ANNUAL REPORT

2024

02 APRIL 2025

2024
Was a Landmark Year for AUTO1 Group

690K Group Units Sold
18% YoY Growth

€725M Gross Profit
37% YoY Growth

€109M Adjusted EBITDA
Best Result Ever Since IPO

2024 AUTO1 Group Highlights

		Q4 2023	Q4 2024	Y-Y (%)	FY 2023	FY 2024	Y-Y (%)
Total Units	**K (#)**	**147**	**183**	**24.8%**	**586**	**690**	**17.7%**
Merchant Units	*K (#)*	*131*	*163*	*24.1%*	*523*	*615*	*17.7%*
Retail Units	*K (#)*	*16*	*21*	*30.5%*	*63*	*74*	*18.0%*
Selected lines: P&L							
Group Revenue	**(m EUR)**	**1,323.7**	**1,699.9**	**28.4%**	**5,462.8**	**6,271.9**	**14.8%**
Merchant Revenue	*(m EUR)*	*1,069.8*	*1,347.5*	*26.0%*	*4,464.0*	*5,037.8*	*12.9%*
Retail Revenue	*(m EUR)*	*254.0*	*352.5*	*38.8%*	*998.9*	*1,234.1*	*23.5%*
Group Gross Profit	**(m EUR)**	**133.8**	**201.3**	**50.5%**	**527.9**	**724.7**	**37.3%**
Merchant Gross Profit	*(m EUR)*	*103.7*	*153.1*	*47.7%*	*419.2*	*562.6*	*34.2%*
Retail Gross Profit	*(m EUR)*	*30.1*	*48.2*	*60.2%*	*108.7*	*162.1*	*49.1%*
Group GPU*	**(EUR)**	**918**	**1,096**	**19.4%**	**899**	**1,049**	**16.6%**
Merchant GPU	*(EUR)*	*792*	*942*	*19.0%*	*801*	*914*	*14.1%*
Retail GPU	*(EUR)*	*1,970*	*2,318*	*17.6%*	*1,712*	*2,163*	*26.4%*
Group Adj. EBITDA	**(m EUR)**	**-4.5**	**37.2**	**n.m.**	**-43.9**	**109.2**	**n.m.**
Group Adj. EBITDA margin	%	-0.3%	2.2%	n.m.	-0.8%	1.7%	n.m.
Group Net income / (loss)	**(m EUR)**	**-21.9**	**14.9**	**n.m.**	**-116.5**	**20.9**	**n.m.**

* *Note: GPU is not equal to gross profit/number of cars sold because of the effects of inventory changes due to the capitalisation of internal refurbishment costs which are not part of cost of materials.*

Selected lines: Balance Sheet		9M 2024	12M 2024	Q-Q (%)	FY 2023	FY 2024	YTD (%)
Cash & Liquidity	**(m EUR)**	**572.2**	**613.4**	**7.2%**	**548.2**	**613.4**	**11.9%**
Inventory	(m EUR)	614.5	696.7	13.4%	544.4	696.7	28.0%
Inventory ABS liabilities	*(m EUR)*	*510.0*	*600.0*	*17.6%*	*475.0*	*600.0*	*26.3%*
Merchant Finance receivables	(m EUR)	177.6	214.4	20.7%	36.5	214.4	487.0%
Merchant Finance ABS Liabilities	*(m EUR)*	*142.7*	*174.4*	*22.3%*	*38.6*	*174.4*	*351.9%*
Consumer finance receivables	(m EUR)	339.1	365.3	7.7%	269.1	365.3	35.7%
Consumer Finance ABS Liabilities	*(m EUR)*	*296.6*	*310.0*	*4.5%*	*230.5*	*130.4*	*-43.4%*

Non-IFRS Cashflow (Company definition)		Q3 2024	Q4 2024	Q-Q (%)	FY 2024
Group Net income / (loss)	**(m EUR)**	**7.7**	**14.9**	**94.2%**	**20.9**
*Adjustments for non-cash items **	*(m EUR)*	*17.5*	*19.9*	*13.5%*	*52.5*
Group Net income / (loss), adjusted for non-cash items	**(m EUR)**	**25.2**	**34.8**	**38.0%**	**73.4**
Change in short-term assets, excluding captive finance and inventory	*(m EUR)*	*-5.9*	*0.4*	*n.m.*	*-2.8*
Change in short-term liabilitities, excluding captive finance and inventory	*(m EUR)*	*13.9*	*31.4*	*126.4%*	*112.3*
Change in non-inventory, non-captive finance working capital	***(m EUR)***	***8.0***	***31.8***	***299.7%***	***109.5***
Net Cash from Operating Activities pre-Captive Finance, pre-Inventory	**(m EUR)**	**33.2**	**66.6**	**100.8%**	**182.9**
Capex	**(m EUR)**	**-2.6**	**-5.8**	**119.0%**	**-13.4**
Net Change in Financed Inventory	*(m EUR)*	*0.8*	*0.6*	*-20.1%*	*-39.1*
Net Change in Financed Merchant Loans	*(m EUR)*	*-17.6*	*-6.3*	*-64.2%*	*-44.1*
Net Change in Financed Consumer Loans	*(m EUR)*	*13.8*	*-14.0*	*n.m.*	*-21.0*
Net change in cash and cash equivalents	**(m EUR)**	**27.5**	**41.2**	**49.5%**	**65.2**
Cash and cash equivalents at the beginning of the period	**(m EUR)**	**544.7**	**572.2**		**548.2**
Cash and cash equivalents at the end of the period	**(m EUR)**	**572.2**	**613.4**		**613.4**

* *Note: adjustments for non- cash items include Depreciation and amortisation, Change in provisions, Expenses from share-based payments, Loss on the disposal of property, plant and equipment, Other non-cash effects, Change in operating assets (othan than Inventory or Captive Finance Receivables), Change in operating liabilities, Payment of lease liabilities, Transaction costs related to loans taken out.*


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SHAREHOLDER LETTER

Dear Shareholders,

In last year's letter, we were envisioning a bright road ahead for AUTO1 Group. 2024 was a fantastic first milestone on our profitable growth journey, demonstrating the strength and resilience of our vertically integrated business model and the power of our digital trading platform.

2024 truly was a landmark year for AUTO1 Group:

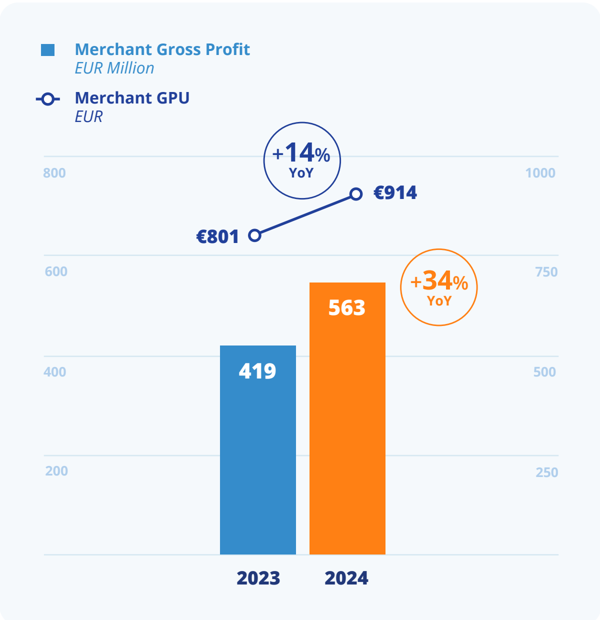
- Total units sold grew to 689,773, up 17.7% year over year
- Merchant units sold grew to 615,335 units, up 17.7% year over year
- Retail units sold grew to 74,438 units, up 18.0% year over year
- Gross Profit grew to EUR 724.7 million, up 37.3% year over year
- Full-Year Adjusted EBITDA of EUR 109.2 million, up EUR 153.2 million year over year
- Adjusted EBITDA margin of 1.7%, up 2.5 percentage points year over year
- Merchant Sales financed of EUR 782 million, an increase of EUR 732 million
- Consumer Financing Portfolio grew to EUR 365 million, up 36% year over year

In 2024 our market share climbed to 2.5%, a showcase of the value we provide to our customers. We are pursuing a value-first strategy across all segments, strongly focusing on the drivers of value creation for all customers we are serving. And while we have been performing this strategy from the very beginning, we took another major step forward in understanding our customers' needs, expectations and priorities in the last year resulting in superior demand levels across the board. Value in our business can mean higher selling prices, lower buy prices, lower processing cost, greater selection, greater convenience, highly motivated staff, increased trust, fast and reliable delivery and competitive financing.

