assets	0	0	−773	0	−773
Currency translation and other differences	0	0	−110	0	−110
Impairment as of Dec. 31, 2024	**111**	**283**	**14,698**	**152**	**15,244**

**The amounts stated in levels 2 and 3 refer to newly originated lease receivables during the financial year that were initially assigned to Level 1 at the time of origination but were reclassified to another level during the financial year.*

In the 2024 financial year, risk provisions for other financial assets decreased by EUR 9,977k (40 percent). The risk provisions for receivables from lending business declined by EUR 7,832k (55 percent). Within the IFRS 9 levels, the developments varied: in Level 1, risk provisions decreased by EUR 1,258k (92 percent), in Level 2 by EUR 5,129k (95 percent), and in Level 3 by EUR 1,445k (19 percent). The primary reason for this decline is the reversal of additional risk provisions for corporate loans that were recognised in previous years to cover potential default risks. Risk provisions for receivables from factoring business also decreased during the reporting period by EUR 2,145k (19 percent). Specifically, risk provisions under the simplified approach declined by EUR 172k (53 percent), while Level 3 risk provisions fell by EUR 1,973k (18 percent). This development is primarily due to the application of IFRS 5, whose effects and background are explained in detail in Note 5.17 Assets held for sale and associated liabilities.

EURk	Level 1	Level 2	Level 3	Simplified method	Total
Impairment as of Jan. 1, 2023	**4,963**	**9,463**	**16,999**	**258**	**31,683**
Newly extended or acquired financial assets*	67	1	533	184	785
Reclassifications					
to Level 1	59	–52	–7	0	0
to Level 2	–31	84	–53	0	0
to Level 3	–16	–168	185	–1	0
Change in risk provision due to change in level	–4	–17	633	0	612
Payments for financial assets (without derecognition)	–104	–94	7,753	–119	7,436
Change due to changed status in legal proceedings	0	0	118	0	118
Change in models / risk parameters used in ECL calculation	–3,565	–3,804	717	0	–6,652
Derecognition of financial assets	0	0	–8,726	0	–8,726
Currency translation and other differences	0	0	–38	3	–35
Impairment as of Dec. 31, 2023	**1,369**	**5,413**	**18,114**	**325**	**25,221**

** The amounts stated in levels 2 and 3 refer to newly originated lease receivables during the financial year that were initially assigned to Level 1 at the time of origination but were reclassified to another level during the financial year.*

5.4 Trade receivables

Trade receivables of EUR 9,706k (previous year: EUR 7,214k) mainly related to receivables from resellers and third parties resulting from the disposal of lease assets, of which a total of EUR 4,597k (previous year: EUR 3,924k) was more than three months past due. Of total trade receivables, EUR 7,186k (previous year: EUR 5,486k) was impaired.

The maximum credit risk without taking into account collateral, credit assessment systems and other tools are limited to the carrying amount of the trade receivables.

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The following overview shows the gross receivables broken down into the default risk rating categories for trade receivables and risk provisions for trade receivables as defined in the grenke Group.

Dec 31, 2024

EURk	Simplified method	Level 3	Total
Low risk	5,287	0	5,287
Doubtful receivables	0	11,605	11,605
Total gross receivables	**5,287**	**11,605**	**16,892**
Impairment	178	7,008	7,186
Carrying amount	**5,109**	**4,597**	**9,706**

Dec 31, 2023

EURk	Simplified method	Level 3	Total
Low risk	3,422	0	3,422
Doubtful receivables	0	9,278	9,278
Total gross receivables	**3,422**	**9,278**	**12,700**
Impairment	132	5,354	5,486
Carrying amount	**3,290**	**3,924**	**7,214**

5.5 Other current assets

EURk	Dec. 31, 2024	Dec. 31, 2023
VAT receivables	154,475	167,278
Orders in progress	6,507	3,817
Prepaid expenses	12,297	10,576
Prepayments	3,625	2,667
Payment clearing accounts	12,390	11,487
Amounts in transit	2,785	3,782
Insurance claims	327	293
Creditors with debit balances	2,278	1,773
Deposit account	1,593	1,703
Merchandise	553	318
Collateral payments	9,276	9,276
Other items	1,950	2,970
TOTAL	**208,056**	**215,940**

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5.6 Property, plant and equipment

5.6.1 Overview for the 2024 financial year

EURk	Land and buildings	Assets under construction	Operating and office equipment	Leased assets from operating leases	Total
Acquisition costs as of Jan. 1, 2024	**36,725**	**600**	**58,536**	**106,695**	**202,556**
Currency translation differences	0	0	–65	–673	–738
Additions	464	1,364	3,951	37,362	43,141
Disposals	271	0	1,755	25,605	27,631
Reclassification according to IFRS 5	0	0	–438	0	–438
Effect of hyperinflation	0	0	0	–3,340	–3,340
Acquisition costs as of Dec. 31, 2024	**36,918**	**1,964**	**60,229**	**114,439**	**213,550**
Accumulated amortisation as of Jan. 1, 2024	**13,499**	**0**	**47,590**	**52,638**	**113,727**
Currency translation differences	0	0	–36	–469	–505
Additions to depreciation	1,172	0	4,634	25,036	30,842
Disposals of depreciation	271	0	1,712	24,751	26,734
Reclassification according to IFRS 5	0	0	–405	0	–405
Effect of hyperinflation	0	0	0	–1,820	–1,820
Accumulated amortisation as of Dec. 31, 2024	**14,400**	**0**	**50,071**	**50,634**	**115,105**
Net carrying amounts as of Dec. 31, 2024	**22,518**	**1,964**	**10,158**	**63,805**	**98,445**

5.6.2 Overview for the 2023 financial year

EURk	Land and buildings	Assets under construction	Operating and office equipment	Leased assets from operating leases	Total
Acquisition costs as of Jan. 1, 2023	**37,097**	**12**	**56,185**	**103,772**	**197,066**
Currency translation differences	0	0	177	−5,448	−5,271
Additions	132	588	3,919	32,631	37,270
Disposals	504	0	1,745	21,134	23,383
Effect of hyperinflation	0	0	0	−3,126	−3,126
Acquisition costs as of Dec. 31, 2023	**36,725**	**600**	**58,536**	**106,695**	**202,556**
Accumulated amortisation as of Jan. 1, 2023	**12,412**	**0**	**44,239**	**52,381**	**109,032**
Currency translation differences	0	0	143	−3,030	−2,887
Additions to depreciation	1,156	0	4,845	24,778	30,779
Disposals of depreciation	69	0	1,637	20,226	21,932
Effect of hyperinflation	0	0	0	−1,265	−1,265
Accumulated amortisation as of Dec. 31, 2023	**13,499**	**0**	**47,590**	**52,638**	**113,727**
Net carrying amounts as of Dec. 31, 2023	**23,226**	**600**	**10,946**	**54,057**	**88,829**

Pursuant to the grenke Group's business model, lease assets from operating leases consisted mainly of operating and office equipment.

Depreciation on lease assets is recorded in the line items profit from service business (see Note 4.2) and settlement of claims and risk provision (see Note 4.8).

The following table shows the maturities of the non-discounted lease payments from leases that were classified as operating leases:

EURk	Dec. 31, 2024	Dec. 31, 2023
Lease payments outstanding under operating leases as of the reporting date		
Up to 1 year	28,161	25,796
1 to 2 years	21,713	17,076
2 to 3 years	14,961	11,388
3 to 4 years	9,249	6,601
4 to 5 years	3,474	2,659
More than 5 years	221	419
Total	**77,779**	**63,939**

5.7 Goodwill

5.7.1 Development and overview

EURk	2024	2023
Acquisition cost		
As of Jan. 1	51,079	51,046
Foreign currency translation effects	94	33
As of Dec. 31	51,173	51,079
Accumulated amortisation from impairment		
As of Jan. 1	16,706	16,106
Impairment loss of the financial year	4,415	600
As of Dec. 31	21,121	16,706
Carrying amounts		
As of Jan. 1	34,373	34,940
As of Dec. 31	**30,052**	**34,373**

In the 2024 financial year, there were no additions to goodwill due to acquisitions. The carrying amounts of goodwill as of December 31, 2024 are allocated to the following cash-generating units:

EURk	Dec. 31, 2024	Dec. 31, 2023
Portugal (PT)	21,272	21,272
Finland (FI)	3,410	3,410
United Kingdom (UK)	2,044	1,951
Medical technology (DE)	1,229	1,229
Romania (RO)	1,214	1,213
Italy (IT)	504	504
Procurement (DE)	379	379
Spain (ES)	0	4,415

With the exception of the Procurement (Germany) unit, all cash-generating units operate within leasing business.

5.7.2 Recoverability

5.7.2.1 Impairment test

Grenke Group tests recognised goodwill for impairment at least once a year. The key parameters for determining the recoverable amount based on the value in use are the future expectations with regard to the development of new business and profitability. For the cash-generating unit Spain, an event-driven impairment test was carried out as of September 30, 2024. We refer to our comments in Note 5.7.2.2. For all other goodwill, the scheduled annual impairment test was conducted as of October 1, 2024.

The basic assumptions in leasing business used to determine the expected cash flows in the respective units during the five-year detailed planning phase were based on calendar year growth rates in new business for the individual cash-generating units ranging from –2.6 percent to 21.4 percent (previous year: between 5.3 percent and 23.2 percent). The market-available forecast parameters do not provide suitable forecasting quality due to the Consolidated Group's specific business focus, as they only reflect the overall leasing market, which is significantly influenced by real estate, capital goods and vehicle leasing. Therefore, the forecasts for new business development in the detailed planning phase are based on internal Group experience and assessments of the future economic development of the respective cash-generating units.

For cash flows beyond the detailed planning phase, a growth rate of 50 percent of the country-specific inflation expectation was applied. Long-term inflation forecasts were used in line with the planning horizon to avoid overestimating growth expectations due to short-term elevated inflation rates. For cash-generating units in the euro area, a growth rate of at least 1.0 percent (previous year: 1.0 percent) was applied.

The discount rates for the cash-generating units as of October 1, 2024 ranged between 10.6 and 13.3 percent (previous year: between 11.7 and 15.0 percent). The applied discount rate reflects a post-tax cost of equity. The calculation of the discount rates is based on the Capital Asset Pricing Model (CAPM), considering a risk-free interest rate of 2.5 percent (previous year: 3.0 percent), a market risk premium of 6.75 percent (previous year: 7.0 percent), and a beta factor of 1.20 (previous year: 1.25).

5.7.2.2 Impairment losses in the financial year

As part of the event-driven impairment test as of September 30, 2024, the grenke Group identified an impairment need for the goodwill of the cash-generating unit Spain, resulting in a full impairment of the goodwill amounting to EUR 4,415k. The impairment loss was determined based on the value in use and is reported under "Impairment of goodwill" in the consolidated income statement. The trigger for conducting the event-driven impairment test and the resulting impairment was the deterioration in return prospects, which was partly due to worsening claims development.

The recoverable amount of the cash-generating unit Spain, which represents the Spanish leasing business, was EUR –19,170k (previous year: EUR 29,465k). The discount rate applied to discount the cash flows was 12.5 percent (previous year: 14.1 percent). The valuation was based on calendar-year new business growth rates during the five-year detailed planning phase ranging from –1.7 percent to 15.2 percent (previous year: 8.7 percent to 17.2 percent) and a growth rate of 1.0 percent (previous year: 1.0 percent) during the ramp-up phase and in the terminal value.

No intangible assets with indefinite useful lives are allocated to the cash-generating unit Spain. The impairment loss was allocated to the Southern Europe business segment.

For the remaining goodwill, the scheduled annual impairment test as of October 1, 2024 revealed no need for impairment.

5.7.3 Significant goodwill

The goodwill of the cash-generating units Portugal (EUR 21,272k) and Finland (EUR 3,410k) is significant in relation to the total carrying amount of goodwill. The recoverable amount of these cash-generating units, to which no intangible assets with indefinite useful lives are allocated, was determined based on the value in use. The recoverable amount of the cash-generating unit Portugal was EUR 45,908k (previous year: EUR 36,312k). For the cash-generating unit Finland, a recoverable amount of EUR 46,674k (previous year: EUR 36,452k) was determined.

The key assumptions of the parameters used and their determination approach correspond to the method explained in Note 5.7.2, which applies to all cash-generating units operating in leasing business. The cash flow planning was carried out in accordance with the approach described in Note 3.8. The following parameters formed the basis for determining the value in use of the cash-generating units:

Cash-generating unit	Discount rate		New business growth rates based on calendar years in the five-year detailed planning phase		Growth rate in settling phase and terminal value	
	Oct. 1, 2024	Oct. 1, 2023	Oct. 1, 2024	Oct. 1, 2023	Oct. 1, 2024	Oct. 1, 2023
Portugal (PT)	12.1%	14.6%	6.7 - 12.7%	6.7 - 14.1%	1.0%	1.0%
Finland (FI)	11.1%	12.3%	12.0 - 21.4%	12.0 - 20.0%	1.0%	1.0%

5.7.4 Sensitivity of assumptions

The recoverable amount of a cash-generating unit, where the major value drivers are cash flows and the discount rate, is sensitive to changes in the discount rate. The discount rate is largely determined by the risk-free interest rate, a market risk premium and a beta factor for systematic risk. Specific features with regard to countries, financial structure and currencies were taken into consideration. These parameters are based on external sources of information. Therefore, fluctuations in the components stated above may affect the discount rate.

The political and economic environment and the associated assessments regarding future new business and return developments continue to be subject to elevated uncertainties. This results in estimation uncertainties for the projected cash flows and the discount rates to be applied.

As part of the validation of the recoverable amounts determined for the cash-generating units, the key value drivers of each significant unit are reviewed annually. In this context, the main determinants used in the discounted cash flow modelling were subjected to a sensitivity analysis.

Following the determination of recoverable amounts for those cash-generating units whose goodwill is significant in relation to the total carrying amount of goodwill, it was found that a reasonably possible change in new business growth rates during the detailed planning phase, as well as the growth rate during the ramp-up phase and in the terminal value, would not result in the carrying amount of the unit exceeding its recoverable amount. New business in the detailed planning phase was reduced by up to 20 percent. The growth rate in the ramp-up phase and in the terminal value was decreased by up to 0.2 percentage points. A reasonably possible change in the discount rate would have the following effects:

Cash-generating unit	Change of discount rate	Recoverable amount (EURk)	Goodwill impairment (EURk)
Portugal (PT)	by +0.5 percentage points	42,195	0
Portugal (PT)	by +1.0 percentage points	38,816	0
Portugal (PT)	by +2.0 percentage points	32,904	2,138
Finland (FI)	by +0.5 percentage points	40,501	0
Finland (FI)	by +1.0 percentage points	34,954	0
Finland (FI)	by +2.0 percentage points	25,418	0

The recoverable amount of the cash-generating unit Portugal would equal the carrying amount of the unit if the discount rate increased from 12.1 percent to 13.7 percent. For the cash-generating unit Finland, an increase in the discount rate from 11.1 percent to 16.0 percent would result in the recoverable amount equalling the carrying amount of the unit.

5.8 Other intangible assets

5.8.1 Overview for the 2024 financial year

EURk	Development costs	Software licences	Customer relations / non-competi-tive clauses	Total
Acquisition costs as of Jan. 1, 2024	**39,578**	**14,662**	**12,431**	**66,671**
Currency translation differences	0	–16	0	–16
Additions	1,971	827	0	2,798
Disposals	0	12,080	0	12,080
Acquisition costs as of Dec. 31, 2024	**41,549**	**3,393**	**12,431**	**57,373**
Accumulated amortisation as of Jan. 1, 2024	**29,435**	**12,851**	**12,213**	**54,499**
Currency translation differences	0	–15	0	–15
Additions	3,986	1,146	0	5,132
Disposals	0	12,080	0	12,080
Accumulated amortisation as of Dec. 31, 2024	**33,421**	**1,902**	**12,213**	**47,536**
Net carrying amounts as of Dec. 31, 2024	**8,128**	**1,491**	**218**	**9,837**

5.8.2 Overview for the 2023 financial year

EURk	Development costs	Software licences	Customer relations / non-competi-tive clauses	Total
Acquisition costs as of Jan. 1, 2023	**38,680**	**15,305**	**23,544**	**77,529**
Currency translation differences	0	23	0	23
Additions	898	1,246	250	2,394
Disposals	0	1,912	11,363	13,275
Acquisition costs as of Dec. 31, 2023	**39,578**	**14,662**	**12,431**	**66,671**
Accumulated amortisation as of Jan. 1, 2023	**25,042**	**13,931**	**22,042**	**61,015**
Currency translation differences	0	24	0	24
Additions	4,393	805	1,534	6,732
Disposals	0	1,909	11,363	13,272
Accumulated amortisation as of Dec. 31, 2023	**29,435**	**12,851**	**12,213**	**54,499**
Net carrying amounts as of Dec. 31, 2023	**10,143**	**1,811**	**218**	**12,172**

5.9 Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are distributed over the following items:

	Statement of financial position		Income statement	
EURk	Dec. 31, 2024	Dec. 31, 2023	2024	2023
Deferred tax assets				
Tax-loss carryforwards	17,987	17,237	–802	1,352
Lease receivables	35,840	16,468	–19,372	–12,309
Liabilities	19,728	18,021	–1,707	–9,166
Pensions	925	691	–103	–194
Others	36,364	29,037	–7,296	–8,328
Total	**110,844**	**81,454**	**–29,280**	**–28,645**
Deferred tax liabilities				
Lease receivables	73,130	71,751	1,379	22,152
Intangible assets	2,459	3,095	–636	–991
Liabilities	6,439	5,525	914	–4,726
Others	51,699	40,180	12,227	11,840
Total	**133,727**	**120,551**	**13,884**	**28,275**
Deferred tax expense / (income)			**–15,396**	**–370**
Deferred tax liabilities, net	**22,883**	**39,097**		
Reported in the statement of financial position as follows after offsetting:				
Deferred tax assets	**42,569**	**29,366**		
Deferred tax liabilities	**65,452**	**68,463**		

In the 2024 financial year, deferred tax liabilities of EUR 1,503k were reversed directly in equity (previous year: reversal of deferred tax liabilities of EUR 2,438k). These resulted from the recognition of the cash flow hedge reserve and the recognition of actuarial losses or gains that will not be offset in profit or loss in the future.

The tax rate increased from 21.46 percent to 21.53 percent due, among others, to tax rate differences on foreign income and the reduction of non-tax-effective goodwill amortisation.

No deferred tax assets were recognised for tax-loss carryforwards of EUR 77,035k (previous year: EUR 125,106k). Of unrecognised tax-loss carryforwards, EUR 21,268k will expire in the period up to 2044. In the reporting period, EUR 0k (previous year: EUR 0k) of tax-loss carryforwards were written off through profit or loss. Tax expenses decreased by EUR 16,097k (previous year: EUR 1,222k) due to the recognition of previously unrecognised tax losses, and EUR 377k (previous year: EUR 99k) were due to changes in the tax rate. No deferred tax liabilities had to be recognised for accumulated results of subsidiaries in the 2024 or 2023 financial years. The distribution of dividends by the Consolidated Group to the shareholders did not have any income tax consequences in the reporting year or in the previous year.

5.10 Leases – the Consolidated Group as lessee

In its role as lessee, the grenke Group accounts for numerous lease contracts.

Overview for the 2024 financial year

EURk	Properties	Vehicles	Other	Total
Acquisition costs as of Dec. 31, 2024	77,459	13,512	476	91,447
thereof additions in 2024	8,171	2,908	172	11,251
thereof reclassification according to IFRS 5	−1,177	−15	0	−1,192
Accumulated depreciation as of Dec. 31, 2024	46,451	6,805	233	53,489
thereof additions in 2024	9,578	4,265	140	13,983
thereof reclassification according to IFRS 5	−885	−12	0	−897
Net carrying amounts as of Dec. 31, 2024	**31,008**	**6,707**	**243**	**37,958**

Overview for the 2023 financial year

EURk	Properties	Vehicles	Other	Total
Acquisition costs as of Dec. 31, 2023	72,111	12,736	396	85,243
thereof additions in 2023	4,332	4,975	163	9,470
Accumulated depreciation as of Dec. 31, 2023	43,937	5,638	147	49,722
thereof additions in 2023	9,751	3,885	99	13,735
Net carrying amounts as of Dec. 31, 2023	**28,174**	**7,098**	**249**	**35,521**

5.10.1 Rights of use

In the consolidated statement of financial position, the grenke Group capitalised the rights of use granted to it under the underlying leases. The following overview shows the categorisation and development of the rights of use.

The lease contracts in the “Properties” category consist of office and parking space rental contracts from the sales and administrative branches. The “Vehicles” category includes vehicle lease contracts for employees of the grenke Group. The rights of use in the “Other” segment concern contracts for bicycles that are made available to employees as job bikes.

Most of the vehicle leases have a term of three to four years (previous year: three to four years), while the office leases have contractually fixed terms of between three and twelve years (previous year: between three and twelve years). There are also extension options for the office rental agreements of between one and seven years (previous year: between one and six years). Please refer to Note 3.17.5 for information on the grenke Group’s discretionary power to include these extension options when determining the lease term in accordance with IFRS 16. The structure and terms of office lease contracts are based on the individually negotiated contractual agreements. Generally, there are no special restrictions or commitments outside of the extension and termination options mentioned.

5.10.2 Lease liabilities

As of December 31, 2024, lease liabilities amounted to EUR 39,299k (previous year: EUR 36,076k), including the lease liabilities related to assets held for sale.

Interest expenses for the recognised lease liabilities for the grenke Group as lessee amounted to EUR 1,452k in the reporting year (previous year: EUR 1,044k). The repayment volume of lease liabilities in the reporting year totalled EUR 13,338k (previous year: EUR 13,429k). For a maturity analysis of the expected cash outflows from lease liabilities carried as liabilities, please refer to Note 7.2 Maturity of financial obligations.

5.10.3 Additional information and effects

The additional effects of IFRS 16 on the grenke Group as lessee are summarised in the following table:

EURk	2024	2023
Expenses for short-term leases	158	62
Expenses for low-value leases	121	84
Expenses for variable lease payments not included in the measurement of lease liabilities	0	0
Income from the sub-leasing of rights of use	259	362
Gains or losses from sale and leaseback transactions	0	0

The total cash outflow for leases in the current financial year amounted to EUR 14,789k (previous year: EUR 14,473k).

Leases that the grenke Group had already entered into as a lessee but have not yet commenced could lead to future cash outflows of EUR 1,937k (previous year: EUR 5,776k). From extension and termination options not included in the measurement of the lease liabilities, future cash outflows could increase by EUR 6,917k (previous year: EUR 8,437k) compared to the current assumptions used in the calculation of lease liabilities.

5.11 Current and non-current financial liabilities

5.11.1 Overview

The grenke Group's financial liabilities consist of the following current and non-current financial liabilities:

EURk	Dec. 31, 2024	Dec. 31, 2023
Current financial liabilities		
Asset-backed	561,227	432,085
Senior unsecured	1,104,417	744,434
Committed development loans	12,995	23,474
Liabilities from deposit business	1,518,565	631,324
Other bank liabilities	1,190	272
Total current financial liabilities	**3,198,394**	**1,831,589**
Non-current financial liabilities		
Asset-backed	506,824	567,739
Senior unsecured	2,089,837	2,019,594
Committed development loans	4,618	14,229
Liabilities from deposit business	709,935	985,766
Total non-current financial liabilities	**3,311,214**	**3,587,328**
Total financial liabilities	**6,509,608**	**5,418,917**

The grenke Group structures the split of its financial liabilities in the same manner as reported to bond and capital market participants to ensure a uniform presentation. Asset-backed financial liabilities include liabilities in connection with ABCP programmes and sales of receivables to external credit institutions. Senior unsecured financial liabilities include primary unsecured debt instruments.

Liabilities from deposit business comprise deposits of customers of grenke Bank AG. The total current liabilities totalling EUR 1,518,565k (previous year: EUR 631,324k) include an amount of EUR 169,426k (previous year: EUR 182,562k) of deposits payable on demand. For the other deposits consisting of restricted and fixed term deposits, corresponding terms have been arranged. Liabilities to banks due on demand are recognised under liabilities to banks. As of the reporting date, these totalled EUR 1,190k (previous year: EUR 272k).

Current and non-current lease receivables totalling EUR 1,085,664k (previous year: EUR 1,037,527k) were assigned to the refinancing institutions to secure the liabilities stemming from the refinancing of leasing business. Each item of collateral is assigned until the outstanding receivable on the lease has been settled. The collateral is then reassigned. The items of collateral for assigned receivables are marked so that they may be clearly distinguished from non-assigned receivables.

The volume of non-current financial liabilities with remaining maturities of one to five years or more as of December 31, 2024 is as follows:

EURk	Year	Total amount	1 to 5 years	More than 5 years	Secured amount
Type of liability					
Asset-backed	**2024**	**506,824**	**498,738**	**8,086**	**506,824**
	Previous year	567,739	563,347	4,392	567,739
Senior unsecured	**2024**	**2,089,837**	**2,042,695**	**47,142**	**0**
	Previous year	2,019,594	1,835,988	183,606	0
Committed development loans	**2024**	**4,618**	**4,434**	**184**	**4,618**
	Previous year	14,229	13,743	486	14,229
Liabilities from deposit business	**2024**	**709,935**	**702,265**	**7,670**	**0**
	Previous year	985,766	937,128	48,638	0

The refinancing sources and thus the main categories of financial liabilities are explained in more detail below.

5.11.2 Asset-backed financial liabilities

5.11.2.1 Structured entities

The following consolidated structured entities were in place as of the reporting date: Opusalpha Purchaser II Limited (HeLaBa), Kebnekaise Funding Limited (SEB AB), CORAL PURCHASING (IRELAND) 2 DAC (DZ Bank), SILVER BIRCH FUNDING DAC (NordLB), FCT “GK”-COMPARTMENT “G2” (UniCredit), Elektra Purchase No. 25 DAC, FCT “GK”-COMPARTMENT “G4” (HeLaBa) and FCT “GK”-COMPARTMENT “G5” (DZ Bank). In the following, the consolidated structured entities initiated as asset-backed commercial paper (ABCP) programmes are further explained.

5.11.2.2 ABCP programmes

The grenke Group had several asset-backed commercial paper programmes (ABCPs) with the following volumes as of the end of the reporting period:

EURk	Dec. 31, 2024	Dec. 31, 2023
Programme volume in local currency		
EURk	1,089,452	1,089,452
GBPk	286,364	286,364
Programme volume in EURk	1,434,809	1,418,965
Utilisation in EURk	1,198,332	1,057,695
Carrying amount in EURk	1,038,070	900,898
thereof current	543,955	383,260
thereof non-current	494,115	517,638

The ABCP programmes grant GRENKE FINANCE PLC, Dublin/Ireland, GRENKE Investitionen Verwaltungs KGaA, Baden-Baden/Germany and GRENKE LEASING LIMITED, Guildford/United Kingdom, the right to refinance or to sell receivables to the respective programmes for a certain period of time. The cap on the purchase volume is determined by the volume of the programme, which is normally backed by the organising bank in the form of a liquidity commitment in the corresponding amount. The carrying amount is calculated using the effective interest method, whereby incurred transaction costs are amortised over the term of the underlying refinancing package.

The structured entities are refinanced by issuing commercial paper or promissory notes, usually with a term of one month, on a revolving basis. The interest on the commercial paper and promissory notes is based on one-month Euribor. This is a floating interest rate. The structured entities manage the interest rate risk (fixed-rate lease receivables versus floating-rate refinancing) with interest rate hedges (interest rate swaps).

There is no currency risk in ABCP refinancing as only euro transactions and euro-based leases – and for the United Kingdom, GBP transactions and GBP-based leases – are involved.

The maturities of the individual ABCP programmes can be found in the following table:

ABCP programmes	Sponsor	Term until
Opusalpha Purchaser II Limited	HeLaBa	December 2025
Kebnekaise Funding Limited (GER)	SEB AB	October 2025
Kebnekaise Funding Limited (UK)	SEB AB	June 2025
Kebnekaise Funding Limited (FI)	SEB AB	October 2025
CORAL PURCHASING (IRELAND) 2 DAC	DZ-Bank	December 2025
SILVER BIRCH FUNDING DAC	NordLB	December 2025
FCT “GK“-COMPARTMENT “G 2”	UniCredit	April 2025
FCT “GK“-COMPARTMENT “G 4”	HeLaBa	December 2025
FCT “GK“-COMPARTMENT “G 5”	DZ-Bank	December 2025

5.11.2.3 Sale of receivables agreements

Sale of receivables agreements are currently in place with Stadtsparkasse Baden-Baden Gaggenau, Sparkasse Karlsruhe and Deutsche Bank S.A., Brazil.

All such agreements represent refinancing of lease contracts with matching maturities. For this purpose, individual lease contracts with similar maturities are grouped together, and lease receivables for the same maturities are sold.

Derecognition of receivables does not take place because the sale of the receivables is not without recourse. The present value of the related liabilities as of the end of the reporting period was EUR 35,362k (previous year: EUR 105,014k) and generally coincided with the value of the receivables sold.

EURk	Dec. 31, 2024	Dec. 31, 2023
Programme volume in local currency		
EURk	16,500	16,500
GBPk	0	90,000
BRLk	210,000	210,000
Programme volume in EURk	49,183	159,227
Utilisation in EURk	35,362	105,014
Carrying amount in EURk	29,981	98,926
thereof current	17,272	48,825
thereof non-current	12,709	50,101

5.11.3 Senior unsecured financial liabilities

The following table provides an overview of the carrying amounts of the individual refinancing instruments:

EURk	Dec. 31, 2024	Dec. 31, 2023
Bonds	2,625,383	2,211,718
thereof current	752,742	380,794
thereof non-current	1,872,641	1,830,924
Promissory notes	221,762	166,831
thereof current	38,661	10,781
thereof non-current	183,101	156,050
Commercial paper	60,000	50,000
Revolving credit facility	203,071	266,044
thereof current	170,106	233,452
thereof non-current	32,965	32,592
Money market trading	0	20,000
thereof current	0	20,000
Overdrafts	12,037	12,712
Accrued interest	72,001	36,723
thereof current	70,871	36,695
thereof non-current	1,130	28

The following table shows the refinancing framework of the individual instruments:

EURk	Dec. 31, 2024	Dec. 31, 2023
Bonds EURk	5,000,000	5,000,000
Commercial paper EURk	750,000	750,000
Syndicated revolving credit facility EURk	400,000	400,000
Revolving credit facility EURk	16,600	16,600
Revolving credit facility PLNk	150,000	150,000
Revolving credit facility HUFk	540,000	540,000
Revolving credit facility BRLk	280,000	140,000
Money market trading EURk	40,000	40,000

5.11.3.1 Bonds

In principle, all debentures are bullet debt securities and are subject to the condition of a stable rating. In the event of a rating downgrade by Standard & Poor's or Fitch Ratings, the agreed interest rate would be contractually adjusted (increased). As a downgrade is not expected, no hedge has been concluded to date.

The discounts and the initial expenses directly corresponding to the transaction concerned are reversed over the term using the effective interest method.

5.11.3.2 Debt issue programme

The grenke Group had euro-denominated bonds outstanding with a nominal volume of EUR 2,495,071k (previous year: EUR 2,092,923k) as of the reporting date.

The relevant terms and conditions for bonds denominated in euros and issued through the debt issue programme are as follows:

	Term		Interest coupon	Carrying amount Dec. 31, 2024	Carrying amount Dec. 31, 2023	Nominal amount Dec. 31, 2024	Nominal amount Dec. 31, 2023
Description	**From**	**To**	**Percent p.a.**	**EURk**	**EURk**	**EURk**	**EURk**
Euro bond	Jan. 21, 2016	Jan. 21, 2026	2.616	25,979	25,965	26,000	26,000
Euro bond	Dec. 5, 2017	Dec. 5, 2024	0.97	0	14,993	0	15,000
Euro bond	May 15, 2018	May 15, 2025	1.423	54,990	54,971	55,000	55,000
Euro bond	Aug. 28, 2018	Aug. 28, 2024	1.048	0	29,986	0	30,000
Euro bond	Jan. 29, 2019	Jan. 29, 2029	2.237	11,481	11,477	11,500	11,500
Euro bond	Feb. 26, 2019	Apr. 5, 2024	1.625	0	184,069	0	184,141
Euro bond	Apr. 16, 2019	Apr. 16, 2029	2.04	19,971	19,964	20,000	20,000
Euro bond	Apr. 25, 2019	Apr. 25, 2024	1.131	0	19,994	0	20,000
Euro bond	May 15, 2019	May 15, 2026	1.287	29,976	29,959	30,000	30,000
Euro bond	May 27, 2019	Nov. 27, 2024	1.015	0	49,968	0	50,000
Euro bond	Oct. 9, 2019	Oct. 9, 2026	0.681	26,478	26,467	26,500	26,500
Euro bond	Nov. 12, 2019	Jan. 9, 2025	0.625	328,246	392,625	328,447	400,000
Euro bond	Mar. 4, 2020	Feb. 15, 2030	0.819	9,975	9,970	10,000	10,000
Euro bond	Apr. 9, 2020	Jul. 9, 2025	3.95	351,653	445,023	353,076	449,250
Euro bond	Apr. 14, 2022	Oct. 14, 2024	4.125	0	85,310	0	85,532
Euro bond	Oct. 13, 2022	Oct. 13, 2025	6.30	19,920	19,820	20,000	20,000
Euro bond	Feb. 23, 2023	Feb. 23, 2026	3M Euribor +2.92%	9,929	9,988	10,000	10,000
Euro bond	May 31, 2023	Jan. 7, 2026	6.75	105,541	148,211	104,548	150,000
Euro bond	Sep. 29, 2023	Apr. 6, 2027	7.875	496,814	495,548	500,000	500,000
Euro bond	May 31, 2024	Jul. 6, 2029	5.75	495,167	0	500,000	0
Euro bond	Sep. 27, 2024	Jan. 4, 2029	5.125	497,226	0	500,000	0

In 2024, two euro-denominated bonds with a total nominal volume of EUR 1,000,000k were issued and one existing bond was increased by EUR 50,000k. The conditions of the bonds issued in euros are shown in the table above.

Two bonds with a total nominal volume of EUR 384,673k were redeemed on schedule in the financial year. In addition, a redemption of EUR 265,558k was made, with which a nominal volume of EUR 263,179k was repaid early.

The existing bonds in foreign currencies are shown in the table below.

	Term		Interest coupon	Carrying amount Dec. 31, 2024	Carrying amount Dec. 31, 2023	Nominal amount Dec. 31, 2024	Nominal amount Dec. 31, 2023
Description	**From**	**To**	**Percent p.a.**	**EURk**	**EURk**	**In foreign currency**	**In foreign currency**
JPY bond	Jul. 2, 2019	Jul. 2, 2029	0.95	42,914	44,758	7,000,000,000	7,000,000,000
HKD bond	Sep. 13, 2019	Sep. 13, 2029	2.844	61,952	57,908	500,000,000	500,000,000
HKD bond	Mar. 11, 2020	Mar. 11, 2030	2.50	37,171	34,744	300,000,000	300,000,000

5.11.3.3 Promissory notes (PNs)

The total volume of promissory notes outstanding in euros as of December 31, 2024 was EUR 80,500k (previous year: EUR 80,500k). The terms and conditions for the promissory notes denominated in euros are listed in the following table:

	Term		Interest coupon	Carrying amount Dec. 31, 2024	Carrying amount Dec. 31, 2023	Nominal amount Dec. 31, 2024	Nominal amount Dec. 31, 2023
Description	From	To	Percent p.a.	EURk	EURk	EURk	EURk
EUR-PN	Feb. 14, 2018	Feb. 14, 2028	2.00	4,998	4,994	5,000	5,000
EUR-PN	Feb. 14, 2018	Feb. 14, 2028	1.979	996	998	1,000	1,000
EUR-PN	Jul. 6, 2018	Dec. 15, 2027	1.773	1,997	1,997	2,000	2,000
EUR-PN	Jan. 25, 2019	Jan. 25, 2029	2.282	4,993	4,991	5,000	5,000
EUR-PN	Sep. 23, 2022	Sep. 23, 2025	4.945	10,000	10,000	10,000	10,000
EUR-PN	Aug. 25, 2023	Apr. 15, 2026	6.07	57,498	57,495	57,500	57,500

In 2024, no new promissory notes in euros were issued, increased or repaid.