To execute this strategy successfully, we are managing our business very closely, meticulously analyzing comprehensive customer, inventory, margin and cost data sets on a daily basis for all our business units, steadily asking questions with the aim to better understand our customers and the business we are operating for them. We feel very aligned with Sam Walton when we constantly study and question our daily management of the business with the goal to improve it further and further. And we are sometimes surprised about how much we can still learn in a business like Merchant, one that we have been operating for more than 12 years. Consequently, we continue to go through a massive learning curve at an increasing pace in our much younger Retail business.

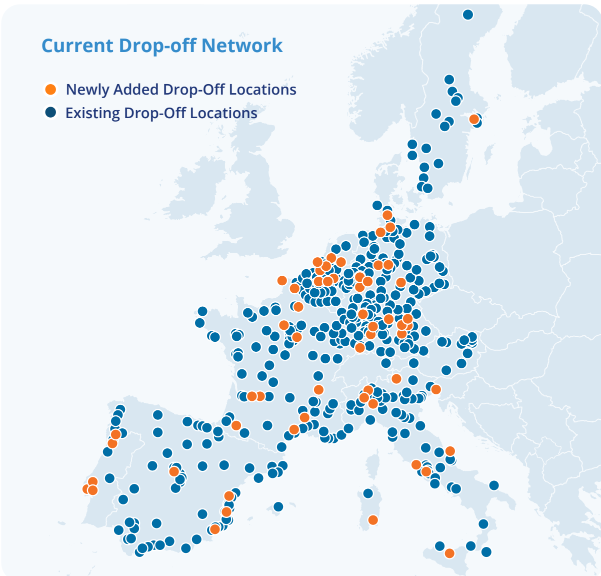
Merchant

Our Merchant business showed very strong momentum throughout 2024. Units sold climbed 17.7% to 615,335, while growth rates throughout the year accelerated from Q1 with 5.5% to Q2 with 16.7%, and then further to Q3 and Q4 with levels of around 25%. In total, we enabled 44,600 Partner Dealers to find, purchase and rapidly receive the best units for their stock with the average basket growing 3% year on year. Transports to our Partners increased by roughly 30%, driven by a much more diversified logistics supplier base and competitive pricing. We improved delivery time by 4 days year on year, proof of the highly attractive solutions we offer. Besides logistics, we upgraded our AI recommendation algorithms, optimized document tracking and refined equipment and car condition translations with the goal to maximize convenience for our Partners. Merchant GPU grew to EUR 914, an increase of 14.1% year on year. We attribute this increase to the additional value we created for our Partners through improved selection, faster delivery, better platform experience, expanded financing volume and continued advances of our AI pricing algorithms.



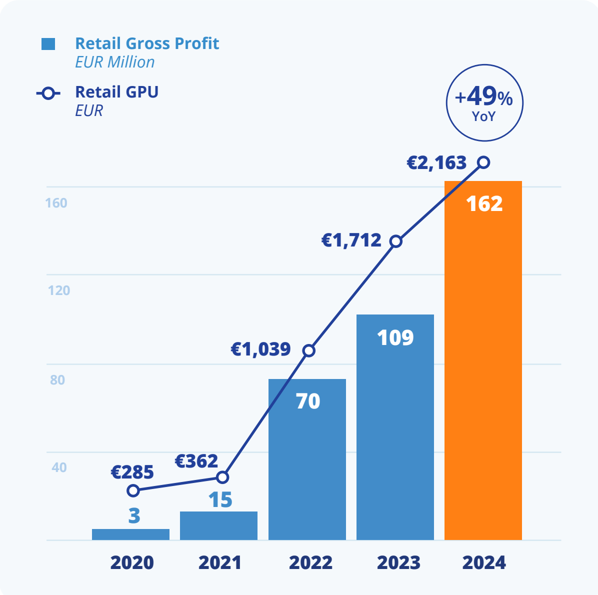
Our Merchant financing business continued its initial success throughout 2024. After starting in Germany, France, Spain and Austria at the end of 2023, we additionally enabled this product in Belgium and the Netherlands last year. While total financing transactions grew from EUR 50 million in 2023 more than fifteenfold to EUR 782 million last year, only a little more than 3,000 dealers utilized the solution so far. Designed to be the most convenient professional financing solution, we offer qualified dealers an instant credit line embedded directly into our platform, enabling them to finance a car with a single click and repay seamlessly. AUTO1 Financing is fast, transparent, and designed to genuinely help our Dealers grow their business.

One major driver behind these strong Merchant results was the increase in selection for our Partner Dealers, driven by our accelerated branch rollout strategy in C2B. In total we added 114 new branches in 2024 in our consumer buying operation, an increase of 26% year over year. In the majority of those branches we started to purchase vehicles in the second half of the year, improving convenience for our selling customers by increasing the accessibility of our network. Together with this large step-up in the number of branches, our teams improved the management framework of our purchasing operations, positioning them for sustainable long-term growth while maintaining tight cost control. We aim to operate as lean as possible to be able to offer our customers highly competitive selling prices. Similarly, we started to pilot AI agents for inbound customer service, primarily to increase coverage outside office hours. In total, we helped 646,000 customers sell their car for a higher price last year, funding them with more than EUR 4.8 Billion.



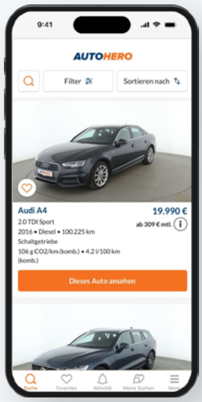
Retail

Our Retail business delivered new records across all metrics in 2024: We sold 74,438 cars in our youngest division, up 18.0% year on year. While we started slow with Q1 units slightly down, unit growth strongly accelerated in Q2 to 22.9%, Q3 to 28.3% and Q4 to 30.5% year on year. Retail GPU was EUR 2,163 for 2024, growing 26.4% year on year, driven by constant GPU gains in all quarters from EUR 1,956 in Q1 to EUR 2,077 in Q2, EUR 2,263 in Q3 and then EUR 2,318 in Q4. 2024 marks the 5th consecutive year of Retail GPU increases. As a consequence of strong unit and GPU growth, total Retail Gross Profit increased to EUR 162.1 million, growing 49.1% year over year.



While the financial performance of Retail is moving in a strong direction, growing double digit and increasing GPU, we are convinced it's even more important that we are rewarded with continued high NPS levels of around 70 by our customers. We attribute our strong results to the value we provide to our Retail customers. We increased selection in 2024 with a larger, but also wider stock, improved Retail pricing through higher precision and more data and aided trust through more transparency about car condition and history. We enhanced convenience for our customers through a variety of measures, including but not limited to the launch of the Autohero mobile app, AI integrations in email and chatbot systems, improved recommendation algorithms and a better warranty offering. We made delivery time a strong priority in 2024, delivering 20% faster year on year, driven by the rollout of express hubs, which can receive cars within 72 hours. We also improved our scheduling systems to give our customers the opportunity to pick the exact date and time for their delivery themselves, further enhancing convenience. Finally, we worked hard to scale our in house production capacities for future growth, increased processing speed and decreased production cost by achieving better efficiencies.

AUTOHERO
Native App



Our Consumer financing offering continues to be a key value driver, guaranteeing affordability and enhancing customer satisfaction. In 2024, we helped more than 25,500 customers with tailored financing solutions, growing our consumer financing portfolio by more than 36% year on year to EUR 365 million. We are pursuing a hybrid financing strategy right now, consisting of internal financing for Germany and Austria, and external financing for all other markets. Our in-house financing solution provides a seamlessly digitally integrated process with instant approval and tailored payment plans for best in class customer experience, fostering trust and long-term loyalty while driving customer retention and repeat transactions. In July of 2024 we completed the first public securitization of our Consumer loan portfolio, demonstrating the quality of our loan book. It is enabling us to achieve a significantly lower cost of capital, setting the stage for increased profitability and less capital usage. In our external financing markets, we partner with a combined strong set of over 30 lenders to ensure maximum flexibility and attractivity. We will continue to invest into our financing platform and expand our in-house financing solutions to other countries.

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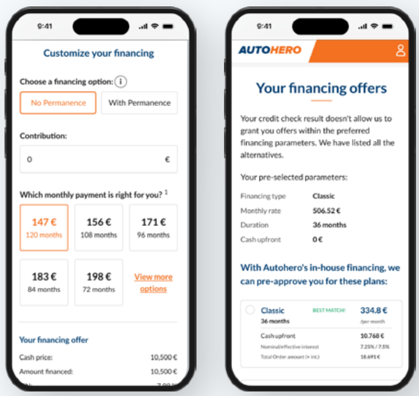
Costumer Financing



Our conviction that our vertically integrated retail business model is superior to the traditional brick and mortar approach grows with every month of operation. We are convinced that our way of operating retail will lead to substantially lower unit cost at scale, while generating superior gross profit per unit as a consequence of outstanding customer value generation. We believe that we are slowly starting to see the first signs of operational leverage in Retail, but that we're barely scratching the surface at this point. What we're most excited about however, is the learning curve we will go through in Retail - it seems unlimited. Going forward, we aim to find the best balance between unit growth, GPU growth, Opex per unit and investments into future growth of Retail.