The total volume of foreign currency promissory notes outstanding as of December 31, 2024 was CHF 107,500k and GBP 22.5k. The terms and conditions for the promissory notes denominated in foreign currencies are listed in the following table:

	Term		Interest coupon	Carrying amount Dec. 31, 2024	Carrying amount Dec. 31, 2023	Nominal amount Dec. 31, 2024	Nominal amount Dec. 31, 2023
Description	From	To	Percent p.a.	EURk	EURk	In foreign currency	In foreign currency
CHF-PN	Sep. 17, 2019	Sep. 17, 2024	0.275	0	10,798	0	10,000,000
CHF-PN	Sep. 9, 2020	Sep. 9, 2025	0.97	10,623	10,796	10,000,000	10,000,000
CHF-PN	Aug. 31, 2022	Aug. 31, 2027	2.643	21,238	21,582	20,000,000	20,000,000
CHF-PN	Jan. 23, 2023	Jan. 23, 2026	2.25	21,246	21,591	20,000,000	20,000,000
CHF-PN	Sep. 6, 2023	Sep. 7, 2026	2.68	21,243	21,589	20,000,000	20,000,000
CHF-PN	Jan. 8, 2024	Jan. 23, 2026	2.1595	10,620	0	10,000,000	0
GBP-SSD	May 15, 2024	May 15, 2026	5.864	27,101	0	22,500,000	0
CHF-PN	Sep. 24, 2024	Sep. 24, 2029	2.048	10,615	0	10,000,000	0
CHF-PN	Dec. 20, 2024	Dec. 21, 2026	1.36	10,625	0	10,000,000	0
CHF-PN	Dec. 20, 2024	Dec. 20, 2028	1.70	7,969	0	7,500,000	0

In 2024, four new CHF promissory notes and one new GPB promissory note were issued with a total nominal volume of CHF 37,500k and GBP 30,000k.

All repayments due on promissory notes in foreign currency totalling GBP 7,500k were made as scheduled in the financial year.

5.11.3.4 Commercial paper

The grenke Group has the option of issuing commercial paper of up to a total volume of EUR 750,000k with a term of between 1 and 364 days. As of December 31, 2024, EUR 60,000k (previous year: EUR 50,000k) of the commercial paper programme was utilised.

5.11.3.5 Revolving credit facility

For the 2024 financial year, a syndicated revolving credit facility with a volume of EUR 400,000k was in place. Utilisation can also be partially made in Swiss francs and British pounds, allowing GRENKE FINANCE PLC, Dublin/Ireland, GRENKELEASING AG, Zurich/Switzerland, and GRENKE LEASING LIMITED, Guildford/United Kingdom, to access short-term funding at any time for a term of up to six months.

The lenders are Deutsche Bank AG, DZ Bank AG, HSBC Trinkaus & Burkhardt GmbH, Landesbank Hessen-Thüringen, Le Crédit Lyonnais, Norddeutsche Landesbank, SEB AB Frankfurt Branch and ING Bank N.V. The credit facility is subject to a term of three years with an extension option of a further two years.

Additional facilities exist with SEB AB and Norddeutsche Landesbank, which offer GRENKELEASING Sp. z o.o., Poznan/Poland, the opportunity to borrow funds anytime at short notice up to a volume of PLN 150,000k for a fixed term each of three years or up to six months.

grenke Hrvatska d.o.o., Zagreb, Croatia, has access to a facility with Raiffeisenbank Austria for a volume of up to EUR 16,600k and a fixed term of two and a half or three years. There is also a facility totalling HUF 540,000k with Deutsche Bank AG Hungary Branch, which enables GF Faktor Zrt, Budapest/Hungary, to borrow funds anytime at short notice for a term of up to six months.

GC Locação de Equipamentos LTDA, São Paulo/Brazil, has loan facilities at its disposal in the amount of BRL 200,000k with Itaú Unibanco Holding S.A. and in the amount of BRL 80,000k with BANCO HSBC S.A.

As of December 31, 2024, the utilised volume of the revolving credit facilities amounted to EUR 106,581k, PLN 110,000k, BRL 205,343k, GBP 33,000k, and CHF 0k (previous year: EUR 166,582k, PLN 110,000k, BRL 127,075k, GBP 36,000k, and CHF 10,000k).

5.11.3.6 Money market trading

The grenke Group has money market trading lines with Landesbank Hessen-Thüringen and DZ Bank AG for a total amount of EUR 38,000k. The money market trading lines are available to GRENKE FINANCE PLC, Dublin/Ireland.

As of December 31, 2024, the utilised volume of the credit lines amounted to EUR 0k (previous year: EUR 20,000k).

5.11.4 Committed development loans

There are various collaborations in the form of global loans between the grenke Bank AG and the development banks Kreditanstalt für Wiederaufbau (KfW), NRW.Bank, Thüringer Aufbaubank and Landeskreditbank Baden-Württemberg. These collaborations facilitate the integration of public funding in grenke AG's lease financing. The funding is available to regional investment projects of commercial enterprises and self-employed professionals with an annual turnover of up to EUR 500 million.

The total volume of grenke Bank AG's global loans, which are used to refinance the development loans brokered, amounted to EUR 22,500k as of the reporting date of December 31, 2024 (previous year: EUR 405,000k).

The following table shows the carrying amounts of the development loans utilised at the individual development banks:

EURk	Dec. 31, 2024	Dec. 31, 2023
NRW Bank	7,957	16,753
Thüringer Aufbaubank	1,816	2,597
KfW	7,628	17,895
Landeskreditbank Baden-Württemberg	123	301
Accrued interest	89	157
Total development loans	**17,613**	**37,703**

5.11.5 Supplementary information on financial liabilities in the statement of cash flows

For the purposes of the statement of cash flows, financial liabilities are composed as follows:

EURk	2024	2023
Financial liabilities		
Additions of liabilities / assumption of new liabilities from refinancing	3,505,222	2,319,421
Interest expenses from refinancing	181,279	104,646
Payment / repayment of liabilities to refinancers	−3,214,262	−2,272,348
Currency translation differences	6,124	6,036
Change in liabilities from refinancing	**478,363**	**157,755**
Additions / repayment of liabilities from deposit business	575,078	442,178
Interest expenses from deposit business	36,332	24,233
Change in liabilities from deposit business	**611,410**	**466,411**
Change in financial liabilities	**1,089,773**	**624,166**

5.12 Other current liabilities

EURk	Dec. 31, 2024	Dec. 31, 2023
Value-added tax	16,632	20,445
Debtors with credit	30,809	19,101
Clearing accounts with companies	1,526	1,638
Liabilities for salaries	2,020	1,818
Outstanding charges from refinancers	1,492	1,529
Contributions to social security	1,436	3,693
Wages / church tax	1,142	1,053
Customer payments being settled	1,257	1,116
Liabilities from car leases	0	436
Deferred income	281	269
Liabilities from security deposits	272	104
Amounts in process	1,580	1,835
Liabilities from other taxes	5,236	2,660
Other	4,311	5,124
Total	**67,994**	**60,821**

5.13 Deferred lease payments

The line item deferred lease payments contains contractual liabilities of EUR 10,611k (previous year: EUR 8,814k). These liabilities are the result of payments received for services in service and protection business for the subsequent year. The contractual liabilities recorded as of December 31, 2024 will be recognised as revenue in the following year.

5.14 Deferred liabilities

The following items are shown under the item deferred liabilities:

EURk	Dec. 31, 2024	Dec. 31, 2023
Consulting services	3,617	3,918
Personnel services	18,529	13,457
Other costs	24,074	20,769
Total	**46,220**	**38,144**

The line item “Other costs” consists largely of deferred liabilities for outstanding invoices and reseller bonuses. All deferred liabilities are short-term in nature.

5.15 Pensions

5.15.1 Defined benefit plans

The provisions for pensions relate to the compulsory funded retirement benefit plans (endowment insurance) with a supplementary payment obligation on the part of the employers in Switzerland for GRENKELEASING AG, Zurich and grenkefactoring AG, Basel, and the pension obligations from final salary and flat salary pension plans in Germany for grenke Bank AG, Baden-Baden. A total net pension expense of EUR 692k (previous year: EUR 496k) was recognised for existing pension plans in the 2024 financial year.

The weighted average duration of the predominant share of the pension obligations amounts to 18.3 years (previous year: 17.3 years).

5.15.1.1 Pensions in Germany

The pension obligations of grenke Bank AG relate to direct and vesting pension commitments made in the past and are predominantly for former employees.

The pension provisions were calculated on the basis of the following parameters:

EURk	Dec. 31, 2024	Dec. 31, 2023
Discount rate	3.45%	3.40%
Estimated future pension increases	2.20%	2.20%
Mortality tables applied	"Heubeck-Richttafeln 2018 G"	"Heubeck-Richttafeln 2018 G"

The development of the defined benefit obligations was as follows:

EURk	2024	2023
Change in defined benefit obligations		
Defined benefit obligations at beginning of period	**1,305**	**1,281**
Interest expense	43	48
Current service cost	0	0
Benefits paid	–88	–86
Actuarial gains and losses recognised in equity	–26	62
Past service costs resulting from amendments to plan	0	0
Defined benefit obligations at end of period	**1,234**	**1,305**

5.15.1.2 Pensions in Switzerland

According to the Swiss Occupational Pension Act (BVG), every employer must grant pensions to entitled employees after termination of employment. The grenke Group maintains defined benefit plans (capital-based) in Switzerland that are managed by trusts and independent of the Company.

The external expert opinion is based on the following actuarial assumptions:

EURk	Dec. 31, 2024	Dec. 31, 2023
Discount rate	1.00%	1.50%
Estimated future salary increases	2.00%	2.00%
Estimated future pension increases	0.00%	0.00%
Mortality tables applied	BVG 2020	BVG 2020

** A pension adjustment of 0 percent is assumed, as no pensions are currently paid to employees.*

Based on the actuarial report, the following income and expenses were recognised:

EURk	Dec. 31, 2024	Dec. 31, 2023
Service cost	692	496
Interest expense	154	165
Income from interest on plan assets	109	127

The assets are invested in a collective insurance agreement with a life insurance company by way of a follow-up agreement with the BVG pension fund. With this form of full insurance, the life insurer assumes the risk, meaning a shortfall in coverage cannot occur.

As of December 31, 2024, the provision for pensions recognised under non-current liabilities amounted to EUR 4,310k (previous year: EUR 3,345k). The amount consists of a calculated present value of defined benefit obligations (DBO) of EUR 11,065k (previous year: EUR 10,126k), a fair value of plan assets of EUR 6,755k (previous year: EUR 6,781k) and an actuarial loss of EUR 668k (previous year: EUR 1,195k).

EURk	2024	2023
Change in defined benefit obligations		
Defined benefit obligations at beginning of period	**10,126**	**7,066**
Interest expense	154	165
Current service cost	692	496
Benefits paid	–545	620
Contributions of the participants of the plan	268	244
Actuarial gains and losses recognised in equity	520	964
Past service cost	0	0
Currency translation differences from foreign plans	–150	571
Defined benefit obligations at end of period	**11,065**	**10,126**
Change in plan assets	**0**	**0**
Fair value of plan assets at beginning of period	**6,781**	**5,271**
Expected return	109	127
Employer's contributions	399	360
Contributions of the participants of the plan	268	244
Benefits paid	–545	620
Actuarial gains and losses recognised in equity	–148	–231
Currency translation differences from foreign plans	–109	390
Fair value of plan assets at end of period	**6,755**	**6,781**

The actuarial gains and losses included in the revaluation of defined benefit obligations result from the following:

EURk	Dec. 31, 2024	Dec. 31, 2023
Changes in demographic assumptions	0	0
Changes in financial assumptions	849	842
Experience-based gains / losses	–329	122
Total	**520**	**964**

Experience-based adjustments to plan assets amounted to EUR –148k (previous year: EUR –231k). Employer contributions for the subsequent period are estimated at EUR 420k.

5.15.1.3 Sensitivity analysis

A change in the assumptions above applied to determine the DBO as of December 31, 2024 and December 31, 2023 would increase or decrease the DBO as follows:

	Change in assumptions in percentage points	Increase in assumptions Change in DBO in EURk	Decrease in assumptions Change in DBO in EURk
Dec. 31, 2024			
Discount rate	0.25	–549	588
Future salary increases	0.25	79	–77
Future pension increases	0.25	28	–27
Dec. 31, 2023			
Discount rate	0.25	–487	521
Future salary increases	0.25	72	–70
Future pension increases	0.25	30	–29

In calculating the sensitivity of the DBO for the relevant actuarial assumptions, the same method was used for the calculation of the recognised obligation.

5.15.2 Defined contribution plans

Defined contribution plans represent an additional part of the occupational pension schemes within the Consolidated Group. Under defined contribution plans, the entity pays contributions to public or private pension insurance schemes voluntarily or on the basis of statutory or contractual requirements. The entity does not have any other benefit obligations beyond the contribution payments.

The current contribution payments are recognised as an expense for the respective year. In 2024, they amounted to a total of EUR 8,285k (previous year: EUR 7,264k) and mainly comprised contributions to the statutory pension insurance scheme in Germany. Going forward, the level of expenses primarily depends on the development of the underlying pension insurance schemes.

5.16 Equity

5.16.1 Share capital

For details on changes in equity, please refer to the consolidated statement of changes in equity.

grenke AG's share capital is unchanged compared to December 31, 2023 and amounts to EUR 46,495,573 divided into 46,495,573 no-par value shares. Each ordinary share has a notional interest in the share capital of EUR 1. All shares that were not repurchased by grenke AG are fully paid-in and have the same rights and obligations. Each of these shares is entitled to one vote at the Annual General Meeting and accounts for the shareholders' proportionate share in the Group's earnings.

5.16.2 Authorised capital

On May 3, 2018, the Annual General Meeting adopted a resolution authorising the Board of Directors, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions up to a nominal amount of EUR 4,400k (authorised capital) until May 2, 2023. As of December 31, 2023, authorised capital amounted to EUR 2,218k. This authorisation expired in the previous year. There were no new resolutions passed for authorised capital.

5.16.3 Contingent capital

On May 14, 2019, the Annual General Meeting adopted a resolution authorising the Board of Directors, with the consent of the Supervisory Board, to increase the Company's share capital up to a nominal amount of EUR 4,500k (contingent capital) until May 13, 2024 by issuing new shares against contribution in cash or in kind. The creation of contingent capital is linked to the authorisation of the Board of Directors, with the consent of the Supervisory Board, to issue on one or more occasions bearer and/or registered bonds with warrants and/or convertible bonds up to a total nominal amount of EUR 500,000k. No bonds with warrants and/or convertible bonds have been issued from contingent capital to date. The authorisation has expired.

5.16.4 Treasury shares

By resolution of the Annual General Meeting on August 6, 2020, the Company was authorised to acquire treasury shares in accordance with Section 71 (1) No. 8 AktG until August 5, 2025. The authorisation to acquire treasury shares is limited to up to 5 percent of the Company's share capital.

During the reporting period, a total of 2,317,695 shares were repurchased for EUR 55.6 million, representing 4.98 percent of the share capital. With this, the share buyback programme has been completed. The treasury shares are deducted directly from equity.

Further details can be found in the table below:

	Number of shares acquired	Average price per share in EUR	Total amount of own shares in EURk
Status as of Jan. 1, 2024			
February	104,201	23.55	2,454
March	178,189	23.32	4,156
April	196,307	22.97	4,509
May	199,013	21.83	4,344
June	335,484	20.88	7,004
July	448,851	26.70	11,982
August	380,953	26.52	10,103
September	474,697	23.17	10,999
Status as of Dec. 31, 2024	**2,317,695**	**23.97**	**55,551**

5.16.5 Unappropriated surplus

On April 30, 2024, the Annual General Meeting adopted the resolution on the appropriation of grenke AG's unappropriated surplus for the financial year 2023 in the amount of EUR 116,065,852.82. The Annual General Meeting approved the proposal of the Board of Directors and the Supervisory Board, resolving to appropriate the unappropriated surplus as follows:

	EUR
2023 unappropriated surplus	116,065,852.82
Distribution of a dividend of EUR 0.47 per share for a total of 46,016,876 shares	21,627,931.72
Profit carried forward (to new account)	94,437,921.10

For the past 2024 financial year, the Board of Directors will propose to the Annual General Meeting the distribution of a dividend of EUR 0.40 per share. This distribution is not recognised as a liability as of December 31, 2024.

5.16.6 Reserves

The capital reserves of EUR 298,019k (previous year: EUR 298,019k) result primarily from grenke AG's IPO in April 2000 and the capital increases in February 2013, May 2014, May 2016, June 2018 and September 2020. In addition to grenke AG's retained earnings, retained earnings include the retained earnings and results of the subsidiaries and consolidated structured entities included in the consolidated financial statements.

5.16.7 Additional equity components according to IAS 32

On July 22, 2015, grenke AG issued an unsecured, subordinated hybrid bond (non-cumulative, indefinite Additional Tier 1, known as an AT1 bond or hybrid capital) with a nominal volume of EUR 30,000k and an interest coupon of 8.25 percent. The interest payments for this bond are based on the bond's nominal value and are fixed for the period from the day of issuance until the first possible early redemption day. Thereafter, the interest rate will be redetermined for periods of five years each. Interest payments can be omitted in full or in part, and are non-cumulative and at the issuer's discretion. Interest payments in subsequent years will not be increased to make up for any omitted interest payments occurring in previous years. The bonds have an indefinite maturity and are therefore not subject to a limited term. The bonds can be called by grenke AG with effect as of the first possible early redemption day and thereafter at five-year intervals. The first possible date for early redemption was March 31, 2021. The bonds can also be called prematurely, subject to certain conditions. The investors' right to call the bonds is excluded. The bonds are subject to the terms and conditions detailed in the respective prospectus, which include – among others – that grenke AG can call the bonds only in full and not in part, to the extent that certain regulatory or tax reasons exist. Any premature call of the bonds requires the prior approval of the relevant regulatory authority. The redemption and nominal amount of the bonds may be reduced upon the occurrence of a triggering event. Should the grenke Group's Tier 1 core capital ratio fall below 5.125 percent, this would constitute such a triggering event. In the case of a triggering event, the bonds may be appreciated, subject to certain conditions. On December 20, 2016, the bond with an unchanged coupon of 8.25 percent was increased by a nominal EUR 20,000k. The change in market interest rates since the first issue resulted in an additional premium of EUR 600k. The entire hybrid bond in the amount of EUR 50,000k was not called on the first possible date of March 31, 2021. Therefore, the AT1 bond is extended by a further five years until March 31, 2026. The new interest coupon is 7.33 percent.

On September 27, 2017, grenke AG issued another unsecured and subordinated hybrid bond with a nominal volume of EUR 75,000k and a coupon rate of 7.0 percent. The terms are otherwise identical to those of the AT1 bond issued on July 22, 2015. Transaction costs of EUR 1,425k were directly offset against retained earnings. The hybrid bond was not called on the first early repayment date, March 31, 2023, and is therefore extended by one year at a time. Since the redemption right was also not exercised on March 31, 2024, the next possible redemption date is March 31, 2025. The new coupon rate is 9.723 percent.

On December 5, 2019, grenke AG issued another unsecured and subordinated hybrid bond with a nominal volume of EUR 75,000k and a coupon rate of 5.375 percent. The terms are otherwise identical to those of the previously issued AT1 bonds from July 22, 2015 and September 27, 2017. The first possible early repayment date is March 31, 2026. Transaction costs of EUR 1,286k were directly offset against retained earnings.

On March 30, 2024, grenke AG made a scheduled payment of EUR 14,989k to hybrid capital investors (previous year: EUR 12,946k).

5.16.8 Other components of equity

Other components of equity include the hedge reserve, in which the recognition directly in equity of derivatives designated as hedges is shown; the reserve for actuarial gains / losses, in which the change in value directly recognised in equity of the defined benefit plans is shown; the currency translation from the translation of the financial statements of entities in foreign currency; as well as the revaluation reserve from equity instruments (IFRS 9), in which the change in value directly in equity of other investments recognised at fair value is shown (FVTOCI).

5.16.9 Non-controlling interests

Non-controlling interests are reported in the consolidated statement of financial position as an equity component but separately from equity attributable to grenke shareholders. Group earnings attributable to non-controlling interests is presented separately in the consolidated income statement. Changes in the ownership interest in subsidiaries without loss of control are recognised as transactions between equity providers and recognised directly in retained earnings.

5.17 Assets held for sale and associated liabilities

On January 31, 2024, the Board of Directors of grenke AG initiated the formal divestment process for factoring business. grenke AG is already in advanced negotiations with a potential investor interested in acquiring specific factoring entities.

As of the reporting date, the factoring companies in Ireland, the United Kingdom and Poland are classified as a disposal group held for sale, as they meet the criteria of IFRS 5. Factoring business does not constitute a significant business segment as defined by IFRS 5.32(a), as it is immaterial compared to the total business volume of the Consolidated Group's activities. Accordingly, factoring business is not classified as a discontinued operation. The potential investor has also expressed interest in the factoring companies in Germany and Hungary; however, these do not yet meet the requirements for classification under IFRS 5, as regulatory approvals are still pending. The sale of the three factoring companies classified under IFRS 5 is expected to take place within the next twelve months.

The key assets within the disposal group are receivables from factoring business, which, in accordance with IFRS 5.5(c), are classified as financial assets within the scope of IFRS 9. Therefore, the measurement provisions of IFRS 5 do not apply in this case, meaning that no measurement effects arise as a result.

The disposal group classified according to IFRS 5 also includes liabilities to affiliated companies amounting to EUR 28,724k, which were eliminated as part of the Group consolidation. These consist of EUR 28,036k in intra-Group loans and EUR 688k from intercompany accounts.

EURk	Dec. 31, 2024
Assets	
Current assets	
Cash and cash equivalents	8,239
Receivables from factoring business	24,648
Other current assets	38
Total current assets	**32,925**
Property, plant and equipment	33
Right-of-use assets	295
Total non-current assets	**328**
Total assets	**33,253**

EURk	Dec. 31, 2024
Liabilities	
Current liabilities	
Financial liabilities	10
Lease liabilities	167
Trade payables	2,413
Deferred liabilities	166
Other current liabilities	3,833
Total current liabilities	**6,589**
Non-current liabilities	
Lease liabilities	131
Total non-current liabilities	**131**
Total liabilities	**6,720**

6. Changes in the scope of consolidation

There were no changes in the scope of consolidation during the 2024 financial year.

7. Disclosures on financial instruments

7.1 Additional information on financial instruments

			Valuation according to IFRS 9			
EURk	Measurement category	Carrying amount Dec. 31, 2024	At fair value directly in equity	At fair value through profit or loss	Amortised cost	Valuation according to IFRS 16
Financial assets						
Cash and cash equivalents	AC	974,551			974,551	
Derivative financial instruments with positive fair value without hedging relationship	FVTPL	1,523		1,523		
Derivative financial instruments with positive fair value with hedging relationship	n.a.	16,001	16,001			
Lease receivables	n.a.	6,516,242				6,516,242
Trade receivables	AC	9,706			9,706	
Other investments	FVTOCI	500	500			
Other financial assets						
thereof receivables from factoring business	AC	59,659			59,659	
thereof receivables from lending business	AC	112,359			112,359	
thereof other financial assets	AC	9,270			9,270	
Aggregated categories						
	AC				1,165,545	
	FVTPL			1,523		
	FVTOCI		500			
	n.a.		16,001			6,516,242

EURk	Measurement category	Carrying amount Dec. 31, 2024	Valuation according to IFRS 9 At fair value directly in equity	At fair value through profit or loss	Amortised cost	Valuation according to IFRS 16
Financial liabilities						
Financial debt						
thereof liabilities from the refinancing of lease receivables	AC	4,279,918			4,279,918	
thereof liabilities from deposit business	AC	2,228,500			2,228,500	
thereof bank liabilities	AC	1,190			1,190	
Trade payables	AC	57,373			57,373	
Derivative financial instruments with negative fair value without hedging relationship	FVTPL	4,164		4,164		
Derivative financial instruments with negative fair value with hedging relationship	n.a.	22,010	22,010			
Aggregated categories						
	AC				6,566,981	
	FVTPL			4,164		
	n.a.		22,010			

Abbreviations

FVTPL: Fair value through profit or loss

FVTOCI: Fair value through other comprehensive income

AC: Amortised cost

n.a.: Not applicable / no category according to IFRS 7.8

EURk	Measurement category	Carrying amount Dec. 31, 2023	Valuation according to IFRS 9: At fair value directly in equity	Valuation according to IFRS 9: At fair value through profit or loss	Valuation according to IFRS 9: Amortised cost	Valuation according to IFRS 16
Financial assets						
Cash and cash equivalents	AC	697,202			697,202	
Derivative financial instruments with positive fair value without hedging relationship	FVTPL	3,227		3,227		
Derivative financial instruments with positive fair value with hedging relationship	n.a.	15,464	15,464			
Lease receivables	n.a.	5,699,854				5,699,854
Trade receivables	AC	7,214			7,214	
Other investments	FVTOCI					
Other financial assets						
thereof receivables from factoring business	AC	83,944			83,944	
thereof receivables from lending business	AC	120,374			120,374	
thereof other financial assets	AC	10,917			10,917	
Aggregated categories						
	AC				919,651	
	FVTPL			3,227		
	FVTOCI					
	n.a.		15,464			5,699,854

			Valuation according to IFRS 9			
EURk	**Measurement category**	**Carrying amount Dec. 31, 2023**	**At fair value directly in equity**	**At fair value through profit or loss**	**Amortised cost**	**Valuation according to IFRS 16**
Financial liabilities						
Financial debt						
thereof liabilities from the refinancing of lease receivables	AC	3,801,555			3,801,555	
thereof liabilities from deposit business	AC	1,617,090			1,617,090	
thereof bank liabilities	AC	272			272	
Trade payables	AC	41,680			41,680	
Derivative financial instruments with negative fair value without hedging relationship	FVTPL	3,142		3,142		
Derivative financial instruments with negative fair value with hedging relationship	n.a.	19,174	19,174			
Aggregated categories						
	AC				5,460,597	
	FVTPL			3,142		
	n.a.		19,174			

Abbreviations

FVTPL: Fair value through profit or loss

FVTOCI: Fair value through other comprehensive income

AC: Amortised cost

n.a..: Not applicable / no category according to IFRS 7.8

Net gains and losses as of December 31, 2024

EURk	Currency translation	Interest	Impairment	From disposal	Net profit
Financial assets (at amortised cost)	−10,157	0	−35,669	−94,523	−140,349
At fair value through profit or loss	−3,144	−3,049	0	2,282	−3,911
Financial liabilities (at amortised cost)	4,617	0	0	0	4,617

Net gains and losses as of December 31, 2023

EURk	Currency translation	Interest	Impairment	From disposal	Net profit
Financial assets (at amortised cost)	2,101	0	13,872	−97,468	−81,495
At fair value through profit or loss	−1,257	−4,114	0	−5,568	−10,939
Financial liabilities (at amortised cost)	−8,500	0	0	0	−8,500

Total interest income calculated according to the effective interest method amounted to EUR 9,787k (previous year: EUR 9,112k). Total interest expenses for financial assets and financial liabilities not measured at fair value through profit or loss were EUR 31,505k (previous year: EUR 23,887k). For equity instruments classified as FVTOCI, the profit recognised in other comprehensive income amounted to EUR 500k (previous year: EUR 0k).

Net gains from lease receivables are comprised of interest income, profit from new business and gains / losses from disposals. They amount to EUR 629,057k (previous year: EUR 498,729k). Net gains and losses from financial instruments recognised at fair value through profit and loss include not only the changes in fair value (for forward exchange contracts shown as the effect from the currency translation and interest hedges as interest effect) but also the results from accrued interest and from the early disposal resulting from an early sale.

Financial risk strategy

For qualitative and quantitative information on default, liquidity and market risks, please refer to the combined management report.

7.2 Maturity of financial obligations

The table below shows the maturities of the earliest possible non-discounted contractual cash flows of the financial obligations at the end of the reporting period of the most recent and the previous financial years. Some amounts do not match the amounts shown in the statement of financial position as they relate to undiscounted cash flows.

As of December 31, 2024

EURk	Due on demand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Type of liability					
Refinancing liabilities	0	672,203	1,030,910	3,284,021	53,721
Liabilities from deposit business	169,425	486,386	862,754	702,265	7,670
Bank liabilities	1,190	0	0	0	0
Lease liabilities	0	3,676	9,655	24,157	10,642
Other liabilities	0	67,994	0	0	0
Trade payables	0	57,373	0	0	0
Irrevocable credit commitments	6,968	0	0	0	0
Derivative financial liabilities	0	1,694	4,722	5,624	14,134
Total	**177,583**	**1,289,326**	**1,908,041**	**4,016,067**	**86,167**

As of December 31, 2023

EURk	Due on demand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Type of liability					
Refinancing liabilities	0	425,205	852,975	2,844,258	206,554
Liabilities from deposit business	182,562	111,046	337,716	937,128	48,638
Bank liabilities	272	0	0	0	0
Lease liabilities	0	3,535	9,638	24,020	2,032
Other liabilities	0	60,821	0	0	0
Trade payables	0	41,680	0	0	0
Irrevocable credit commitments	7,360	0	0	0	0
Derivative financial liabilities	0	1,812	3,423	6,334	10,747
Total	**190,194**	**644,099**	**1,203,752**	**3,811,740**	**267,971**

For information on the disclosures on liquidity risk management, please refer to the explanations in the combined management report.

7.3 Derivative financial instruments

7.3.1 Fair value and nominal volume

The nominal volumes and fair values of the derivative financial instruments are shown in the following tables. In accordance with internal guidelines, the nominal volumes of the derivative financial instruments correspond to the volume of the underlying transactions hedged with the derivative financial instruments.

Derivative financial instruments with positive fair value

EURk	Dec. 31, 2024		Dec. 31, 2023	
	Nominal volume	Fair value	Nominal volume	Fair value
Derivative financial instruments with hedging relationship				
Interest rate derivatives	298,821	1,709	503,244	6,020
Cross-currency-swaps	97,822	9,123	98,720	5,063
Foreign currency forward contracts	449,669	5,169	171,416	4,381
Total derivative financial instruments with hedging relationship	**846,312**	**16,001**	**773,380**	**15,464**
Derivative financial instruments without hedging relationship				
Interest rate derivatives	25,513	283	32,234	823
Foreign currency forward contracts	54,402	1,240	57,717	2,404
Total derivative financial instruments without hedging relationship	**79,915**	**1,523**	**89,951**	**3,227**
Total	**926,227**	**17,524**	**863,331**	**18,691**

Derivative financial instruments with negative fair value

EURk	Dec. 31, 2024		Dec. 31, 2023	
	Nominal volume	Fair value	Nominal volume	Fair value
Derivative financial instruments with hedging relationship				
Interest rate derivatives	767,284	5,258	488,185	3,399
Cross-currency swaps	62,354	12,649	63,313	8,773
Foreign currency forward contracts	172,298	4,103	335,363	7,002
Total derivative financial instruments with hedging relationship	**1,001,936**	**22,010**	**886,861**	**19,174**
Derivative financial instruments without hedging relationship				
Interest rate derivatives	50,273	512	22,998	312
Foreign currency forward contracts	73,559	3,652	56,375	2,830
Total derivative financial instruments without hedging relationship	**123,832**	**4,164**	**79,373**	**3,142**
Total	**1,125,768**	**26,174**	**966,234**	**22,316**

7.3.2 Components of the hedging reserve in the consolidated statement of comprehensive income

The following table shows the hedging gains and losses that were recognised in the hedging reserve within the consolidated statement of comprehensive income in the reporting period. The amounts reclassified to the income statement are also shown.

EURk	2024	2023
Profits / losses in the financial year		
Cross-currency swaps	184	−10,855
Foreign currency forward contracts	3,688	−9,091
Interest rate derivatives	−3,896	−10,355
Reclassified to the income statement		
Cross-currency swaps	−4,617	8,500
Foreign currency forward contracts	−2,660	9,430
Total gains / losses recognised in hedging reserve	**−7,301**	**−12,371**

The amounts reclassified are reported under “other operating result” in the item “currency translation differences”. The reclassifications relate, on the one hand, to the change in the fair value of the hedged item. This change would affect profit or loss without the reclassification. On the other hand, the costs of the hedge are reclassified to the income statement on a time-proportion basis. The cumulative change of the hedged bonds in foreign currency (cross-currency swap) amounted to EUR –8,462k. The cumulative change of the hedged foreign currency loans (foreign currency forward contracts) amounted to EUR 4,098k.

7.3.3 Use and measurement

7.3.3.1 Business model

As a small-ticket IT leasing company, the grenke Group offers lease contracts to B2B customers for mobile IT assets, among others. The lease portfolio, i.e. all lease contracts in their entirety, has fixed contractual terms over the duration of each individual contract. Upon conclusion of the contract, both the periodical payments as well as the interest rate used to calculate the payments are set out. Neither of the parties can subsequently amend these terms. The grenke Group only dissolves or agrees to dissolve contracts prematurely (repurchase, exchange option, termination, etc.) if the lessee bears the potential loss (i.e. due to lost interest). Each derivative contract has an underlying economic transaction with a corresponding contrarian risk position. Contracts are only concluded with credit institutions having an investment grade rating. Therefore, and due to the diversification of our contract partners, the maximum credit risk is of minor importance and is limited to the carrying amount. Please refer to the combined management report, and particularly to the risk report and the report on the financial position and net assets, for qualitative and quantitative disclosures regarding default risk, liquidity risk and market risks. Please refer to the notes to the consolidated statement of financial position for more information.

7.3.3.2 Hedging policy

Derivatives are used when, and only when, underlying contracts must be hedged. Underlying contracts are the contractual obligations entered into by the grenke Group in order to achieve its objectives. The Treasury department is not a separate profit centre. The use of derivatives is limited to hedging the profits of the grenke Group to the extent stipulated in the Company’s Articles of Association.

Items are largely hedged in terms of volume or amount, with various instruments being used. The choice of instrument is always a management decision based on the risk profile, i.e. the potential income associated with the risk in question.

7.3.3.3 Measurement

Since the derivatives used are OTC derivatives rather than standardised, listed financial instruments, recognised measurement models are used for calculating fair values. The necessary parameters for measurement, such as interest rates, yield curves and foreign exchange spot and forward rates, can be observed on the market at all times and may be accessed via external sources of information.

7.3.4 Currency risk management

The grenke Group is exposed to currency risks as a result of its international activities and the growing significance of its international markets. Derivatives are used to mitigate or eliminate these risks. Forward exchange contracts were and are used to hedge the cash flows from the refinancing of the international subsidiaries. The grenke Group finances the lease receivables generated by the subsidiaries in the corresponding foreign currencies and receives payments in those currencies over the term of the underlying lease contracts. grenke Bank and GRENKE FINANCE PLC also granted foreign currency loans to subsidiaries. The fair values of the forward exchange contracts are recorded under financial instruments with positive fair value and financial instruments with negative fair value. As of the end of the reporting period, there were asset and liability forward exchange contracts, leading to their disclosure as assets as well as liabilities (see Note 7.3.1). Some of the forward exchange transactions are designated as hedging instruments as defined by IFRS 9.