2025 and beyond

Our value-first strategy resulted in strong demand generation across our businesses in 2024, driving double digit unit growth and 2.5% market share for AUTO1 Group. Similarly on margin development: In last year's letter, we described our work to lay the foundation for long-term profitable growth by configuring investments, cost structure and margin requirements of our different businesses in a certain way to generate meaningful absolute EBITDA levels while continuing to accelerate growth strongly. Leveraging this foundation in 2024 for the first time led to the first full year positive adjusted EBITDA and a Group adjusted EBITDA margin of 1.7%. However, it still feels like we are just starting: We have set a long term market share target of 10% and a long term adjusted EBITDA margin target of 5-9% and will continue to execute towards those targets.

AUTO1 has really strong momentum: Our accelerated growth is in full swing and we're ready to deploy our significant competitive advantages for future growth and industry-leading profitability. We couldn't be more excited about what the future holds.

I would like to thank all customers for their business, our teams for the hard work they put in every single day and our investors for their trust and confidence in our vision.

Christian Bertermann

Co-Founder and Chief Executive Officer
AUTO1 Group SE

02 SUPERVISORY BOARD REPORT

Dear Shareholders,

In the financial year 2024, the Supervisory Board of the Company conscientiously performed the duties assigned to it by law, the Articles of Association and the rules of procedure. This report provides information on the work of the Supervisory Board in the financial year 2024.

The Supervisory Board continuously monitored the Management Board in the reporting year and advised it on all matters of importance to the Company. To monitor the Management Board, the Supervisory Board uses a reporting system designed according to its own specifications in accordance with legal requirements; in addition, measures of particular importance must be submitted to the Supervisory Board for approval in advance. As a result, the Supervisory Board is always promptly informed about the situation of the Company and the Group and is always involved in decisions of fundamental importance.

Work of the Supervisory Board; Attendance at Meetings; Cooperation between the Supervisory Board and the Management Board

The Supervisory Board held a total of six meetings in the financial year 2024. Five of the six meetings were held in presence and one of the six meetings was a hybrid meeting, i.e. the meeting was held in presence at the Company's premises at Bergmannstraße 72, 10961 Berlin, with individual members of the Supervisory Board taking the opportunity to dial in via video conference ("Hybrid Meeting"). Four of the five presence meetings were held at the Company's premises at Bergmannstraße 72, 10961 Berlin. The constituent meeting of the Supervisory Board took place as a presence meeting immediately after the election of four new members of the Supervisory Board at the Annual General Meeting on 6 June 2024 at the premises of Grünebaum Gesellschaft für Event Logistik mbH / "The Burrow Berlin", Karl-Heinrich-Ulrichs-Straße 22/24 / Lützowplatz 15, 10785 Berlin, Germany, in which the Annual General Meeting 2024 took place. The statutory cycle of two meetings per calendar half-year was adhered to. In addition, the Supervisory Board passed several resolutions by way of circulation. The members of the Supervisory Board attended the meetings of the Supervisory Board in the reporting period as follows:

Name	Total	Comment
Dr. Gerhard Cromme	3/3	Member of the Supervisory Board until 6 June 2024
Gerd Häusler	3/3	Member of the Supervisory Board until 6 June 2024
Hakan Koç	6/6	-
Lars Santelmann	6/6	-
Sylvie Mutschler-von Specht	6/6	-
Martine Gorce Momboisse	6/6	-
Anne Claudia Frese	3/3	Member of the Supervisory Board since 6 June 2024
Christian Miele	3/3	Member of the Supervisory Board since 6 June 2024

In the financial year 2024, the Company's Management Board reported to the Supervisory Board regularly, promptly and comprehensively, both at regular meetings and, if necessary, outside of meetings, on the net assets, financial position and results of operations of the Company and the Group as well as on issues relating to risk management and internal control systems. As part of this process, the Management Board informed the Supervisory Board about all relevant issues relating to strategy, operational planning and the associated risks and opportunities, the economic development of the Company and the Group and all relevant business policy transactions. The content of the reports was discussed in depth at the Supervisory Board meetings. The Management Board and Supervisory Board discussed all significant business transactions and key decisions in the financial year 2024 in detail. In the financial year 2024, the Supervisory Board also discussed Management Board matters and met in the absence of the Management Board in this regard.

The members of the Supervisory Board were also in regular contact with the members of the Management Board outside of the meetings, in particular the Chairman of the Supervisory Board and the Chairman of the Audit Committee.

The Management Board provided the necessary information for the Supervisory Board's decision-making process in good time for measures that had to be submitted to the Supervisory Board for approval.

It was not necessary to inspect any documents other than the reports and draft resolutions of the Management Board in the reporting year.

Dealing with Conflicts of Interest

There were no conflicts of interest in the reporting year. Consequently, legal transactions in which a Supervisory Board member is/was involved as a party were not the subject of deliberations or resolutions of the Supervisory Board in the reporting year.

Focal Points of the Work of the Supervisory Board

The Supervisory Board met a total of six times in the financial year 2024, on 27 February, 22 March, 5 June, 6 June, 10 September and 12 November.

At the Supervisory Board meeting on 27 February 2024, the Management Board reported, in particular, on the key financial figures for the fourth quarter of 2023 and further specified the budget planning for 2024, which the Supervisory Board had already approved following detailed discussion at the meeting on 7 November 2023. The meeting also dealt with preparations for the Annual General Meeting 2024 and the adoption of the Declaration of Compliance 2024 in accordance with section 161 of the German Stock Corporation Act (*AktG*).

In March 2024, the Supervisory Board examined the annual and consolidated financial statements as of 31 December 2023 and the combined management report for the financial year 2023 prepared by the Management Board and then approved these documents. After the Audit Committee dealt in detail with the audit quality of the Company's auditor of the annual and consolidated financial statements at its meeting in March, the Supervisory Board also resolved at its meeting in March – at the proposal of the Audit Committee – to propose to the Annual General Meeting 2024 that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin branch, be appointed as the Company's auditor of the annual and consolidated financial statements for the financial year 2024. The meeting on 22 March 2024 also dealt with preparations for the Annual General Meeting 2024. In particular, the Supervisory Board resolved, on the recommendation of its Presidential Committee, to propose to the Annual General Meeting 2024 under agenda item 6 that Hakan Koç and Sylvie Mutschler-von Specht be re-elected and Anne Claudia Frese and Christian Miele be elected for the first time to the Supervisory Board. Finally, the Supervisory Board meeting in March dealt with the resolution on the Corporate Governance Statement and the Remuneration Report for the financial year 2023.

At the meeting on 5 June 2024, the Management Board presented an overview of AUTO1 Group's current business development (in particular also on strategic initiatives including the "AUTO1 Financing" program). Final preparations for the Annual General Meeting 2024 scheduled for the following day were also discussed.

After the Annual General Meeting on 6 June 2024 resolved to re-elect Hakan Koç and Sylvie Mutschler-von Specht and to elect Anne Claudia Frese and Christian Miele for the first time to the Supervisory Board, the constituent meeting of the Supervisory Board took place on the same day. At this meeting, Hakan Koç was elected as Chairman and Lars Santelmann as Vice-Chairman of the Supervisory Board. In addition, the memberships and chairs of the Audit Committee, the Presidential Committee, the ESG Committee and the Marketing Committee were newly elected. The composition of the committees is shown in detail in the tables attached to this report. The Supervisory Board also approved the increase and expansion of the "AUTO1 Financing" program.

The meeting in September focused on AUTO1 Group's current business development and the Management Board's reporting on the Group’s strategic initiatives.

At the last meeting of the year on 12 November, the Management Board reported on the key financial figures for the third quarter of 2024, provided an update on business development to date in October and discussed the budget for 2025. In particular, the Management Board informed the Supervisory Board about planned increases and extensions to AUTO1 Group's ABS programs. The Supervisory Board then approved the 2025 budget and the changes to the aforementioned programs. The Supervisory Board also again dealt with the self-assessment of the Supervisory Board in accordance with recommendation D.12 of the German Corporate Governance Code (*DCGK*) (GCGC).

Audit and Risk Committee

The Supervisory Board has formed an Audit and Risk Committee ("Audit Committee"). In the run-up to the Supervisory Board meetings, it deals not only with the monitoring of the accounting and accounting process, the audit of the financial statements and the quarterly reports, but also with the internal control system and risk management, as well as the establishment and ongoing work of the internal audit department. It also prepares Supervisory Board decisions on these topics and performs its other duties as required by law and set out in the Supervisory Board's rules of procedure.