The following table provides information on the maturity of the nominal volumes and the hedged average rate for the forward exchange transactions with a hedging relationship as defined by IFRS 9:

EURk	Maturity of the nominal volumes as of Dec. 31, 2024			
EUR purchase	**Up to 1 year**	**1 to 5 years**	**More than 5 years**	**Hedged average rate**
AED	3,952	0	-	3.87
AUD	102,601	20,897	-	1.65
CAD	85,807	0	-	1.49
CHF	4,861	0	-	0.93
CLP	42,328	0	-	1,038.73
DKK	32,033	98,430	-	7.42
GBP	53,449	0	-	0.83
PLN	39,629	0	-	4.49
SEK	43,955	78,313	-	11.45
SGD	630	0	-	1.43
USD	4,721	4,482	-	1.11
HUF	1,823	4,056	-	424.34

Cross-currency swaps were used to hedge the foreign currency risk of foreign currency bonds as well as the resulting interest payments. The hedged item is reported under current and non-current financial liabilities (see Note 5.11.3.2). The cross-currency swaps are designated as hedging relationships within the meaning of IFRS 9. The existing cross-currency swaps have proven to be effective.
The changes in fair value were recognised in other comprehensive income. Exchange gains and losses from the translation of the foreign currency bonds at the spot rate as of December 31, 2024 were recognised in the income statement. The corresponding amount of these gains and losses was reversed from other comprehensive income to the income statement in order to offset the gains and losses from the translation of the foreign currency bonds at the spot rate as of December 31, 2024 (see Note 7.3.2).

The following table provides information on the maturity of the nominal volumes, the hedged average rate and the hedged average interest rates (arithmetic mean):

EURk	Maturity of the nominal volumes as of Dec. 31, 2024		
	Up to 1 year	1 to 5 years	More than 5 years
Cross-currency Swaps (EUR : HKD)			
Nominal volume	903	61,343	35,576
Hedged average rate	8.6	8.6	8.6
Average interest rate	0.97%	0.97%	0.97%
Cross-currency Swaps (EUR : JPY)			
Nominal volume	959	61,395	0
Hedged average rate	121.62	121.62	121.62
Average interest rate	1.67%	1.67%	1.67%

For information on exchange rate sensitivity, please refer to the detailed explanations on market price risk in the risk report contained in the combined management report.

7.3.5 Interest rate risk management

The interest rate risk for the grenke Group's operations results mainly from the sensitivity of its financial liabilities to changes in market interest rates. grenke Group endeavours to limit the impact of such risks on interest expense and net interest income by employing appropriate derivatives.

Issuing bonds and contracting interest rate swaps are elements of implementing a financing strategy under which the grenke Group separates refinancing from interest rate hedging in order to obtain maximum flexibility for optimising its refinancing activities. The risks (variable cash flows) which may result are hedged by appropriate interest rate derivatives.

The variable refinancing of the ABCP transaction is economically hedged by the employment of interest rate swaps. From the perspective of the grenke Group, these are payer swaps. A fixed interest rate is exchanged for a floating-rate interest.

Some of the interest rate derivatives are designated as hedging instruments as defined by IFRS 9. For interest rate derivatives with a hedging relationship as defined by IFRS 9, the following table provides information on the maturity of the nominal volumes and the hedged average interest rate:

EURk	Maturity of the nominal volumes as of Dec. 31, 2024		
	Up to 1 year	1 to 5 years	More than 5 years
Interest rate derivatives			
Nominal volume	435,722	346,249	284,134
Average interest rate	3.49%	2.72%	3.44%

For information on sensitivities, please refer to the statements on market price risks, which are explained in detail in the risk report of the combined management report.

7.3.6 Effectiveness of the hedging relationship

IFRS accounting requires documentation and risk assessment when using derivative financial instruments. In particular, the appropriation and the critical term match between the hedged item and the hedging instrument form the basis for a successful hedging relationship in terms of effectiveness. By using derivatives to hedge foreign currency bonds and loans to Consolidated Group companies in foreign currencies, the grenke Group applies hedge accounting in accordance with IFRS 9. The efficiency of hedging relationships required by IFRSs is in line with the grenke Group's intention that only risks from designated underlying transactions are hedged by derivatives and that derivatives are not entered into at any time for speculative reasons.

The effectiveness tests for the individual financial derivatives, insofar as a hedging relationship is accounted for in accordance with IFRS 9, are performed prospectively on the basis of the critical term match method when the hedge is designated for the first time and once annually on a regular basis. The documentation of each hedging relationship describes the underlying transaction, the hedged risk, the hedging relationship, the strategy and the hedging instrument, as well as the effectiveness assessment, and names the contract partner.

Foreign currency cash flows are the basis for the forward currency contracts and cross-currency swaps. These foreign currency cash flows are determined by contractually fixed payment dates in foreign currency. The foreign currency denominated cash flows form the basis for the forward currency contracts and the cross-currency swaps. The hedging can be categorised as highly effective as only the actual cash flows are hedged and never a higher amount. The dates of the funding and the currency hedging coincide to ensure the best possible economic hedge of the cash flow risk.

The hedging relationships between the cross-currency swaps and the foreign currency bonds have proven to be highly effective. The material contractual terms of the hedging instrument and the hedged item match. The hedging relationships between the foreign currency loans to Consolidated Group companies and the forward exchange contracts with a hedging relationship have proven to be highly effective.

For all derivatives for which hedge accounting has been applied, the material contractual terms between the hedged item and the hedging instrument match. The credit risk of the counterparty to the hedging instrument is not dominant so the hedge is prospectively considered to be highly effective.

7.4 Fair value of financial instruments

7.4.1 Fair value of primary financial instruments

The following table presents the carrying amounts and fair values of financial assets and financial liabilities by category of financial instruments that are not measured at fair value. The table does not contain information on the fair value of financial assets and financial liabilities if the carrying amount represents an appropriate approximation to the fair value.

EURk	Fair value Dec. 31, 2024	Carrying amount Dec. 31, 2024	Fair value Dec. 31, 2023	Carrying amount Dec. 31, 2023
Financial assets				
Lease receivables	7,093,264	6,516,242	6,161,352	5,699,854
Other financial assets	185,431	181,288	220,265	215,235
thereof receivables from lending business	116,502	112,359	125,404	120,374
Financial liabilities				
Financial liabilities	6,761,030	6,509,608	5,844,624	5,418,917
thereof refinancing liabilities	4,474,755	4,279,918	4,185,037	3,801,555
thereof liabilities from deposit business	2,285,085	2,228,500	1,659,315	1,617,090

This includes the following line items in the statement of financial position: cash and cash equivalents, trade receivables and trade payables. All primary financial instruments are assigned to Level 2 of the fair value hierarchy except for exchange-listed bonds that are included in refinancing liabilities and assigned to Level 1 of the fair value hierarchy and the other investment that is assigned to Level 3 of the fair value hierarchy.

As of the reporting date, the carrying amount of exchange-listed bonds was EUR 2,625,383k (previous year: EUR 2, 211,718k), and their fair value amounted to EUR 2,660,939k (previous year: EUR 2,431,362k). All primary financial assets are measured at amortised cost (AC), except for lease receivables, which are measured in accordance with IFRS 16, and the other investment, which is allocated to the FVTOCI measurement category, and is therefore measured at fair value. Financial liabilities are also measured at (amortised) cost.

7.4.2 Fair value of derivative financial instruments

At the end of the reporting period, all derivative financial instruments, which include interest rate derivatives (interest rate swaps), forward exchange contracts and cross-currency swaps, are recognised at fair value in the grenke Group.

All derivative financial instruments are assigned to Level 2 of the fair value hierarchy.

EURk	Fair value Dec. 31, 2024	Fair value Dec. 31, 2023
Financial assets		
Derivative financial instruments with hedging relationship		
Interest rate derivatives	1,709	6,020
Cross-currency swaps	9,123	5,063
Forward exchange derivatives	5,169	4,381
Derivative financial instruments without hedging relationship		
Interest rate derivatives	283	823
Forward exchange derivatives	1,240	2,404
Total	**17,524**	**18,691**
Financial liabilities		
Derivative financial instruments with hedging relationship		
Interest rate derivatives	5,258	3,399
Cross-currency swaps	12,649	8,773
Forward exchange derivatives	4,103	7,002
Derivative financial instruments without hedging relationship		
Interest rate derivatives	512	312
Forward exchange derivatives	3,652	2,830
Total	**26,174**	**22,316**

The grenke Group uses OTC ("over-the-counter") derivatives. These are directly concluded with counterparties having at least investment grade status. Thus, there are no quoted market prices available.

Fair values are determined based on valuation models that include observable input parameters. Forward exchange contracts are measured on the basis of a mark-to-market valuation model. The fair value of interest rate derivatives is determined on the basis of the net present value method. The input parameters applied in the valuation models are derived from market quotes. Interest rates with matching maturities in the traded currencies are used for forward exchange contracts, and interest rates are used for interest rate derivatives. To obtain the fair value of such OTC derivatives, the determined amounts are multiplied with the counterparty's credit default swaps (CDSs) with matching maturities that are observable on the market or their own credit risk using what is known as the "add-on method", including the coupons.

7.4.3 Measurement methods and input parameters used

The following table presents the measurement methods used and the input parameters and assumptions applied to determine the fair values:

Category and level	Valuation method	Input factors
Fair value hierarchy Level 1		
Listed bonds	n.a.	In active markets quoted market price as of the reporting date
Fair value hierarchy Level 2		
Other financial assets	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the counterparty's credit risk
Financial liabilities (liabilities refinancing of lease receivables, promissory notes and bank liabilities)	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using own credit risk (debt value adjustment – DVA)
Forward currency contracts / cross-currency swaps	Mark-to-model Present value of estimated future cash flows	Available interest rates at the end of the term in the traded currencies using the own counterparty risk (DVA) or the counterparty's credit risk (credit value adjustment – CVA) derived from available credit default swap (CDS) quotes
Interest rate derivatives	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the own counterparty risk (DVA) or the counterparty's credit risk (CVA) derived from available CDS quotes
Fair value hierarchy Level 3		
Other investments (investment in Finanzchef24 GmbH)	Discounted cash flow model Present value of estimated future cash flows	Business plan of Finanzchef24 GmbH to determine future cash flows; sustainable growth rate of future cash flows; parameters to determine the discount rate (in particular, risk-free interest rate, market risk premium, beta factor, adjustment factors)

The development of the fair value of the investment in Finanzchef24 GmbH, classified in the measurement hierarchy in Level 3, is presented in the following table. The scheduled valuation process for this investment, which is assigned to the fair value through other comprehensive income (FVTOCI) category without recycling, is conducted annually based on the most recent business plan of Finanzchef24 GmbH available as of the reporting date.

EURk	2024	2023
Fair value at start of period (Jan. 1)	0	0
Gains and losses recognised in profit and loss for the period	0	0
Gains and losses recognised in other comprehensive income for the period	500	0
Fair value at end of period (Dec. 31)	500	0

Significant unobservable input factors used in determining the fair value of the investment in Finanzchef24 GmbH included a discount rate (weighted average cost of capital, WACC) ranging between 21.0 and 24.0 percent (previous year: between 27.1 and 32.4 percent) and a sustainable growth rate of future cash flows of 1.0 percent (previous year: 1.0 percent). An increase in the discount rate by 5.0 percentage points (WACC between 26.0 and 29.0 percent) would reduce the fair value to EUR 425k. If the discount rate were to rise by 10.0 percentage points (WACC between 31.0 and 34.0 percent), the fair value of the investment would decline to EUR 313k. A change in the sustainable growth rate within realistic ranges would not result in a significant change in the fair value of the investment in Finanzchef24 GmbH.

7.5 Transfers of financial assets

The following table lists transferred financial assets not derecognised and the corresponding liabilities at their respective carrying amount and fair value for which the contractual right to cash flows from these financial assets was transferred.

EURk	Carrying amount	Carrying amount of corresponding liability	Fair value	Fair value of corresponding liability	Net position
Transferred lease receivables Dec. 31, 2024	**55,880**	**29,981**	**59,822**	**29,930**	**25,899**
From sale of receivable agreements	55,880	29,981	59,822	29,930	25,899
Transferred lease receivables Dec. 31, 2023	**120,619**	**98,927**	**129,340**	**95,716**	**21,692**
From sale of receivable agreements	120,619	98,927	129,340	95,716	21,692

For more information, please see the explanations on sales of receivables agreements under Note 5.11.2.3.

8. Segment reporting

8.1 Change in segment reporting

As a result of the strategic focus on leasing business and the intended divestment of the factoring companies, internal reporting and control were adjusted in line with management's directives. According to the management approach, these changes had a direct impact on segment reporting, prompting its corresponding revision.

The factoring business results did not grow to a material level as planned. As a result, the criteria for classifying this business as a separate segment are no longer met. In addition, the Board of Directors has decided not to pursue factoring business further.

The Bank continues to represent a key pillar of the Group's refinancing mix. Its external operating income is derived from granting development loans to small and medium-sized enterprises (SMEs) and self-employed professionals. These, however, do not constitute a material size for the Consolidated Group, which is the reason the Bank's business is no longer reported as a separate segment.

As of the fourth quarter of 2024, the segment report was transitioned to a geographical structure. This revision ensures better comparability of the leasing business's financial performance across various markets. The previous-year comparison periods have been adjusted to align with the current corporate structure.

8.2 Description of reportable segments

The grenke Group's reporting on the development of its segments is aligned with the dominant organisational structure within the grenke Group, which is based on what is referred to as the management approach.

The segment information serves as a tool for the top decision-maker, the Board of Directors of grenke AG, to evaluate segment performance and make decisions regarding the allocation of resources to the segments.

Based on the differing economic, regulatory and cultural conditions across various markets, the Group's leasing business has been divided into five geographical segments, consistent with the reporting of new business:

- // DACH (Germany, Austria, Switzerland)
- // Western Europe (excluding DACH) (Belgium, France, Luxembourg, Netherlands)
- // Southern Europe (Croatia, Italy, Malta, Portugal, Slovenia, Spain)
- // Northern / Eastern Europe (Czech Republic, Denmark, Finland, Hungary, Ireland, Latvia, Norway, Poland, Romania, Slovakia, Sweden, United Kingdom)
- // Other regions (Australia, Brazil, Canada, Chile, Singapore, Turkey, UAE, USA)

All segments contain all activities related to the grenke Group's operations as a lessor. The service offering encompasses the financing for commercial lessees, the lease, service, protection and maintenance offers, as well as the resale of used equipment.

The grenke Group specialises primarily in small-ticket leasing, where the ticket size is less than EUR 50k. In addition to IT products such as PCs, notebooks, servers, monitors and other peripheral devices, our leasing portfolio includes office communication products such as telecommunications and copying equipment, as well as medical technology products, small machines and equipment, security devices and green economy objects, including wall boxes, photovoltaic systems and eBikes. Virtually all leasing contracts entered into are full amortisation contracts.

The "reconciliation" column includes the operating income and expenses of refinancing and factoring business, as well as the elimination of intercompany transactions between segments.

Separate financial information is available for the operating segments. This includes data from both external and internal accounting.

8.3 Segment data

The accounting principles used to prepare the segment information are in accordance with the accounting policies applied in the consolidated financial statements. Intercompany transactions are carried out at standard market prices.

The grenke AG Board of Directors is the corporate body responsible for assessing the performance of the grenke Group.

The Board of Directors has identified the following key performance indicators: new business growth (total acquisition costs of newly acquired leased assets) and contribution margin 2 (CM2), which measures the future profitability of new business. The performance components for the segments are detailed in the group management report.

The additional performance metrics include external operating income and operating expenses. Operating income consists of net interest income, profit from service business, profit from new business, and gains / losses from disposals. Net interest income, as a key metric, is presented separately and further divided into interest income from financing activities and interest expenses from refinancing. Operating expenses comprise staff costs, selling and administrative costs, as well as depreciation and amortisation. These costs are allocated to the respective segments using internal cost accounting and based on the number of leasing employees in each country. Additionally, the result from the settlement of claims and risk provision is included in the segment result. The items “result from investments accounted for using the equity method”, “result from fair value measurement”, “other interest result” and “income taxes” are part of the consolidated income statement and are not included in the segment result.

The segment assets include the assets required for operations. Segment liabilities correspond to liabilities attributable to the respective segment.

Segment assets and liabilities do not take tax positions into account.

EURk	DACH region	Western Europe (excluding DACH)	Southern Europe	Northern / Eastern Europe	Other regions	Transition	Consolidated Group
January to December 2024							
External operating income	102,685	170,667	132,565	108,580	47,769	13,781	576,047
of which interest income	57,080	97,673	83,241	69,715	33,901	15,127	356,737
of which interest from financing business	109,744	157,858	131,293	111,203	46,050	18,200	574,348
of which expenses from interest on refinancing	–52,664	–60,185	–48,052	–41,488	–12,149	–3,073	–217,611
Operating expenses							
Staff	–42,549	–41,473	–42,571	–42,298	–17,002	–12,316	–198,209
Selling and administrative	–22,255	–22,345	–28,912	–24,839	–12,061	–7,477	–117,889
Depreciation / amortisation	–5,902	–5,165	–5,652	–5,023	–2,228	–951	–24,921
Result from claims settlement and risk provisioning	–11,602	–46,021	–35,590	–27,076	–16,845	6,122	–131,012
Segment result	**20,377**	**55,663**	**19,840**	**9,344**	**–367**	**–841**	**104,016**
Reconciliation to the consolidated income statement							
Impairment of goodwill	0	0	–4,415	0	0	0	–4,415
Other operating result						–9,586	–9,586
OPERATING RESULT							**90,015**
Contribution margin 2 (CM2) in new leasing business	**95,158**	**139,776**	**123,799**	**117,578**	**42,195**	**0**	**518,506**
As of Dec. 31, 2024							
Segment assets	1,839,187	1,995,761	1,698,417	1,344,895	397,834	872,462	8,148,556
of which leasing receivables	1,599,596	1,828,022	1,459,499	1,260,126	368,999	0	6,516,242
Segment liabilities	1,463,104	1,689,141	1,298,398	1,207,388	417,963	725,884	6,801,878

The segment report for the previous year is presented as follows:

EURk	DACH region	Western Europe (excluding DACH)	Southern Europe	Northern / Eastern Europe	Other regions	Transition	Consolidated Group
January to December 2023							
External operating income	102,482	156,130	124,469	87,276	39,450	12,992	522,799
of which interest income	58,798	92,091	85,992	59,920	27,964	13,768	338,533
of which interest from financing business	90,722	127,092	114,982	82,251	34,524	17,841	467,412
of which expenses from interest on refinancing	−31,924	−35,001	−28,991	−22,331	−6,561	−4,071	−128,879
Operating expenses							
Staff	−39,073	−34,945	−38,906	−36,440	−14,787	−11,856	−176,007
Selling and administrative	−20,656	−19,598	−26,831	−21,875	−10,150	−7,355	−106,465
Depreciation / amortisation	−7,032	−4,851	−6,235	−5,082	−2,430	−838	−26,468
Result from claims settlement and risk provisioning	−14,840	−38,905	−5,789	−19,471	−9,769	−2,055	−90,829
Segment result	**20,881**	**57,831**	**46,708**	**4,408**	**2,314**	**−9,112**	**123,030**
Reconciliation to the consolidated income statement							
Impairment of goodwill	0	0	−600	0	0	0	−600
Other operating result						−9,516	−9,516
OPERATING RESULT							**112,914**
Contribution margin 2 (CM2) in new leasing business	**80,861**	**117,428**	**102,470**	**93,691**	**31,862**	**0**	**426,312**
As of Dec. 31, 2023							
Segment assets	1,737,267	1,782,604	1,524,054	1,118,983	327,765	558,546	7,049,219
of which leasing receivables	1,457,948	1,598,470	1,323,981	1,019,832	299,623	0	5,699,854
Segment liabilities	1,317,505	1,468,212	1,162,137	955,904	335,013	429,957	5,668,728

8.4 Information on regional areas

The main geographical areas at country level in which operating income is generated with external customers are Germany, France and Italy. All other countries are summarised in “Other countries”. Operating income and non-current assets are presented for the countries shown.

Operating income includes net interest income and non-interest income, the geographical breakdown of which is based on the customer contracts in the subsidiary’s location. Non-current assets include other intangible assets, property, plant and equipment, rights of use and other assets based on the location of the subsidiary.

EURk	Germany		France		Italy		Other countries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External operating income (January to December)	92,743	99,361	137,799	125,821	78,311	77,912	267,194	219,705	576,047	522,799
Non-current assets (as of December 31)	37,457	35,660	16,176	16,812	5,908	7,612	89,127	78,018	148,668	138,102

The previous year’s figures for external operating income have been adjusted due to the revision of the income statement (see Note 2.3 of the notes to the consolidated financial statements), so that the result from the settlement of claims and risk provisions is no longer included in external operating income.

8.5 Previous segmentation

For continuous comparability throughout the year, the segment report is presented in its previous form for the last time in the annual report. The background for the transition is explained in Note 8.1.

EURk	Leasing segment		Banking segment		Factoring segment		Consolidation & other		Consolidated Group	
January to December*	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Operating income										
External operating income (including claims settlement and risk provisioning)	424,922	421,604	12,798	8,314	7,315	2,052	0	0	445,035	431,970
Internal operating income	–29,315	–29,130	31,265	32,268	–1,950	–3,138	0	0	0	0
Total operating income	**395,607**	**392,474**	**44,063**	**40,582**	**5,365**	**–1,086**	**0**	**0**	**445,035**	**431,970**
thereof non-cash items	44,267	–6,941	–7,847	–13,970	–751	7,039	0	0	35,669	–13,872
Non-interest expenses										
Staff costs	–181,611	–160,549	–9,923	–9,040	–6,675	–6,418	0	0	–198,209	–176,007
Depreciation / amortisation and impairment	–28,243	–26,285	–1,176	–835	–739	–673	822	725	–29,336	–27,068
Selling and administrative expenses	–224,518	–94,376	–11,287	–11,636	–4,017	–3,851	121,933	3,398	–117,889	–106,465
Other operating income (+) and expenses (–)	112,453	–4,341	908	–1,205	533	657	–123,480	–4,627	–9,586	–9,516
Segment result	**73,688**	**106,923**	**22,585**	**17,866**	**–5,533**	**–11,371**	**–725**	**–504**	**90,015**	**112,914**
Result from companies accounted for using the equity method	–462	–216	0	0	0	0	0	0	–462	–216
Other financial result							–151	–2,295	–151	–2,295
Group earnings before taxes	**73,226**	**106,707**	**22,585**	**17,866**	**–5,533**	**–11,371**	**–876**	**–2,799**	**89,402**	**110,403**
As of December 31										
Segment assets	**7,381,592**	**6,515,993**	**2,715,361**	**2,074,496**	**105,863**	**108,859**	**–2,054,260**	**–1,650,129**	**8,148,556**	**7,049,219**
thereof investments accounted for using the equity method	2,444	2,906	0	0	0	0	0	0	2,444	2,906
Segment liabilities	**6,051,442**	**5,344,093**	**2,421,962**	**1,780,805**	**98,772**	**111,124**	**–1,770,298**	**–1,567,294**	**6,801,878**	**5,668,728**

** Income is shown as positive, expenses as negative.*

9. Other disclosures

9.1 Capital management

9.1.1 Economic capital

The primary goal of the grenke Group's capital management is to ensure that its credit rating is maintained in order to support its operations and safeguard liquidity, as well as to maintain risk-bearing capacity at all times within the requirements placed on the Consolidated Group by the Minimum Requirements for Risk Management.

The grenke Group monitors its capital, among other things, using the equity ratio, i.e. the ratio of its equity according to the statement of financial position to total assets. In accordance with the Consolidated Group guidelines, we aim for an equity ratio of a minimum of 16 percent, as in the previous year. In addition, the Consolidated Group's determination of maximum risk-bearing capacity and its risk-limiting system through the limiting of risk positions, the safeguarding and monitoring of economic capital is guaranteed.

9.1.2 Regulatory capital

As a financial services provider and parent company of the banking group, grenke AG must meet the equity requirements of banking groups under Section 10a KWG in conjunction with Section 25ff of EU Regulation No. 575/2013 (Capital Requirement Regulation – CRR).

The regulatory scope of the consolidated companies of grenke AG is determined by the Consolidated Group's scope of consolidation. The solvency of the banking group is also measured based on the affiliation with the Consolidated Group. Equity is calculated in the context of the CoRep reporting (Common Solvency Ratio Reporting) under Section 72ff CRR.

For the presentation of equity, please refer to the combined management report. The return on capital in accordance with Section 26a (1) Sentence 4 KWG is 0.9 percent.

9.2 Contingent liabilities and other financial obligations

Irrevocable credit commitments from loan business amounted to EUR 6,968k (previous year: EUR 7,360k) and included unutilised limited overdrafts and unutilised loan commitments for the risk concentration country of Germany. This amount also represents the maximal credit risk.

The Company has financial obligations related to rent, building maintenance and lease contracts. Lease contracts for leased branch offices and company vehicles are generally recognised as rights of use and lease liabilities in the statement of financial position.

The following table contains other financial obligations that were not recognised as lease liabilities under IFRS 16 because the underlying contracts did not contain a lease as defined by IFRS 16 or the exemptions were utilised for short-term leases and low-value leases. The presentation also includes obligations from leases that the grenke Group had already entered into as a lessee as of the reporting date but have not yet started.

EURk	Dec. 31, 2024	Dec. 31, 2023
Rent, maintenance and lease obligations not recognised as lease liabilities in statement of financial position		
Due in subsequent year	7,628	7,061
Due in 1 to 5 years	5,134	6,060
Due after 5 years	0	1,859
Total	**12,762**	**14,980**

Under three agreements on the sale of receivables of grenke Investitionen Verwaltungs KGaA to secure all receivables of the holding company (grenke Investitionen Verwaltungs KGaA) from the operating company, the operating company (grenke AG) assigns to the holding company the following from lease contracts with end lessees (sublease contract) for leasing assets which are the subject of a purchase agreement between the operating company and the holding company:

All receivables, claims and rights arising from these sublease contracts, including any claims from extended leases following the expiry of the original lease term, any claims for compensation payments, residual values and payment of a purchase price from the sale of the respective lease asset. Claims from credit and property insurance from the sublease contract are also assigned, as are any claims from repurchase obligations on the part of suppliers of lease assets or of third parties. The buyer of the receivables acquires the equitable lien on the lease assets underlying the receivables purchase agreement.

With the notice of July 27, 2009, grenke AG submitted a Letter of Commitment in accordance with Section 5 (10) of the Statute of the Deposit Protection Fund to the Association of German Banks (Bundesverband deutscher Banken e.V.). With this notification, grenke AG has waived any claim against the Association of German Banks that would be in favour of grenke Bank AG.

grenke AG issued a letter of comfort as of the December 31, 2024 reporting date for the following entities:

// GC Factoring Ireland Limited, Ireland
// GRENKELEASING Sp. z o.o., Poland
// GRENKELEASING AB, Sweden
// GC Faktoring Polska Sp. z. o.o., Poland
// GRENKE LEASE SRL, Belgium
// GRENKELEASING ApS, Denmark
// Grenkeleasing Oy, Finland
// GRENKELEASING s.r.o., Czechia
// GRENKE Renting Ltd., Malta
// GC Leasing Middle East FZCO, United Arab Emirates (UAE)
// GC LEASING SYDNEY PTY LTD, Australia
// GC LEASING MELBOURNE PTY LTD, Australia
// GC Lease Singapore Pte. Ltd., Singapore
// GC Factoring Limited, United Kingdom
// GRENKE Investitionen Verwaltungs KGaA, Germany
// GRENKEFACTORING GmbH, Germany

The purpose of the letter of comfort provided by grenke AG for grenke Investitionen Verwaltungs Kommanditgesellschaft auf Aktien and GRENKEFACTORING GmbH is the use of the waiver rule pursuant to Section 2a (1) KWG in conjunction with Article 7 CRR and with Section 2a (5) KWG by the respective subsidiary.

9.3 Tax audits

In April 2018, an audit order was issued for grenke Bank AG for the period from January 2011 to December 2014. In February 2021, a further audit order was issued for grenke Bank AG for the period from January 2015 to December 2020. The external tax audits related to insurance tax. As of the reporting date, the findings are available in the form of notices. As the facts are disputed and grenke takes a different position vis-à-vis the tax authorities, objections were lodged in due form in a timely manner and a suspension of enforcement was applied for and granted accordingly. Appeal decisions had not yet been made as of the reporting date. The most probable value was recognised as a tax provision for the valuation of the uncertain tax items from the disputed facts. On November 5, 2024, an audit order was issued for grenke Bank AG covering the years 2020 to 2023.

In July 2018, an audit order was issued for grenke AG for the period from January 2012 to December 2017. In February 2021, another audit order was issued for grenke AG covering the period from January 2018 to December 2020. These external audits pertain to insurance tax. As of the reporting date, findings have been issued in the form of tax assessments. Since the matter is disputed and grenke holds a differing position from the tax authorities, formal and timely objections have been filed, and a suspension of enforcement has been requested. The suspension of enforcement has been granted accordingly. No decisions on the objections have been issued as of the reporting date.

The tax audit for grenke AG and its tax group companies covering the years 2015 to 2019, which began in 2020, has not yet been completed as of the reporting date. The tax audit reports are expected in the summer of 2025. Accordingly, no final tax assessments have been issued yet. A tax provision has been recognised based on the most probable amount. For grenke AG as the controlling entity of the tax group, an audit order covering the years 2020 to 2023 was issued on November 7, 2024.

Additionally, the tax audit and related legal proceedings initiated in the previous year in Italy have been partially concluded. However, certain matters remain disputed, where grenke holds a differing position from the tax authorities and has filed the necessary legal remedies. For the tax audits in France covering the years 2018 to 2022, findings have been issued in the form of tax assessments as of the reporting date. Since the matter is disputed and grenke holds a differing position from the tax authorities, formal and timely objections have been filed. To the extent that uncertain tax positions from disputed matters need to be assessed, these have been reflected in the consolidated financial statements at the most probable values.

9.4 Consulting and audit fees

The expenses related to the audit fee are comprised as follows:

EURk	2024	2023
Audit services	1,924	1,603
Other assurance services	199	144
TOTAL	**2,123**	**1,747**

In the 2024 financial year, expenses related to previous periods amounted to EUR 16k (previous year: EUR 326k) in connection with the 2023 audit.

9.5 Related party disclosures

Third parties are considered to be related when one party controls grenke AG, has joint control over grenke AG, or has the power to exercise considerable influence over its business or operating decisions. Related parties of the grenke Group include persons in key positions and persons closely related to them, and entities controlled by these persons, subsidiaries and associated companies of grenke AG, as well as entities that exercise considerable influence. In the case of their interim entry or exit during the year, the transactions are shown as of or up to this point in time.

Transactions with associated companies and subsidiaries

Transactions of grenke AG with its subsidiaries are related party transactions. In the event that the transaction is eliminated in the course of consolidation, no disclosure is required. Transactions of the grenke Group with associated companies are to be disclosed as related party transactions.

As of December 31, 2024, a receivable of EUR 769k (previous year: EUR 0k) existed from an associated company due to a convertible loan, including accrued interest as of the reporting date. This resulted in interest income of EUR 15k (previous year: EUR 0k) during the financial year. Additionally, commission payments to associated companies led to expenses of EUR 36k (previous year: EUR 0k). There were no reportable transactions with subsidiaries as of December 31, 2024 or as of December 31, 2023.

Transactions with persons in key positions

Persons in key positions are persons who have direct or indirect authority and responsibility for planning, directing and overseeing the activities of the grenke Group. Persons in key positions were exclusively sitting members of the Board of Directors and Supervisory Board of grenke AG and persons closely related to them such as family members.

In the course of its ordinary business activities, grenke Bank AG provides services to persons in key positions and persons closely related to them. As of the reporting date, grenke Bank AG received deposits and credit balances on current accounts of EUR 135k (previous year: EUR 130k) from persons in key positions and persons closely related to them. The related interest expense in the financial year amounted to EUR 3k (previous year: EUR 0k).

Board of Directors

The following table presents the total remuneration of the members of the Board of Directors in accordance with Section 314 (1) No. 6 HGB and IAS 24.17. A detailed description of the basic features of the remuneration system for the members of the Board of Directors and the Supervisory Board and an individualised presentation of the remuneration in accordance with the provisions of German Accounting Standard (GAS) 17 are presented in the remuneration report (www.grenke.com/investor-relations/reports-and-presentations/). Short-term benefits include, among other things, customary benefits in kind.

EURk	2024	2023
Short-term benefits	2,118	1,898
Pension benefits	55	46
Other long-term benefits	0	0
Termination benefits	110	635
Share-based remuneration	0	271
TOTAL	**2,283**	**2,850**

Supervisory Board

The remuneration (including fringe benefits) of the Supervisory Board of grenke AG at Consolidated Group level totalled EUR 628k (previous year: EUR 619k). Remuneration for Supervisory Board activities is set out in grenke AG's Articles of Association. The remuneration is categorised as a short-term benefit in accordance with IAS 24.17.

Transactions with other related parties

Other related parties include subsidiaries and joint ventures of persons in key positions and persons closely related to them. Other related parties include persons who have been declared as related parties due to the economic content of the relationship in accordance with IAS 24.10.

Liabilities to other related companies arise from deposit business with grenke Bank AG and current account balances. As of the reporting date, receivables from current accounts, including related interest receivables, amounted to EUR 856k (previous year: EUR 830k), with a current account limit of EUR 840k (previous year: EUR 840k). Interest income of EUR 33k (previous year: EUR 32k) was recorded. Income from other related parties totalled EUR 2k (previous year: EUR 4k) and stemmed from lease agreements and employee loans. Receivables from other related parties and companies, primarily consisting of collateral payments to related companies and parties, stood at EUR 3,988k as of December 31, 2024 (previous year: EUR 3,986k).

9.6 Board of Directors and Supervisory Board

The Board of Directors of grenke AG consisted of the following members in the 2024 financial year:

// Dr Sebastian Hirsch, CEO, Sinzheim, Germany
// Gilles Christ, MBA, Wissembourg, France
// Isabel Rösler, Graduate in Business Administration (BA), Stuttgart, Germany (until December 31, 2024)
// Dr Martin Paal, Graduate in Business Administration, Oberursel (Taunus), Germany (since July 1, 2024)

Members of the Board of Directors represent grenke AG together with another member of the Board of Directors or an authorised signatory. Memberships of Board members on other statutory supervisory boards or comparable domestic and international supervisory bodies are listed below:

Dr Martin Paal is a member of the Supervisory Board of grenke Bank AG.

In accordance with the Articles of Association, the Supervisory Board of grenke AG consists of six members. In the 2024 financial year, the Supervisory Board comprised the following members:

// Jens Rönnberg, Mainz, Germany, Chair, independent auditor / tax advisor, Managing Director of Roennberg UG (limited liability), Mainz, Germany
// Dr Konstantin Nikolaus Maria Mettenheimer, Königstein, Germany, Deputy Chair (until April 30, 2024), lawyer and tax advisor, Executive Chair of the Board of Directors of PMB Capital Limited, London, United Kingdom
// Moritz David Grenke, Baden-Baden, Germany, Deputy Chair (since April 30, 2024), University Graduate in Statistics
// Norbert Freisleben, Unterschleißheim, Germany, graduate economist and Certified Public Accountant (CPA), Karl Häge Verwaltungs GmbH, Langenau
// Nils Kröber, Neuss, Germany, lawyer, Managing Director of DeaDia Ventures GmbH, Cologne
// Dr Ljiljana Mitic, Munich, Germany, independent management consultant
// Manfred Piontke, Eppstein, Germany (since April 30, 2024), Managing Director of MPPM Manfred Piontke Portfolio Management GmbH, Eppstein

The term of office for Dr Ljiljana Mitic ceases at the end of the Annual General Meeting that decides on her discharge for the 2028 financial year. The term of office of Moritz David Grenke ceases at the end of the Annual General Meeting that decides on his discharge for the 2025 financial year, and the terms of office of Jens Rönnberg, Norbert Freisleben and Manfred

Piontke cease at the end of the Annual General Meeting that decides on their discharge for the 2026 financial year. The term of office of Nils Kröber ceases at the end of the Annual General Meeting that decides on his discharge for the 2027 financial year.