In accordance with the Supervisory Board's rules of procedure, the Audit Committee consists of three members. The following Supervisory Board members belonged to the Audit Committee in the financial year 2024

- Gerd Häusler (Chairman until 6 June 2024),
- Dr. Gerhard Cromme (until 6 June 2024),
- Lars Santelmann (Chairman since 6 June 2024),
- Hakan Koç (since 6 June 2024) and
- Christian Miele (since 6 June 2024).

The Audit Committee held five meetings in the financial year 2024. Four of the five meetings were held in presence at the Company's premises at Bergmannstraße 72, 10961 Berlin; one of the five meetings was held virtually via video conference. All members of the Audit Committee were present at all meetings. The meetings of the Audit Committee on 27 February, 21 March and 9 September were also attended by representatives of the Company's auditor of the annual and consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin branch.

Presidential and Nomination Committee

The Supervisory Board has formed a Presidential and Nomination Committee ("Presidential Committee"). This committee prepares important discussions and resolutions of the Supervisory Board and decides on matters specified in the rules of procedure instead of the Supervisory Board. It also advises on Management Board matters. As a Nomination Committee, the Presidential Committee also nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members.

In accordance with the Supervisory Board's rules of procedure, the Presidential Committee comprises the Chairman of the Supervisory Board and two other members. In the financial year 2024, there were personnel changes on the Supervisory Board and a change in the Chairman of the Supervisory Board, meaning that the composition of the Presidential Committee also changed as a result. The following Supervisory Board members belonged to the Presidential Committee in the financial year 2024

- Dr. Gerhard Cromme (Chairman until 6 June 2024),
- Gerd Häusler (until 6 June 2024),
- Hakan Koç (Chairman since 6 June 2024),
- Sylvie Mutschler-von Specht (since 6 June 2024) and
- Lars Santelmann (since 6 June 2024).

The Presidential Committee met twice in the financial year 2024. One of the two meetings was held in presence at the Company's premises at Bergmannstraße 72, 10961 Berlin; the second meeting was held virtually via video conference. All members of the Presidential Committee were present at both meetings.

ESG Committee

The Supervisory Board has formed an ESG Committee. This deals in particular with the monitoring of environmental, social and governance issues ("ESG Matters"), the measures taken by the Company to implement ESG Matters and the establishment of a monitoring system for ESG Matters. On request, it also provides support to the Audit Committee, particularly with regard to reporting on ESG Matters.

In accordance with the rules of procedure of the Supervisory Board, the ESG Committee consists of three members. In the financial year 2024, the following Supervisory Board members belonged to the ESG Committee:

- Lars Santelmann (Chairman until 6 June 2024),
- Sylvie Mutschler-von Specht (Chairwoman since 6 June 2024),
- Hakan Koç (until 6 June 2024) and
- Anne Claudia Frese (since 6 June 2024).

The ESG Committee met twice in the financial year 2024. The first of the two meetings was held as a Hybrid Meeting, while the second meeting was held virtually via video conference. All members of the ESG Committee were present at both meetings.

Marketing and Branding Committee

The Supervisory Board has also formed a Marketing and Branding Committee ("Marketing Committee"). This committee is responsible for monitoring the areas of marketing, branding, product placement, advertising and external image ("Marketing Matters") as well as measures to implement Marketing Matters.

In accordance with the Supervisory Board's rules of procedure, the Marketing Committee consists of three members. The following Supervisory Board members belonged to the Marketing Committee in the financial year 2024

- Martine Gorce Momboisse (Chairwoman of the Marketing Committee),
- Hakan Koç,
- Sylvie Mutschler-von Specht (until 6 June 2024) and
- Anne Claudia Frese (since 6 June 2024).

The committee met four times in the financial year 2024, each time in presence at the Company's premises at Bergmannstraße 72, 10961 Berlin. All members of the Marketing Committee were present at all meetings.

Audit of the Annual and Consolidated Financial Statements for the Financial Year 2024

At the proposal of the Supervisory Board, the Annual General Meeting on 6 June 2024 appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin branch, as the auditor of the Company's financial statements and consolidated financial statements for the financial year 2024.

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of AUTO1 Group SE and the consolidated financial statements as well as the combined management report for the financial year 2024 and issued an unqualified audit opinion in each case. The aforementioned documents and the audit reports of the auditor of the annual and consolidated financial statements were made available to all members of the Supervisory Board in good time and were discussed and examined in detail at the meeting of the Audit Committee on 31 March 2025 and at the meeting of the Supervisory Board on 31 March 2025. The auditor attended the Audit Committee meeting on 31 March 2025 and the Supervisory Board meeting on 31 March 2025, reported on the focal points and key findings of the audit and was available to answer questions and provide further information during the discussions. Based on its own review, the Supervisory Board came to the conclusion that the annual and consolidated financial statements as of 31 December 2024 and the combined management report for the financial year 2024 do not give rise to any objections and concurred with the result of the audit by the auditor.

By resolution dated 31 March 2025, the Supervisory Board approved the annual and consolidated financial statements of AUTO1 Group SE as of 31 December 2024 and the combined management report. The annual financial statements of AUTO1 Group SE for the financial year 2024 are thus adopted.

Separate Non-Financial Group Report

The Supervisory Board also reviewed the separate non-financial Group report (ESG Report) prepared by the Management Board in accordance with section 315b para. 3 of the German Commercial Code (HGB). The report was made available to the members of the Supervisory Board in good time and discussed in detail at the ESG Committee meeting on 24 February 2025. No reasons were identified that would prevent the separate non-financial Group report from being properly prepared. Based on its own review, the Supervisory Board determined that there were no objections to the separate non-financial Group report. By resolution dated 31 March 2025, the Supervisory Board then approved the separate non-financial Group report. The ESG Report is made available to shareholders on the Company's website in the "Investor Relations" section under the menu item "Corporate Governance" at *https://ir.auto1-group.com/corporate-governance#*.

Declaration of Compliance with the German Corporate Governance Code

In February 2025, the Management Board and Supervisory Board issued the declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on the Company's website in the "Investor Relations" section under the "Corporate Governance" menu item at *https://ir.auto1-group.com/corporate-governance#*. With one exception, which is explained in the declaration, AUTO1 Group SE has complied with the recommendations of the GCGC since the last declaration of compliance was issued on 29 February 2024. Furthermore, AUTO1 Group SE will comply with the recommendations of the GCGC in the future, with the exception of the deviation explained in the declaration.

Training and Professional Development

The members of the Supervisory Board take responsibility for the training measures required to fulfill their duties and are supported in this by the Company. For specific training purposes, the Company offers internal training measures as required.

For the purpose of introduction to the Supervisory Board (onboarding), new members of the Supervisory Board exchange information with the Company's Management Board and with executives of the AUTO1 Group on general and current topics in connection with their Supervisory Board mandate. Anne Claudia Frese and Christian Miele exchanged information with the Company's Management Board and the General Counsel of the AUTO1 Group during their onboarding; in particular, upcoming meetings of the Supervisory Board and the committees and their basic procedure as well as the structure of the AUTO1 Group were discussed.

Composition of the Supervisory Board and the Management Board

The following persons were members of the Company's Supervisory Board in the financial year 2024:

- Dr. Gerhard Cromme (until 6 June 2024),
- Hakan Koç,
- Gerd Häusler (until 6 June 2024),
- Sylvie Mutschler-von Specht,
- Lars Santelmann,
- Martine Gorce Momboisse,
- Anne Claudia Frese (since 6 June 2024) and
- Christian Miele (since 6 June 2024).

The terms of office of four members of the Supervisory Board, namely Dr. Gerhard Cromme, Gerd Häusler, Hakan Koç and Sylvie Mutschler-von Specht, each expired at the end of the Company's Annual General Meeting on 6 June 2024. By resolution of the Annual General Meeting of the Company on 6 June 2024 under agenda item 6, Hakan Koç and Sylvie Mutschler-von Specht were re-elected as members of the Supervisory Board. In addition, the Company's Annual General Meeting on 6 June 2024 under agenda item 6 elected Anne Claudia Frese and Christian Miele as new members of the Supervisory Board for the first time.

A table showing the members of the Supervisory Board with their respective terms of office and the composition of the committees for the financial year 2024 is attached to this report.

In the financial year 2024, the Management Board of AUTO1 Group SE consisted of the two members Christian Bertermann and Markus Boser.

Expression of Thanks by the Supervisory Board

The Supervisory Board would like to thank the members of the Management Board and all employees of the Group for their successful work and personal commitment in the financial year 2024, which will continue the success story of the AUTO1 Group.

Note on the language version of the Report

This document is also available in an English translation; in the event of discrepancies, the German version of the document shall take precedence over the English translation.