Memberships on other statutory supervisory boards and membership on comparable domestic and international supervisory bodies are listed below:

Jens Rönnberg is Deputy Chair of the Supervisory Board of grenke Bank AG, Baden-Baden.

Norbert Freisleben is Chair of the Supervisory Board of GANÉ AG, Aschaffenburg, and Chair of the Supervisory Board of GANÉ Investment AG, Frankfurt am Main.

Dr Ljiljana Mitic is a Non-Executive Director of Computacenter plc, London, United Kingdom, and Chair of the Supervisory Board of grenke Bank AG, Baden-Baden.

Moritz David Grenke is a member of the Supervisory Board of grenke Bank AG, Baden-Baden.

9.7 Disclosures on notifications pursuant to Section 33 (1) WpHG

As part of our investor relations work, we provide comprehensive information on developments in the Company. grenke also makes extensive use of the Internet for reporting purposes; the voting rights notifications are published at www.grenke.com/investor-relations/grenke-share/voting-rights in accordance with Section 40 of the German Securities Trading Act (WpHG).

On December 24, 2024, Grenke Beteiligung GmbH & Co. KG signed a control termination agreement with grenke AG. Under this agreement, Grenke Beteiligung GmbH & Co. KG undertakes in relation to grenke AG to always exercise the voting rights from the shares in grenke AG that are currently or in the future directly or indirectly attributable to it under Section 16 (4) AktG in resolutions concerning the matters specified in the agreement in such a manner that the number of votes cast will always be 3.5 percent less than the number of voting shares held by the other shareholders participating in the Annual General Meeting and entitled to vote on the respective resolution (including shares for which postal votes have been received) (maximum voting rights).

The following table shows the notifiable shareholdings as of the reporting date. The information relates in each case to the last notification received from a reporting party.

Notifier	Date of notification	Threshold	Threshold exceeded or fallen below	Date threshold exceeded or fallen below	Share in percent	Share of voting rights	Attribution to WpHG
Norman Rentrop	April 5, 2024	3%	Fallen below	April 4, 2024	2.86%	1,328,781	Section 33, 34
grenke AG[1]	July 29, 2024	3%	Exceeded	July 26, 2024	3.01%	0[1]	Section 33, 34
GANÉ Investment AG mit Teilgesellschaftsvermögen (sub funds)	September 11, 2024	3%	Exceeded	September 6, 2024	3.04%	1,415,000	Section 33, 34
GRENKE-Stiftung Verwaltungs GmbH, Baden-Baden, Germany[2]	December 27, 2024	5%	Fallen below	December 20, 2024	3.03%	1,408,500	Section 33, 34

[1] *Acquisition of own shares (without voting rights) as part of the share buyback programme*

[2] *GRENKE-Stiftung Verwaltungs GmbH acts as the trustee for the dependent (unincorporated) GRENKE-Stiftung, Baden-Baden, Germany. In early January 2024, GRENKE-Stiftung Verwaltungs GmbH announced that, as of December 29, 2023, it held 3,328,500 voting rights in grenke AG, representing 7.16% of the total voting rights. This increase resulted from the acquisition of an additional 1,920,000 shares through a securities loan. At the end of December 2024, grenke AG was informed by GRENKE-Stiftung Verwaltungs GmbH that it had reduced its voting rights stake. Following the termination of the securities loan and the return of the borrowed shares, its holdings decreased to 1,408,500 shares, representing 3.03% of the total voting rights as of December 20, 2024.*

9.8 Events after the reporting date
On January 20, 2025, a portion of the AT1 bonds issued on July 22, 2015 (with additional issuances on December 20, 2016), September 27, 2017 and December 5, 2019 were redeemed early for a total nominal amount of EUR 103.0 million. The repurchase was financed through the issuance of a new AT1 bond on January 16, 2025, with a nominal volume of EUR 200.0 million. On February 21, 2025, grenke AG announced that it would repay the outstanding nominal volume of the AT1 bonds issued on July 22, 2015, with additional issuances on December 20, 2016 and September 27, 2017, totalling EUR 80.2 million. The repayment will take place on March 31, 2025, including accrued interest. Both AT1 bonds will thus be fully repaid.

In addition, the ABCP programme “CORAL PURCHASING (IRELAND) 2 DAC” was increased from a previous volume of EUR 167.0 million to EUR 175.0 million, effective February 20, 2025.

On January 28, 2025, grenke AG entered into a strategic partnership with INTESA SANPAOLO S.p.A. (ISP), one of Italy’s largest banks, for the Italian operating lease market. Under the agreement, Intesa Sanpaolo Rent ForYou S.p.A. (RFY), a subsidiary of ISP, will be fully integrated into grenke Locazione S.r.l., grenke AG’s Italian subsidiary, by mid-2025. In return, ISP will receive a 17 percent stake in the capital of grenke Locazione. The partnership is still subject to the approval of the relevant authorities. The completion of the transaction is expected by the end of the first quarter of 2025.

There were no other significant events after the reporting date.

9.9 Declaration pursuant to Section 161 AktG
The Board of Directors and the Supervisory Board of grenke AG issued the declaration pursuant to Section 161 AktG and made it permanently available to shareholders on the Company’s website at www.grenke.com/en/investor-relations/corporate-governance/.

10. Overview of the grenke Group's schedule of shareholdings pursuant to Section 313 (2) HGB

	Registered office	Equity interest Dec. 31, 2024 in %[1]
Germany		
GRENKE Service GmbH	Baden-Baden	100
Grenke Investitionen Verwaltungs Kommanditgesellschaft auf Aktien	Baden-Baden	100
GRENKE BANK AG	Baden-Baden	100
GRENKEFACTORING GmbH	Baden-Baden	100
GRENKE BUSINESS SOLUTIONS GmbH & Co. KG	Baden-Baden	100
GRENKE digital GmbH	Karlsruhe	100
International		
GRENKELEASING s.r.o.	Prague/Czech Republic	100
GRENKE ALQUILER S.L.	Barcelona/Spain	100
Grenkefinance N.V.	Vianen/Netherlands	100
GRENKE RENT S.L.	Madrid/Spain	100
GRENKELEASING AG	Zurich/Switzerland	100
GRENKELEASING GmbH	Vienna/Austria	100
GRENKELEASING ApS	Herlev/Denmark	100
GRENKE LIMITED	Dublin/Ireland	100
GRENKE FINANCE PLC	Dublin/Ireland	100
GRENKE LOCATION SAS	Schiltigheim/France	100
GRENKE Locazione S.r.l.	Milan/Italy	100
GRENKELEASING AB	Stockholm/Sweden	100
GRENKE LEASE SRL	Brussels/Belgium	100
GRENKE LEASING LIMITED	Guildford/United Kingdom	100
GRENKELEASING Sp.z o.o.	Poznan/Poland	100
Grenkeleasing Magyarország Kft.	Budapest/Hungary	100
Grenke Renting S.R.L	Bucharest/Romania	100
GRENKE RENTING S.A.	Lisbon/Portugal	100
GRENKELEASING s.r.o.	Bratislava/Slovakia	100
Grenkeleasing Oy	Vantaa/Finland	100
GRENKELOCATION SARL	Munsbach/Luxembourg	100

	Registered office	Equity interest Dec. 31, 2024 in %[1]
GRENKEFACTORING AG	Basel/Switzerland	100
GRENKELEASING d.o.o.	Ljubljana/Slovenia	100
GRENKE Kiralama Ltd. Şti.	Istanbul/Turkey	100
GRENKE Renting Ltd.	Sliema/Malta	100
GC Locação de Equipamentos LTDA	São Paulo/Brazil	100
GC Leasing Middle East FZCO	Dubai/UAE	100
GRENKE Hrvatska d.o.o.	Zagreb/Croatia	100
GC LEASING MELBOURNE PTY LTD	Melbourne/Australia	100
GC LEASING SYDNEY PTY LTD	Sydney/Australia	100
GC Factoring Ireland Limited	Dublin/Ireland	100
GC Faktoring Polska Sp.z.o.o.	Poznan/Poland	100
GC Lease Singapore Pte. Ltd.	Singapore/Singapore	100
GF Faktor Zrt.	Budapest/Hungary	100
GC Factoring Limited	London/United Kingdom	100
GRENKE LEASING IL LLC	Chicago/USA	100
GC Leasing AZ LLC	Phoenix/USA	58
Subsidiaries operating within the framework of the franchise system		
GC Crédit-Bail Québec Inc.	Montréal/Canada	0[2]
GC Leasing Ontario Inc.	Toronto/Canada	0[2]
GL Leasing British Columbia Inc.	Vancouver/Canada	0[2]
GC Rent Chile SpA	Santiago de Chile/Chile	0[2]
SIA GC Leasing Baltic	Riga/Latvia	0[2]
Structured Entities		
FCT "GK"-COMPARTMENT "G2"	Saint-Denis/France	100[2]
FCT "GK"-COMPARTMENT "G4"	Saint-Denis/France	100[2]
FCT "GK"-COMPARTMENT "G5"	Saint-Denis/France	100[2]
Elektra Purchase No 25 DAC	Dublin/Ireland	0[2]
Opusalpha Purchaser II Limited	Dublin/Ireland	0[2]
Kebnekaise Funding Limited	St. Helier/Jersey	0[2]
CORAL PURCHASING (IRELAND) 2 DAC	Dublin/Ireland	0[2]
SILVER BIRCH FUNDING DAC	Dublin/Ireland	0[2]

	Registered office	Equity interest Dec. 31, 2024 in %[1]
Associated entities		
Miete24 P4Y GmbH	Velten/Germany	25,96[3]

	Registered office	Equity interest Dec. 31, 2024 in %	Net profit in EURk	Equity in EURk
Other investments				
Finanzchef24 GmbH	Munich/ Germany	13.71	150[4]	– 1.925[4]

[1] *Control is based on a majority of voting rights unless otherwise stated.*

[2] *Control is based on contractual agreements to steer main business activities.*

[3] *Significant influence is based on contractual agreements and/or legal circumstances.*

[4] *Figures are according to most recently available financial statements (under local GAAP).*

Country-by-Country Reporting 2024

Foreword

In accordance with Article 89 of the 2013/36/EU Directive (CRD IV), which was transposed into German law in the form of Section 26a KWG in conjunction with Section 64r (15) Sentence 1 KWG, the grenke AG Consolidated Group ("the grenke Group") is required to provide a county-by-country breakdown of information on the company names, type of business activity, geographic location, revenue, number of employees in full-time equivalents, profit or loss before taxes, taxes on profit or loss and public subsidies received.

Disclosures

In this report, the grenke Group is publishing the required disclosures as of December 31, 2024. This includes the disclosures required as of the reporting date for all companies included in the scope of consolidation in the context of full consolidation under commercial law, which is identical to the regulatory scope of consolidation. The geographic allocation is based on the legal domicile of the companies.

The management and actions of the grenke Group are based on the standards of the German Corporate Governance Code. Additional principles of proper management of the Consolidated Group are set out in detail in the annual financial report.

Leasing business forms the core area of the grenke Group and includes all activities related to the Consolidated Group's leasing operations. The range of services includes financing for commercial lessees, rental, service, protection and maintenance offerings, as well as the remarketing of used equipment. The Consolidated Group primarily focuses on small-ticket leasing of IT and office communication products. Other areas of minor importance include refinancing and other activities. Refinancing business comprises subsidiaries as well as securitisation companies, consolidated under regulatory and commercial law without capital participation, enabling the Consolidated Group to utilise a wide range of refinancing instruments. The other activities include factoring and IT services.

The definition of revenue is based on the following items on the income statement in accordance with IFRS:

// Net interest income, excluding the settlement of claims and risk provision
// Profit from service business
// Profit from new business
// Gains (+) and losses (–) from disposals
// Other operating income, including intra-Group income
// Other interest result, including intra-Group interest result

Reporting

The following overview lists all domestic and international companies, including the company name, registered office and type of business activity in accordance with Section 26a (1) Sentence 2 Point 1 KWG.

Country	Entity	Registered office	Business activity / segment
EU countries			
Belgium	GRENKE LEASE SRL	Brussels	Leasing
Denmark	GRENKELEASING ApS	Herlev	Leasing
Germany	GRENKE BANK AG	Baden-Baden	Refinancing
	GRENKEFACTORING GmbH	Baden-Baden	Other
	GRENKE Investitionen Verwaltungs Kommanditgesellschaft auf Aktien	Baden-Baden	Leasing
	GRENKE AG	Baden-Baden	Leasing
	GRENKE Service GmbH	Baden-Baden	Leasing
	GRENKE digital GmbH	Karlsruhe	Other
	GRENKE BUSINESS SOLUTIONS GmbH & Co. KG	Baden-Baden	Leasing
Finland	Grenkeleasing Oy	Vantaa	Leasing
France	GRENKE LOCATION SAS	Schiltigheim	Leasing
	FCT „GK“-COMPARTMENT „G2“	Saint-Denis	Refinancing
	FCT „GK“-COMPARTMENT „G4“	Saint-Denis	Refinancing
	FCT „GK“-COMPARTMENT „G5“	Saint-Denis	Refinancing
Ireland	GRENKE LIMITED	Dublin	Leasing
	GRENKE FINANCE PLC	Dublin	Refinancing
	GC Factoring Ireland Limited	Dublin	Other
	Elektra Purchase No 25 DAC	Dublin	Refinancing
	Opusalpha Purchaser II Limited	Dublin	Refinancing
	CORAL PURCHASING (IRELAND) 2 DAC	Dublin	Refinancing
	SILVER BIRCH FUNDING DAC	Dublin	Refinancing
Italy	GRENKE Locazione S.r.l.	Milan	Leasing
	GRENKE BANK AG Branch Italy	Milan	Other
Croatia	GRENKE Hrvatska d.o.o.	Zagreb	Leasing
Latvia	SIA GC Leasing Baltic	Riga	Leasing
Luxembourg	GRENKELOCATION SARL	Munsbach	Leasing
Malta	GRENKE Renting Ltd.	Sliema	Leasing
Netherlands	Grenkefinance N.V.	Vianen	Leasing
Austria	GRENKELEASING GmbH	Vienna	Leasing
Poland	GRENKELEASING Sp.z o.o.	Poznan	Leasing
	GC Faktoring Polska Sp.z o.o.	Poznan	Other
Portugal	GRENKE RENTING S.A.	Lisbon	Leasing
	GRENKE BANK AG – Sucursal em Portugal	Lisbon	Other
Romania	Grenke Renting S.R.L.	Bucharest	Leasing
Sweden	GRENKELEASING AB	Stockholm	Leasing
Slovakia	GRENKELEASING s.r.o.	Bratislava	Leasing
Slovenia	GRENKELEASING d.o.o.	Ljubljana	Leasing
Spain	GRENKE ALQUILER S.L.	Barcelona	Leasing
	GRENKE RENT S.L.	Madrid	Leasing
Czech Republic	GRENKELEASING s.r.o.	Prague	Leasing
Hungary	Grenkeleasing Magyarország Kft.	Budapest	Leasing
	GF Faktor Zrt.	Budapest	Other
Third countries			
Australia	GC LEASING MELBOURNE PTY LTD	Melbourne	Leasing
	GC LEASING SYDNEY PTY LTD	Sydney	Leasing
Brazil	GC Locação de Equipamentos LTDA	São Paulo	Leasing
Chile	GC Rent Chile SpA	Santiago de Chile	Leasing
Jersey	Kebnekaise Funding Limited	St. Helier	Refinancing
Canada	GC Crédit-Bail Québec Inc.	Montréal	Leasing
	GC Leasing Ontario Inc.	Toronto	Leasing
	GL Leasing British Columbia Inc.	Vancouver	Leasing
Norway	GRENKE BANK AG BRANCH NORWAY	Lysaker	Leasing
Switzerland	GRENKELEASING AG	Zurich	Leasing
	GRENKEFACTORING AG	Basel	Other
Singapore	GC Lease Singapore Pte. Ltd.	Singapore	Leasing
Turkey	GRENKE Kiralama Ltd. Şti.	Istanbul	Leasing
United Arab Emirates	GC Leasing Middle East FZCO	Dubai	Leasing
United Kingdom	GRENKE LEASING LIMITED	Guildford	Leasing
	GC Factoring Limited	London	Other
United States of America	GRENKE LEASING IL LLC	Illinois	Leasing
	GC Leasing AZ LLC	Phoenix	Leasing

Country-specific disclosures pursuant to Section 26a (1) Sentence 2 Points 2–6 KWG follow below. Disclosures are provided on a country-by-country basis according to the IFRS conversion and before inter-Group transfers.