Berlin, March 2025
For the Supervisory Board

Hakan Koç
CHAIRMAN OF THE SUPERVISORY BOARD

Members of the Supervisory Board and Composition of the Audit and Risk Committee, the Presidential and Nomination Committee, the ESG Committee and the Marketing and Branding Committee in the financial year 2024

Supervisory Board

Name, Position	Profession	Member since	Appointed until the end of the Annual General Meeting in the financial year
Dr. Gerhard Cromme, *Member and Chairman until 6 June 2024*	Supervisory Board member	2018	2024
Hakan Koç, *Vice-Chairman until 6 June 2024, Chairman since 6 June 2024*	Self-employed entrepreneur	2020	2028
Lars Santelmann, *Vice-Chairman since 6 June 2024*	Entrepreneur	2022	2026
Gerd Häusler, *Member until 6 June 2024*	Supervisory Board member	2018	2024
Sylvie Mutschler-von Specht, *Member*	Entrepreneur	2021	2026
Martine Gorce Momboisse, *Member*	Independent advisor	2023	2026
Anne Claudia Frese, *Member since 6 June 2024*	Independent advisor	6 June 2024	2027
Christian Miele, *Member since 6 June 2024*	Self-employed entrepreneur	6 June 2024	2027

Audit and Risk Committee (Audit Committee)

Name, Position
Gerd Häusler, *Chairman until 6 June 2024*
Lars Santelmann, *Chairman, since 6 June 2024*
Dr. Gerhard Cromme, *Member until 6 June 2024*
Hakan Koç, *Member since 6 June 2024*
Christian Miele, *Member since 6 June 2024*

Presidential and Nomination Committee (Presidential Committee)

Name, Position
Dr. Gerhard Cromme, *Chairman until 6 June 2024*
Hakan Koç, *Chairman, since 6 June 2024*
Gerd Häusler, *Member until 6 June 2024*
Lars Santelmann, *Member since 6 June 2024*
Sylvie Mutschler-von Specht, *Member since 6 June 2024*

ESG Committee (ESG Committee)

Name, Position
Lars Santelmann, *Chairman until 6 June 2024*
Sylvie Mutschler-von Specht, *Chairman, since 6 June 2024*
Hakan Koç, *Member until 6 June 2024*
Anne Claudia Frese, *Member since 6 June 2024*

Marketing- and Branding Committee (Marketing Committee)

Name, Position
Martine Gorce Momboisse, *Chairwoman*
Hakan Koç, *Member*
Sylvie Mutschler-von Specht, *Member until 6 June 2024*
Anne Claudia Frese, *Member since 6 June 2024*

03 COMBINED MANAGEMENT REPORT

Group Profile

a. Business Model

We are Europe's leading buyer and seller of used cars. Our digital products are based on a unique vertically integrated platform. With almost 690,000 used cars sold in 2024, we are a leading European partner for buying and selling used cars.

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

Our leading market position in the euro used car market is based on our broad purchasing channels, which have enabled us in 2024 to procure an average of over 2,300 used cars per working day. Under our consumer brands, such as "wirkaufendeinauto.de", we offer consumers in nine European countries an online platform to sell their used cars to AUTO1. In addition, vehicle fleet operators and commercial dealers can market vehicles through our remarketing solutions.

We sell cars via two complementary sales channels: Under our B2B brand "AUTO1", we operate Europe's largest wholesale platform for the sale of used cars. In 2024, we sold these cars to more than 44,000 commercial dealers in Europe via online auctions. Under our "Autohero" brand, we have created an offer for consumers to buy used cars online. We offer our used cars to end customers at fixed prices in nine European countries.

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

b. Objectives and Strategies

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

- our leading market position, which allows AUTO1 to control the value chain, with a high transaction volume and great diversity in purchasing and sales; and
- our digital focus, where AUTO1 relies heavily on technology and data analysis to optimise processes and maximise customer benefits.

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

- Value-first strategy: focus on creating added value for customers;
- Data-driven decisions: Daily analysis of customer, inventory, margin and cost data;
- Continuous improvement: questioning and optimising day-to-day business;
- Expansion of the C2B branch network: increasing the range of vehicles and customer proximity;
- Optimisation of purchasing processes: Increasing efficiency and reducing costs;
- Investments in technology: AI integrations, improved algorithms, app development;
- Scaling of production capacities: Preparing for future growth in the retail sector;
- Expansion of financing offers: Customised financing solutions for dealers and end customers;
- Balance between growth and profitability: managing sales growth, GPU growth, costs per unit and investments.

c. Group Structure

AUTO1 Group SE is the parent company of AUTO1 Group, which comprises 62 directly or indirectly controlled and fully consolidated subsidiaries as at the balance sheet date. The Group's direct and indirect subsidiaries all conduct business activities in Europe. The scope of consolidation includes three financing companies, AUTO1 Funding B.V. (Netherlands), Autohero Funding 1 B.V. (Netherlands) and AUTO1 Car Funding S.à r.l. (Luxembourg). For further information, please refer to note 15 in the consolidated financial statements.

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

As at the balance sheet date, we had issued senior notes totalling EUR 600 million as part of the inventory ABS facility, which were essentially collateralised by the used vehicle inventory and did not allow any further recourse to the Group. In order to facilitate our pan-European business activities and financing, all vehicles are purchased via our subsidiaries AUTO1 European Cars B.V. (Netherlands) and Auto1 Car Trade S.r.l. (Italy) or Auto1 Car Export S.r.l. (Italy).

Furthermore, in order to facilitate the further development of the instalment purchase product for Autohero customers in Germany and Austria, we have refinanced the instalment purchase receivables since the 2022 financial year. As at the reporting date, we had refinanced receivables from instalment purchases totalling EUR 365 million (after allowances; of which EUR 292 million were non-current receivables), by issuing debt instruments under the consumer loan ABS facility in the amount of EUR 130 million and through publicly placed ABS notes (hereinafter referred to as “public ABS notes”) of EUR 180 million. The public ABS notes were placed on the stock exchange in Luxembourg for the first time in the 2024 financial year. For this purpose, a portfolio of instalment purchase receivables was separated from the existing consumer loan ABS facility, which now serves as collateral and repayment of the public ABS notes.

Starting in October 2023, we offer “AUTO1 Financing”, a fast, convenient and fully digital merchant financing programme within the AUTO1.com platform to selected partner dealers in Germany, France, Spain and Austria. The programme was also expanded to the Netherlands and Belgium in the 2024 financial year. As at the balance sheet date, receivables from the programme amounted to EUR 214 million (after allowances). The merchant financing ABS facility in the amount of EUR 174 million was utilised to refinance this programme.

The shares of AUTO1 Group SE have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 4 February 2021.

d. Segments

The Group is organised into two segments: “Merchant” and “Retail”. The segments offer products for different customer groups and are separated as they require different technologies (use of different sales platforms) and marketing strategies in some areas. Both segments procure vehicles from the Group’s two purchasing channels. The purchasing channels comprise the purchase of used vehicles via our purchasing branches (C2B channel) and the purchase from commercial dealers as part of remarketing (remarketing channel).

Merchant

In the Merchant segment, used cars are sold to commercial car dealers via the AUTO1.com dealer brand. Merchant revenue also includes auction fees, fees for logistics services and all other fees associated with the provision of vehicles to dealers. In addition, since October 2023, selected dealers in six countries have been able to take advantage of our Merchant Financing offer, through which AUTO1 generates revenue from interest.

Revenue from the “Merchant” business is differentiated depending on the procurement of the vehicles. All cars purchased via the Group’s branch network are classified as “C2B”. Cars purchased by commercial fleet operators or dealers and not via the branch network are classified as “Remarketing”. There are no business activities in either area that result in independent revenue, so C2B and remarketing are merely different procurement channels. Sales are made to the same customer base via the same sales channel.

Retail

The Retail segment focuses on the sale of used cars to private customers under the Autohero brand. It also includes income from the offer of financing and other products and services for the purchase of used cars.

e. Management Systems

The key financial and non-financial performance indicators used to manage business activities are the number of vehicles sold, gross profit (i.e. revenue less cost of materials) and adjusted EBITDA, with the number of vehicles sold and gross profit being calculated on a segment level and adjusted EBITDA on a Group level. These performance indicators are designed to promote profitable growth for the Group and are used together with the non-financial performance indicators to measure success and performance.

In addition to the key financial and non-financial performance indicators, AUTO1 Group also uses GPU (gross profit per unit or gross profit per vehicle sold) to manage the company on a segment basis.

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

f. Research and Development

We see AUTO1 first and foremost as a technology company with the aim of continuously improving our tech platform and making it as convenient as possible for dealers and private customers to use. In order to overcome the associated challenges, such as the design of websites and apps through to the automation of processes, the forecasting of supply and demand and the challenges of customer service, AUTO1 invests primarily in highly qualified specialists who work on cross-platform innovations and smooth processes at various locations.

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

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

In 2024, technology costs totalled KEUR 44,161, including salaries for several hundred IT developers and software engineers as well as IT expenses. AUTO1 Group applies the requirements of IAS 38 and capitalises the development costs of selected projects as internally generated intangible assets.

Economic Report

a. General Economic Conditions

The eurozone economy recorded moderate growth of 0.8% in 2024, after growing by just 0.4% in the previous year.[1] By contrast, the German economy, which is strongly characterised by the manufacturing industry, mechanical engineering and the automotive sector, declined: gross domestic product (GDP) shrank by 0.2% in 2024. Despite the subdued economic growth in the eurozone, the labour market remained robust. The unemployment rate reached 6.3% at the end of the year and thus remained close to its historic low.[2]

Inflationary pressure in the eurozone decreased significantly in 2024. The overall inflation rate fell to 2.4%, compared to 5.4% in the previous year, according to the European Central Bank (ECB). This created the basis for the ECB's monetary easing cycle. In Germany, the average annual inflation rate was 2.2%, which represents a significant decline compared to the previous year's 5.9%.[3]

b. Industry Environment

In 2024, registrations of new passenger cars in the EU rose slightly by 0.8% to around 10.6 million units. While Spain showed positive development with solid growth of 7%, France (-3%), Germany (-1%) and Italy (-0.5%) recorded declines.[4] The overall subdued growth reflects the subdued consumer sentiment, which was burdened by a continued relatively high interest rate environment and persistently high inflation.

The used car market showed a downward price trend. The AUTO1 price index fell to 137.3 points in December 2024, which corresponds to a decrease of 7% compared to the previous year's figure of 146.9 points.[5] However, this declining price environment created favourable conditions for growth in used car transactions. AUTO1 Group estimates that the number of used car transactions in the 30 markets in which AUTO1 Group operates rose to 27.7 million in 2024, an increase of 8.7% compared to the previous year.

c. Business Performance

The financial year 2024 marked a significant milestone in AUTO1 Group's development. In the financial year 2024, AUTO1 Group was able to sell a total of 689,773 used cars due to an increased market presence, which corresponds to an increase in sales volume of 18% compared to the previous year (2023: 586,085 vehicles). Compared to the previous year, revenue increased by 15% to KEUR 6,271,911 (2023: KEUR 5,462,835). The main driver of this growth was the increase in vehicles sold, while the fall in prices on the used car market dampened revenue growth slightly. Both AUTO1 Group business segments contributed to the increase in revenue.

AUTO1 Group continued to focus on increasing its profitability. The gross profit per unit increased by EUR 150 to EUR 1,049. This led to a record gross profit of KEUR 724,724 in the reporting year - the highest in the company's history (2023: KEUR 527,888). In the financial year 2024, the cost of materials rose by 12% to KEUR 5,547,187 (2023: KEUR 4,934,947), which is disproportionately low compared to the revenue increase.

AUTO1 Group's adjusted EBITDA improved significantly from KEUR -43,948 to KEUR 109,240, largely supported by the 37% growth in gross profit. In contrast, key expense drivers such as personnel and marketing expenses increased to a lesser extent. Due to the positive business development, AUTO1 Group achieved a positive net result of KEUR 20,894 (2023: KEUR -116,466) for the first time in its history.

AUTO1 Group continues to strive for sustainable growth on the basis of the profitability achieved. A central focus is on expanding the customer base and further extending our broad product range.

[1] See IMF, World Economic Outlook, Growth Forecasts, January 2025.
[2] *EUROSTAT.*
[3] Federal Statistical Office (Destatis), 2025.
[4] Cf. ACEA, 2025.
[5] See Auto1 Group Car Price Index.

d. Group's Position

1. Financial Performance

The Group results for the financial year 2024 compared to the previous year 2023 are as follows:

	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Revenue (in KEUR)	**6,271,911**	**5,462,835**
Revenue growth in %	14.8	(16.4)
Gross profit (in KEUR)	**724,724**	**527,888**
Adjusted EBITDA (in KEUR)[1]	**109,240**	**(43,948)**
Adjusted EBITDA margin in %	1.7	(0.8)
EBITDA (in KEUR)	**86,975**	**(63,187)**
EBITDA margin in %[2]	1.4	(1.2)
Cars sold (#)	689,773	586,085
Average number of employees[3]	**5,549**	**5,356**

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

[2] Defined as EBITDA divided by revenue.

[3] Number of employees by headcount.

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

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
EBITDA	**86,975**	**(63,187)**
Share-based payment	17,843	13,067
Other non-operating expenses	4,422	6,172
Adjusted EBITDA	**109,240**	**(43,948)**

Revenue Performance

AUTO1 Group's revenue increased in the past financial year by 15% to KEUR 6,271,911 (2023: KEUR 5,462,835). This increase was achieved in particular due to a higher number of units sold overall, although prices on the used car market declined. Of the revenue, KEUR 5,037,811 (2023: KEUR 4,463,962) was attributable to the Merchant segment and KEUR 1,234,099 (2023: KEUR 998,873) to the Retail segment. Revenue includes interest income of KEUR 34,574 (2023: KEUR 13,260) from the instalment purchase programme and the merchant financing programme.

In the Merchant segment, revenue rose by 12.9%, which is attributable to an increase in the number of vehicles sold by 92,316 to a total of 615,335 vehicles. This increase in volume is based on an expansion of purchasing activities due to a higher number of purchasing branches.

In the Retail segment, revenue increased by 24% to KEUR 1,234,099 (2023: KEUR 998,873) compared to the previous year. This increase is mainly due to a 18% higher number of vehicles sold, which rose to 74,438 vehicles (2023: 63,066 vehicles). In addition, the average sales price per unit rose by EUR 740 to EUR 16,579.

Gross Profit Development

In the financial year 2024, the cost of materials increased at a lower rate than revenue by 12.4% or KEUR 612,240 to a total of KEUR 5,547,187. Of this amount, KEUR 4,475,190 (2023: KEUR 4,044,811) was attributable to the Merchant segment and KEUR 1,071,997 (2023: KEUR 890,136) to the Retail segment. The cost of materials includes the cost of vehicles sold, external transport costs (costs for vehicle transport to the customer) as expenses for purchased services and other expenses for other services related to the operational processing of vehicle purchases and sales.

Gross profit developed very positively in the financial year 2024 and increased by KEUR 196,836 to KEUR 724,724. In the Merchant segment, gross profit increased by 34% to KEUR 562,621 (2023: KEUR 419,151). The gross profit per unit increased from EUR 801 to EUR 914. The Retail segment also made a significant contribution to the positive development with an increase of 49% to KEUR 162,102 (2023: KEUR 108,736). Gross profit per unit increased significantly from EUR 1,712 to EUR 2,163. These figures illustrate the success of our online platforms for the sale of used cars to both dealers and private customers.

Business Development by Segment

Merchant

	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Revenue (in KEUR)	**5,037,811**	**4,463,962**
*thereof C2B**	*4,450,816*	*3,830,601*
*thereof Remarketing**	*586,995*	*633,361*
Revenue growth in %	*12.9*	*(18.5)*
Gross profit (in KEUR)	**562,621**	**419,151**
Sold cars (#)	**615,335**	**523,019**
thereof C2B	*558,456*	*457,885*
thereof Remarketing	*56,879*	*65,134*
GPU (in EUR)	**914**	**801**

* Analysis of revenue by procurement channel.

Retail

	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Revenue (in KEUR)	**1,234,099**	**998,873**
Revenue growth in %	*23.5*	*(5.5)*
Gross profit (in KEUR)	**162,102**	**108,736**
Sold cars (#)	**74,438**	**63,066**
GPU (in EUR)*	**2,163**	**1,712**

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

Development of EBITDA and Adjusted EBITDA

AUTO1 Group's EBITDA improved significantly compared to the previous year by KEUR 150,162 to KEUR 86,975. The main driver of this development was the increase in gross profit by 37% or KEUR 196,836. This was offset by higher personnel expenses (+ KEUR 23,710), increased internal transport expenses (+ KEUR 10,650) and an increase in marketing expenses of KEUR 3,914.

The increase in personnel expenses resulted from a higher average number of employees, which is related to the expansion of AUTO1 Group's business activities. Expenses for share-based payments increased in the past financial year by KEUR 4,776 to KEUR 17,843.

The increase in expenses for internal vehicle transport is due to the higher number of units traded compared to the previous year.

Marketing expenses rose by KEUR 3,914 to KEUR 140,981, with the increase being primarily due to increased advertising measures for the C2B purchasing channel. In contrast, marketing expenses for our retail brand Autohero were reduced slightly due to reduced sponsorship activities.

The adjusted EBITDA is calculated from the EBITDA, adjusted for share-based payments and other non-operating expenses. In the financial year 2024, adjusted EBITDA amounted to KEUR 109,240, a significant improvement over the previous year's figure of KEUR -43,948, which is mainly due to the improvement in EBITDA.

Development of the Group Result

In the financial year 2024, AUTO1 Group achieved a positive net result of KEUR 20,894 (2023: net loss of KEUR 116,466) for the first time. This positive development is primarily due to the aforementioned improvement in EBITDA.