Country	Number of employees (full-time equivalents[1])	Revenues (EUR millions)	Earnings before taxes (EUR millions)	Income taxes (EUR millions)[2]	Public subsidies received (EUR millions)
EU countries					
Belgium	31	17.8	0.7	−0.6	0
Denmark	31	5.3	−5.7	0.0	0
Germany	939	248.4	−7.5	25.5	0
Finland	62	10.9	0.9	0.1	0
France	226	93.5	38.5	10.5	0
Ireland	60	248.9	31.9	2.2	0
Italy	197	78.8	32.3	−27.3	0
Croatia	22	3.7	1.5	0.4	0
Latvia	8	1.6	0.6	0.1	0
Luxembourg	5	0.9	0.1	0.0	0
Malta	4	0.1	−0.4	0.0	0
Netherlands	42	6.6	−0.5	0.0	0
Austria	25	12.7	2.1	1.1	0
Poland	51	4.1	−3.5	0.0	0
Portugal	68	11.6	3.6	0.8	0
Romania	30	3.3	0.4	0.1	0
Sweden	29	6.8	−2.4	0.0	0
Slovakia	9	0.9	−0.7	−0.1	0
Slovenia	10	1.0	0.0	0.0	0
Spain	91	21.1	3.1	1.4	0
Czech Republic	8	0.9	−0.3	0.2	0
Hungary	22	3.0	−0.1	0.1	0

Country	Number of employees (full-time equivalents[1])	Revenues (EUR millions)	Earnings before taxes (EUR millions)	Income taxes (EUR millions)[2]	Public subsidies received (EUR millions)
EU countries					
Third countries					
Australia	29	5.7	−3.2	0.0	0
Brazil	48	12.1	0.2	0.7	0
Chile	16	3.3	−1.2	0.0	0
Jersey		16.6	0.0	0.0	0
Canada	17	2.6	−4.6	0.1	0
Norway	6	4.7	3.2	0.0	0
Switzerland	38	12.1	−2.0	0.2	0
Singapore	3	0.0	−0.3	0.0	0
Turkey	4	0.6	−2.4	−0.5	0
United Arab Emirates	15	4.3	0.6	0.0	0
United Kingdom	96	22.6	7.0	4.3	0
United States of America	10	0.3	−2.1	0.0	0

[1] *EN: Ohne Mitarbeiter in Elternzeit oder Mutterschutz sowie einschließlich Geschäftsleitung und Auszubildende.*

[2] *EN: Angaben inkl. latenter Steuern.*

The return on capital pursuant to Section 26a (1) Sentence 4 of the German Banking Act (KWG) amounts to 0.9 percent.

INDEPENDENT AUDITOR'S REPORT

A. REPLICATION OF THE INDEPENDENT AUDITOR'S REPORT

We have included the financial statements and the combined management report of grenke AG, Baden-Baden, for the financial year from 1 January 2024 to 31 December 2024 in this report as Appendix I (financial statements) and Appendix III (combined management report) as well as the electronic renderings of the financial statements and of the combined management report prepared for publication purposes in the versions for which the unqualified audit opinion was signed and issued in Frankfurt am Main on March 10, 2025.

The translation of the original German auditor's report states as follows:

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

INDEPENDENT AUDITOR'S REPORT

To the grenke AG, Baden-Baden

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of grenke AG, Baden-Baden, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on accounting policies.

In addition, we have audited the combined management report (report on the position of the company and of the group) of grenke AG for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "OTHER INFORMATION". The combined management report contains a cross-reference to the bonds issued by grenke AG that is not required by law. In accordance with German legal requirements, we have not audited this cross-reference or the information to which the cross-reference refers.

In our opinion, based on the knowledge obtained in the audit,

// the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards (hereinafter referred to as "IFRS Accounting Standards") issued by the International Accounting Standard Board (IASB) as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

// the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION". The combined management report contains a cross-reference to the bonds issued by grenke AG that is not required by law. Our audit opinion does not cover the cross-reference or the information to which the cross-reference refers.

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

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 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). We conducted our audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matter as the key audit matter to be disclosed in our auditor's report:

1. Determination of allowances for non-performing receivables from finance leases

DETERMINATION OF ALLOWANCES FOR NON-PERFORMING RECEIVABLES FROM FINANCE LEASES

Matter

In grenke AG's consolidated financial statements, non-performing lease receivables in the amount of EUR 541,0 million (6,6 % of total assets) and allowances of EUR 369,0 million on these receivables are recognized from terminated leases classified as finance leases.

grenke AG has allocated these non-performing receivables from finance leases to level 3 and recognizes the allowances in the amount of the lifetime expected loss in accordance with IFRS 9.

In determining the allowances for non-performing receivables from finance leases, discretionary decisions must be made by the legal representatives. These include the selection of the model used to determine the loss rates for non-performing lease receivables, the other estimation parameters used in the model, the assumptions made for this purpose, and possible model adjustments based on the findings of model validations. These judgments are subject to uncertainties that are amplified by current macroeconomic factors. In addition, the determination of allowances is highly complex and dependent on a high level of expertise and knowledge of a limited number of employees and decision makers.

Against this background, this matter was of particular significance in the context of our audit.

For information on the accounting policies applied to non-performing lease receivables, please refer to the notes to the consolidated financial statement in section 3.18.2 "Determination of Impairment for Lease Receivables" and section 5.2 "Lease Receivables" in the notes to the consolidated financial statements.

Auditor's Response

As part of our audit approach, we first performed a risk assessment and evaluated the risk of material misstatement of the allowance for non-performing receivables from finance leases.

Based on this risk assessment, we obtained an understanding of the process used to determine the allowance for such receivables as part of our audit procedures on the internal control system. To this end, we assessed the design of methods, procedures, and controls – including over-arching IT controls – based on a review of guidelines and work instructions for the determination of allowances for non-performing receivables from finance leases and verified their implementation. In addition, we performed tests of operating effectiveness.

Based on this, we performed the following substantive audit procedures in particular, with the assistance of valuation specialists.

We analyzed the fundamental suitability of the valuation model for determining the value adjustments and the suitability of the estimation parameters used in the procedures.

In doing so, we examined whether the key estimation parameters used to determine the allowance were determined in a methodologically appropriate and mathematically correct manner and were correctly included in the model used to determine the allowance for non-performing receivables from finance leases. In addition, we verified the annual validation of key estimation parameters.

We sampled the determination of the key estimation parameters and understood how the data relevant for the determination is derived from the cash flows and balances recorded in the accounting records. A reconciliation was performed with the cash flows and balances recorded in accounting for the underlying contract bases. In a risk-oriented sample, we tested the correctness of the allocation to the processing classes of the receivables from finance leases.

Finally, our audit included the mathematical accuracy of the valuation model used with regard to the valuation allowances determined for non-performing receivables from finance leases.

OTHER INFORMATION

The legal representatives respectively the supervisory board are responsible for the other information. The other information comprises:

// The group statement on corporate governance provided in section 8 of the combined management report,

// the non-financial group statement provided in section 3 “Group non-financial Statement 2024” of the combined management report,

// the information in sections 1.3.2 “Management indicators” of the combined management report,

// the other parts of the annual report, with the exception of the audited financial statements and combined management report and our auditor’s report.

Our audit opinions on the consolidated 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 thereby acknowledge whether the other information

// is materially inconsistent with the consolidated financial statements, with the combined management report, or our knowledge obtained in the audit or

// otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated 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 § 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) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

// identify and assess the risks of material misstatement of the consolidated financial statements and of the 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 audit 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 consolidated 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 audit opinion on the effectiveness of the group's internal control or on the effectiveness if these arrangements and measures.

// evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

// conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

// evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

// plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions.

// evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.

// perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "GRENKE_AG_KA_2024.zip" and prepared for publication purposes complies in all material respects with the requirements of § 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 consolidated 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 consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024 contained in the "REPORT

ON THE AUDIT OF THE CONSOLIDATED 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.

Basis for the Assurance Opinion
We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 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 § 317 (3a) HGB (IDW AsS 410 (06.2023)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that 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 § 328 (1) HGB for the electronic reporting format.

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

Auditor's Responsibilities for the Assurance Work on the ESEF documents
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 § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

// identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 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 containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

// evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.

// evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on April 30, 2024. We were engaged by the Chairman of the Audit Committee of the company on September 11, 2024. We have been the auditor of the consolidated financial statements of grenke AG without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the audit of the financial statements for the group or for the companies controlled by the group, we have provided the following services that are not disclosed in the consolidated financial statements or in the combined management report:

- // Agreed-Upon procedures report pursuant to ISRS 4400
- // Review of the condensed interim consolidated financial statements as of June 30, 2024, and of the quarterly financial report as of March 31,2024 and September 30, 2024 in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf (IDW) (IDW PS 900).
- // Limited assurance engagement on the group non-financial statement included in the group management report in accordance with ISAE 3000 (Revised)
- // Audit of the compensation report in accordance with section 162 (3) AktG (IDW PS 870 (09.2023)).
- // Issuance of two comfort letters in accordance with IDW PS 910.

OTHER MATTER — USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the German Federal Gazette — are merely electronic renderings of the audited consolidated 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 assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

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

Frankfurt am Main, 10. March 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

gez. Grunwald	gez. Büning
Wirtschaftsprüfer	Wirtschaftsprüfer

Convenience Translation of the Original German group non-financial statement. Solely the original text in German is authoritative.

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

To grenke AG, Baden-Baden

Assurance Conclusion

We have conducted a limited assurance engagement on the group non-financial statement of GRENKE AG included in section "non-financial statement 2024" of the group management report, prepared to comply with Articles 315b and 315c HGB including the disclosures contained in this group non-financial statement to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter referred to as „the group non-financial reporting") for the financial year from January 1st, 2024 till December 31st, 2024.

The prior year's disclosures marked as unassured and references to group internet pages are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying group non-financial reporting for the financial year from January 1st, 2024 to December 31st, 2024 is not prepared, in all material respects, in accordance with Articles 315b and 315c HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the prior year's disclosures marked as unassured and references to group internet pages.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the group non-financial reporting".

We are independent of the entity 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. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Emphasis of Matter-Principles for the preparation of the group non-financial Reporting

Without modifying our assurance conclusion, we refer to the disclosures in the group non-financial reporting, in which the principles for the preparation of the group non-financial reporting are described. According to these, the Company has applied the European Sustainability Reporting Standards (ESRS) to the extend specified in section 3.1 "ESRS 2-company profile regulatory framework" of the group non-financial reporting.

Responsibilities of the Executive Directors and the Supervisory Board for the group non-financial reporting

The executive directors are responsible for the preparation of group non-financial reporting in accordance with the applicable German legal and European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal controls that they have considered necessary to enable the preparation of a group non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the group non-financial reporting) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the group non-financial reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the group non-financial reporting.

Inherent Limitations in Preparing the group non-financial reporting

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the group non-financial reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the group non-financial reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the group non-financial reporting has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the group non-financial reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

// obtain an understanding of the process used to prepare the group non-financial reporting, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the group non-financial reporting.

// identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. 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 control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.

// consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

// ïevaluated the suitability of the criteria as a whole presented by the executive directors in the group non-financial reporting.

// ïinquired of the executive directors and relevant employees involved in the preparation of the group non-financial reporting about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the group non-financial reporting, and about the internal controls relating to this process.

// evaluated the reporting policies used by the executive directors to prepare the group non-financial reporting.

- // evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.

- // performed analytical procedures and made inquiries in relation to selected information in the group non-financial reporting.

- // considered the presentation of the information in the group non-financial reporting.

- // considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the group non-financial reporting.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Engagement terms

This engagement is based on the "Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" dated January 1, 2024, agreed with the Company as well as the „General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024, issued by the IDW (www.bdo.de/engagement-terms-conditions).

Frankfurt am Main, March 10, 2025

BDO AG Wirtschaftsprüfungsgesellschaft

gez. Grunwald Wirtschaftsprüfer (German Public Auditor)	gez. Büning Wirtschaftsprüfer (German Public Auditor)

Responsibility statement

We confirm that to the best of our knowledge, and in accordance with the applicable reporting standards, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Consolidated Group and the management report of the Company and the Consolidated Group conveys a true and fair view of business performance, including financial performance and the position of the Consolidated Group, and describes the main opportunities and risks relating to the Consolidated Group's anticipated development.

Baden-Baden, March 10, 2025

Dr Sebastian Hirsch	Gilles Christ	Dr Martin Paal
Chief Executive Officer (CEO)	Chief Sales Officer (CSO)	Chief Financial Officer (CFO)

Annual Financial Statements

GRENKE AG's complete Annual Financial Statements (HGB) are available at www.grenke.com/investor-relations/reports-and-presentations.

Annual Financial Statements 2024

of grenke AG (HGB) excerpts

Annual financial statements of grenke AG

for the 2024 financial year

grenke AG's Income Statement for the period from January 1 to December 31, 2024

	EUR	2024	2023
1.	Income from leases	759,966,133.67	697,422,242.46
2.	Expenses from leases	564,074,982.04	485,073,130.80
3.	Interest income from	8,296,371.17	7,275,972.14
	a) Lending and money market transactions	8,296,371.17	7,275,972.14
4.	Interest expenses	21,454,513.34	18,720,991.23
5.	Current income from	80,750,297.42	110,701,916.20
	c) Investments in associated companies	80,750,297.42	110,701,916.20
6.	Income from profit transfer agreements	32,190,762.49	22,180,985.87
7.	Commission income	12,835,748.49	4,839,646.00
8.	Commission expenses	25,927,304.23	24,234,945.34
9.	Other operating income	77,794,124.70	86,612,525.78
10.	General and administrative expenses	155,053,661.61	132,536,039.37
	a) Staff costs		
	aa) Wages and salaries	40,624,078.99	35,978,787.90
	ab) Social security contributions and expenses for pensions and other employee benefits thereof: for pensions EUR 201,037.91 (previous year: EUR 152,032.47)	6,087,770.37	5,223,648.60
	b) other administrative expenses	108,341,812.25	91,333,602.87
11.	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	116,573,440.32	135,844,239.33
	a) on lease assets	113,603,083.38	132,665,467.07
	b) on intangible assets and property, plant and equipment	2,970,356.94	3,178,772.26
12.	Other operating expenses	3,172,122.98	843,476.34
13.	Write-downs and impairments on receivables and securities as well as additions to loan loss provisions in the lending business	10,035,928.75	37,594,346.70
14.	Write-downs and impairments on other investments, investments in associated companies and securities treated as fixed assets	57,697,978.45	53,800,330.86
15.	Income from write-ups of investments, shares in affiliated companies and securities treated as fixed assets	53,453,510.35	3,300,000.00
16.	Expenses from the transfer of losses	6,089,828.10	1,611,600.21
17.	**Result from normal business activity**	**65,207,188.47**	**42,074,188.27**

	EUR	2024	2023
18.	Income taxes	18,114,916.29	−670,260.55
19.	Other taxes	468,281.95	1,048,960.44
20.	**Net profit**	**46,623,990.23**	**41,695,488.38**
21.	Profit carryforward from previous year	94,437,921.10	74,370,364.44
22.	**Unappropriated surplus**	**141,061,911.33**	**116,065,852.82**

grenke AG's statement of financial position as per December 31, 2024

	EUR	31.12.2024	31.12.2023
1.	Cash reserves	721.83	859.15
	a) Cash on hand	621.83	759.15
	b) Cash deposit at central banks thereof: at Deutsche Bundesbank EUR 100.00 (previous year: EUR 100.00)	100.00	100.00
2.	Receivables from credit institutions	106,515,616.59	84,120,469.50
	a) due on demand	34,586,458.77	24,409,574.89
	b) other receivables	71,929,157.82	59,710,894.61
3.	Receivables from customers	68,698,504.99	56,971,373.04
4.	Investments	3,121,351.57	3,121,351.57
5.	Investments in associated companies	473,638,722.41	447,891,753.56
	a) in banks	274,872,355.82	224,672,355.82
	b) in financial services institutions	4,276,957.59	4,276,957.59
	c) others	194,489,409.00	218,942,440.15
6.	Lease assets	339,444,439.30	301,167,322.39
7.	Intangible assets	685,233.00	979,274.00
	b) Paid concessions, commercial property rights and similar rights and assets, as well as licenses to such rights and assets	685,233.00	979,274.00
8.	Property, plant and equipment	17,097,775.27	15,542,199.87
9.	Other assets	87,404,006.92	158,356,388.64
10.	Prepaid expenses	9,229,925.70	9,796,472.00
	Total assets	**1,105,836,297.58**	**1,077,947,463.72**

grenke AG's statement of financial position as per December 31, 2024

	EUR	31.12.2024	31.12.2023
1.	Liabilities to banks	210.42	135,303.19
	a) repayable on demand	210.42	135,303.19
2.	Liabilities to customers	68,030,715.81	52,381,205.02
	b) other liabilities		
	ba) repayable on demand	10,218,230.33	6,453,210.81
	bb) with agreed term or notice period thereof: to financial services institutions EUR 57,812,485.48 (previous year: EUR 45,927,994.21)	57,812,485.48	45,927,994.21
3.	Other liabilities	32,786,021.89	32,296,204.17
4.	Accruals and deferrals	283,569,826.27	256,527,634.75
5.	Provisions	27,950,789.89	12,666,182.25
	b) tax provisions	18,955,568.75	1,199,710.21
	c) other provisions	8,995,221.14	11,466,472.04
6.	Subordinated liabilities	200,000,000.00	200,000,000.00
7.	Equity	493,498,733.30	523,940,934.34
	a) Subscribed capital	46,495,573.00	46,495,573.00
	Calculated value of treasury shares	−2,317,695.00	0.00
	b) Capital reserves	304,277,711.09	304,277,711.09
	c) Retained earnings		
	ca) legal reserves	5,089.87	5,089.87
	cc) statutory reserves	48,353.78	48,353.78
	cd) other retained earnings	3,927,789.23	57,048,353.78
	d) Unappropriated surplus	141,061,911.33	116,065,852.82
	Total liabilities and equity	**1,105,836,297.58**	**1,077,947,463.72**
1.	Contingent liabilities		
	b) Liabilities from guarantees and indemnity agreements	10,528,852,713.37	10,127,403,125.98

Financial calendar

April 3, 2025 // New business figures Q1 2025

May 7, 2025 // Annual General Meeting

May 15, 2025 // Quarterly Statement Q1 2025

July 3, 2025 // New business figures Q2 2025

August 14, 2025 // Financial Report Q2 and Q1–Q2 2025

October 2, 2025 // New business figures Q3 2025

November 13, 2025 // Quarterly Statement Q3 and Q1–Q3 2025

Contact information and disclaimer

Information and contact

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Imprint

Publisher:	GRENKE AG Board of Directors
Editor:	GRENKE AG, Investor Relations
Design, layout & typesetting:	SPARKS CONSULTING GmbH, Munich
Status:	March 13, 2025

Disclaimer

The figures in this annual report are generally presented in EURk and EUR millions. Rounding differences may occur in individual figures compared to the actual EUR amounts, which by their nature cannot be significant.
The financial report is published in German and English. The German version is always authoritative.

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