The net result was also influenced by effects associated with the expansion of business activities. The financial result decreased by KEUR 4,975, which is mainly due to higher interest expenses in connection with the inventory ABS facility. At the same time, tax expenses increased by KEUR 5,830 as a result of the positive development of earnings before taxes. In addition, depreciation and amortisation increased by KEUR 1,996 in the financial year 2024.

2. Financial Position and Liquidity

Merchant

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Consolidated result	**20,894**	**(116,466)**
Cash flows from operating activities	**(219,725)**	**(55,429)**
Cash flows from investment activities	**(17,796)**	**(19,214)**
Cash flows from financing activities	**302,727**	**80,384**
Cash and cash equivalents at the beginning of the period	**548,172**	**542,431**
Cash and cash equivalents at the end of the period	**613,378**	**548,172**

Cash and cash equivalents at the end of the year totalled KEUR 613,378 (2023: KEUR 548,172) and increased by KEUR 65,206 compared to the previous year. Cash and cash equivalents do not include any short-term time deposits (2023: KEUR 32,600). Part of the cash and cash equivalents totalling KEUR 241,586 (2023: KEUR 456,391) is pledged and is mainly used to pre-finance the future purchase of vehicles and to further expand the instalment purchase programme and the merchant financing programme.

The negative cash flow from operating activities of KEUR 219,725 resulted primarily from the growth of the portfolios from the merchant financing programme (increase of KEUR 177,860) and the instalment purchase programme (increase of KEUR 96,128). In addition, the further increase in inventories by KEUR 152,351 (2023: decrease of KEUR 73,193) contributed to the negative operating cash flow. On the other hand, the increase in trade payables and the positive net result had a positive effect. Both the inventories of AUTO1 Group and the receivables from the merchant financing programme and the instalment purchase programme are refinanced via ABS facilities and public ABS notes. The resulting cash flows are recognised in cash flow from financing activities.

Cash flow from investing activities in 2024 totalled KEUR -17,796 (2023: KEUR -19,214) and, as in the previous year, resulted mainly from payments for investments in property, plant and equipment.

The positive cash flow from financing activities in the financial year 2024 amounted to KEUR 302,727 (2023: KEUR 80,384) and resulted mainly from the increased utilisation of the ABS facilities and the public ABS notes issued for the first time.

Utilisation of the merchant financing ABS facility, which refinances the merchant financing programme and currently has a term until December (repayment begins in December 2025), was increased by KEUR 135,844. In addition, the utilisation of the inventory ABS facility, which refinances inventories and currently has a term until August 2028 (repayment begins in February 2027), increased by KEUR 125,000.

The nominal values of the liabilities to Autohero customers to refinance the instalment purchase portfolio increased by a total of KEUR 79,498. In July 2024, the Group placed public ABS notes with a nominal volume of EUR 212 million to refinance an existing instalment purchase portfolio in the amount of EUR 223 million. As at 31 December 2024, the nominal value of the public ABS notes was KEUR 179,620. The public ABS notes are repaid monthly from the incoming payments on the instalment purchase receivables.

Due to the refinancing of part of the instalment purchase portfolio in July 2024, the utilisation of the consumer loan ABS facility, which currently has a term until January 2029 (repayment begins in January 2026), was reduced by KEUR 100,122 as at the reporting date compared to the previous year.

3. Assets and Liabilities

Property, plant and equipment mainly comprises the purchasing branches, the production centres for the refurbishment of vehicles for the Autohero platform and the Autohero delivery vehicle fleet. As a result of the opening of further purchasing branches, property, plant and equipment increased by KEUR 24,802 to a total of KEUR 143,801.

Non-current trade receivables as at 31 December 2024 amounted to KEUR 292,442 (2023: KEUR 233,643). These are made up of instalment purchase receivables offered to Autohero customers in Germany and Austria and refinanced via the consumer loan ABS facility and the public ABS notes.

Inventories increased by KEUR 152,351 to KEUR 696,731. KEUR 600,000 of this was refinanced via the inventory ABS facility. The increase in inventories is mainly due to increased purchasing activities by AUTO1 Group and the associated higher number of vehicles held as at the reporting date. The increase was recorded in both segments.

Current trade receivables and other receivables increased by KEUR 218,443 to KEUR 363,965 . This increase is primarily due to the further growth of the merchant financing programme in Germany, France, Spain, Austria, the Netherlands and Belgium, which resulted in receivables from merchants amounting to KEUR 214,382 (2023: KEUR 36,522) as at the balance sheet date.

Other assets mainly relate to VAT receivables, which fell year-on-year due to refunds from the tax authorities.

Cash and cash equivalents increased from KEUR 548,172 to KEUR 613,378 and do not include any short-term time deposits as at 31 December 2024 (2023: KEUR 32,600). For the development and composition of cash and cash equivalents, please refer to the notes on the financial position.

As at 31 December 2024, AUTO1 Group's equity increased to KEUR 612,875 (2023: KEUR 577,447). The equity ratio at the end of the reporting year was 27.8% (2023: 33.8%). The decline in the equity ratio is due to the growth in total assets.

The fully collateralised investment-grade rated inventory ABS facility with senior notes of KEUR 800,000 was utilised in the amount of KEUR 600,000 (2023: KEUR 475,000) as at the reporting date of 31 December 2024. A fully collateralised consumer loan ABS facility exists to refinance the instalment purchase programme. As part of the public securitisation of a sub-portfolio in the financial year, the total senior notes volume of the consumer loan ABS facility was reduced from KEUR 275,000 to KEUR 200,000. As at 31 December 2024, this was valued at KEUR 130,401 (2023: KEUR 230,523). The public ABS notes from the public securitisation of the sub-portfolio have a nominal value of KEUR 179,620 as at the reporting date. AUTO1 Group also has a fully collateralised Merchant Financing ABS facility for refinancing the Merchant Financing Programme with a total senior note volume of KEUR 200,000. As at the reporting date, this credit line was utilised in the amount of KEUR 174,448 (2023: KEUR 38,605). Due to their long-term nature, these credit lines are generally recognised under non-current financial liabilities. However, financial liabilities are classified as current if AUTO1 does not have the right to defer repayment for a period of more than 12 months on the reporting date. The liabilities from the merchant financing ABS facility are recognised as current, as the revolving period of the facility ends at the end of November 2025 and the repayment phase begins thereafter. However, AUTO1 plans to extend the credit line in the 2025 financial year. For the public ABS notes, the portion of the liability for which repayment is expected in 2025 is recognised as current. This is based on the repayment profile of the securitised instalment purchase receivables. For further details, please refer to the information in the notes to the consolidated financial statements under liquidity risks.

Other financial liabilities mainly include lease liabilities, of which the non-current portion amounted to KEUR 58,149 (2023: KEUR 43,488) and the current portion to KEUR 32,533 (2023: KEUR 26,356) as at 31 December 2024.

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

4. Overall Assessment

The Management Board considers AUTO1 Group's net assets, financial position and results of operations to be very positive. In the financial year 2024, the Group was able to grow at all levels and far exceed its profitability indicators. The Group's gross profit once again reached a new all-time high and adjusted EBITDA increased significantly. For the first time in the company's history, a positive consolidated result was achieved.

The instalment purchase programme recorded continuous growth. An important milestone was reached with the successful public securitisation of an instalment purchase receivables portfolio, which further strengthened the refinancing of the programme. Overall, the Management Board believes that AUTO1 Group is on a sustainable growth path and well positioned to operate successfully in the long term, even in a challenging market environment.

Forecast, Opportunities and Risks

Risk Report

In 2024, AUTO1 further strengthened its internal risk management framework, building on the comprehensive, group-wide Risk Management System (RMS) developed over prior years. The RMS continues to support decision-making processes by delivering consistent, transparent, and comparable information that fosters a unified understanding of risks and opportunities across the Group. The risk management team remains committed to formulating strategies and setting objectives that drive growth while mitigating associated risks, thereby sustainably enhancing enterprise value. The subsequent report outlines the material risks and opportunities for AUTO1.

Risk Management System

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

Risk Identification

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

AUTO1 conducts risk identification and assessment annually, utilising workshops, risk surveys, and operational insights from risk owners, while also responding promptly to emerging risks. This process is a collective effort, involving employees across all levels and departments of AUTO1, both centrally and decentrally. It embodies a top-down and bottom-up approach, ensuring comprehensive risk visibility and engagement across the organisation. The risk management team, in collaboration with risk owners in different group departments, systematically identifies risks by examining internal and external environments for emerging risks. This process also includes recognizing potential interconnections between risks based on qualitative factors, which often leads to the discovery of new risks.

To strengthen our proactive approach, AUTO1 has implemented an ad hoc risk reporting system, enabling employees to anonymously report potential risks and irregularities in real-time. This system fosters a vigilant and responsive culture, allowing for timely mitigation of risks outside regular assessment periods. To support efficient communication and collaboration, risk owners assist the risk management team in recording and assessing identified risks.

Our Approach to ESG Risks

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

Risk Assessment

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

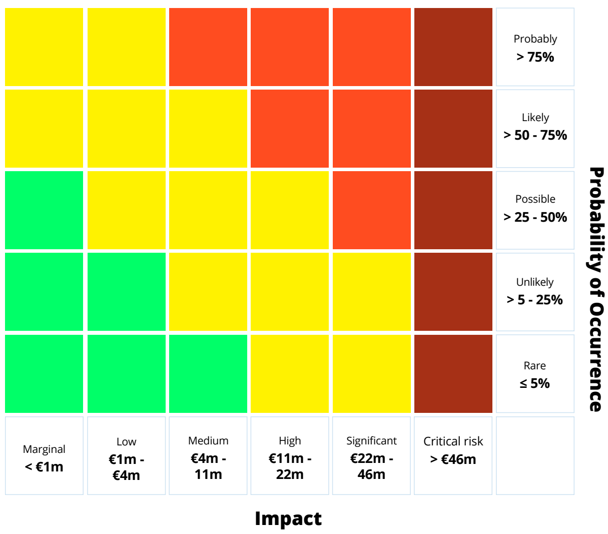
- **Impact:** The extent to which the risk, if it materialises, would negatively impact AUTO1 and its objectives.

- **Probability of Occurrence:** The probability that a certain impact of a risk will occur within one year of the date it is assessed.

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

Our risk assessment process differentiates between gross and net risk to understand and underline the effectiveness of corrective actions. Gross risk represents the inherent risk before considering risk mitigation strategies and actions. Net risk, conversely, represents the residual risk after all implemented mitigation measures have been accounted for. In this context, risks with potential impacts exceeding EUR 46m are separately tracked as critical, since they might threaten AUTO1 as a going concern. The estimated probability of occurrence quantifies the likelihood of risk materialisation within a year. The risks that have a material impact on the Group in gross terms are explained in the following risk report.

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



- Risks identified in the red areas of the matrix are rated as substantive and require measures and monitoring by management as high priority.

- Risks in the yellow area are classified as moderate risks and require medium-term measures and regular monitoring.

- Risks in the green area are classified as minor risks and have a lower priority.

Risk Treatment

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

Risk Monitoring

Risk monitoring at AUTO1 is an ongoing, dynamic process supported by the ad hoc risk reporting system, enabling real-time updates. The mechanism keeps the Risk Management Team and the Management Board up to date on substantive and critical risk events and relevant developments. This approach involves continuous tracking of identified risks, managed collaboratively with respective risk owners and managers. Our goal is to assess current probabilities, impacts, and the implementation status of corrective actions. The Risk Management Team, along with risk owners, is responsible for integrating both continuous and ad hoc data into our risk analysis tools. Ongoing risk monitoring is embedded in our business.

Risk Reporting

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

System of Internal Controls over Financial Reporting

As mandated by the German Stock Corporation Act, the Supervisory Board oversees the effectiveness of the internal control system (ICS) at AUTO1, necessitating a robust and comprehensive ICS. In 2024, we advanced our ICS to better prevent errors, inefficiencies and compliance violations, and intensified internal controls to deter inconsistencies and misconduct by internal and external parties. The AUTO1 RMS was developed to support risk awareness, encourage open communication about risks, foster shared understanding, and initiate proactive measures to manage risks that could impact the Group's performance or threaten its viability.

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

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

Internal Audit System

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

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

In 2024, AUTO1 conducted planned country and special audits. After each audit, a closing meeting has been convened with the respective country head or department head to discuss findings. Affected parties are given the opportunity to agree or disagree with these findings. Once agreed upon, a remediation date is set and follow-up meetings are organised to ensure the effective implementation of corrective actions. This process demonstrates AUTO1's dedication to continuous improvement and accountability. Looking ahead to 2025, we plan to further expand our internal audit activities, reinforcing our commitment to these principles.

Material Risks

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

Risk Areas

Overall, we did not identify any risks or risk clusters that could endanger AUTO1's ability to continue as a going concern (i.e., critical risks). The following table provides an overview of AUTO1's risk clusters and shows the material risks that we have identified using our risk assessment method described above. Furthermore, this year's assessment did not classify any additional risk areas as critical.

Overview of Risk Clusters

RISK CLUSTER	ASSESSMENT	2024		2023	
		Probability	Impact	Probability	Impact
Strategic Risks					
Macroeconomic Environment	Substantive	Possible	Significant	Likely	Significant
Environmental and Social Responsibility	Moderate	Likely	Low	Likely	Low
Competitive Environment	Moderate	Possible	Medium	Possible	Medium
Barriers to Online Purchase of UCs	Moderate	Unlikely	Medium	Unlikely	Medium
Regulatory Changes	Moderate	Possible	Low	Possible	Low
Legal and Compliance Risks					
Anti-money-laundering	Moderate	Possible	Medium	Possible	Medium
Data Protection	Moderate	Possible	Medium	Possible	Medium
Operational Risks					
Logistics and Used Car Inventory	Moderate	Possible	Low	Likely	Medium
IT Security	Moderate	Possible	Low	Unlikely	Medium
Personnel	Moderate	Likely	Medium	Unlikely	Medium
Financial and Reporting Risks					
Liquidity Risk	Moderate	Unlikely	High	Unlikely	High
Interest Rate and Credit Risk	Moderate	Possible	Low	Likely	Low
Fair Value Risk	Moderate	Possible	Low	Possible	Low

The overall risk situation is determined using a comprehensive assessment of the following risk clusters:

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

a. Strategic Risks

Macroeconomic Environment

In 2024, the European economy shows encouraging signs of recovery from the uncertainties of recent years. While challenges such as the ongoing war in Ukraine persist, the economic landscape has improved, with inflationary pressures easing and interest rates gradually declining. However, interest rates remain above pre-COVID levels, and protectionist concerns in the market for electric vehicles continue to influence global trade dynamics, particularly regarding competition from Asia.

At AUTO1, we are closely monitoring these developments and adapting our strategies to navigate the evolving macroeconomic landscape. Although we maintain some trading activities in Ukraine, the market continues to play a limited role in our overall strategic plans. A significant shift in the conflict could still present heightened risks, but the impact on our operations has been managed effectively.

The European used car market has entered a more stable and normalised phase, with prices and sales volumes aligning with expectations. AUTO1 has outpaced the market's recovery, leveraging its robust digital platform and operational agility to strengthen its position in the European used car market. This momentum reflects the strength of our strategy and underscores our ability to adapt effectively to dynamic market conditions. The AUTO1 Group Price Index, which tracks the evolution of used car prices across Europe, remains a vital tool in understanding market trends and ensuring transparency for stakeholders.

Compared to last year, we have lowered our assessment of the probability of risk occurrence from "Likely" to "Possible," as the European economy has stabilised with easing inflation, declining interest rates, and a normalised used car market. AUTO1's operational agility and digital platform have further reinforced our ability to navigate market conditions effectively.

Responding to the improved macroeconomic conditions and stabilised vehicle supply, AUTO1 remains committed to leveraging these opportunities to drive growth. We continue to focus on investment strategies, achieving greater cost efficiency, and expanding our purchasing and sales activities. Our expansion to over 500 branches across Europe further enhances our ability to meet customer needs by bringing services closer to their locations. These measures support our ability to adapt to a more balanced yet dynamic automotive market environment.

Environmental and Social Responsibility

In 2024, AUTO1 continues to recognize its potential to contribute towards a circular economy of the European automotive industry. Our commitment to sustainable practices, as outlined in our annual ESG report, is therefore essential for the Group's long-term success. The automotive industry is increasingly influenced by legislative and regulatory developments, alongside growing consumer environmental concerns. The impact of climate change on our stakeholders may significantly impact our operations.

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

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

Competitive Environment

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

In the Retail segment, AUTO1 anticipates strong competition from diverse brands, business models, products and services. Our strategy to stay ahead focuses on strengthening our competitive advantages by enhancing the user-friendliness of our digital platform, optimizing logistics, expanding our vehicle inventory and delivering customer-centric features. Autohero's network of production centres and showrooms further distinguishes our offering, providing customers with high-quality vehicles and an enhanced buying experience. By offering attractive, reliable services at competitive prices, we consistently raise the standards of the online car-buying experience.

AUTO1 is continuing to focus on innovation. Through continuous improvements to our platform and customer relationships, as well as operational efficiencies, we aim to offer a smooth online car-buying and selling experience. These efforts expand our market reach and solidify our relationships with customers.

An important differentiator for AUTO1 is our Merchant Financing solution, a streamlined financing product integrated directly into our platform. Dealers can add financing to their vehicle purchases with a single click, receiving instant approval. This innovative solution enhances the digital journey for merchants by offering faster access to vehicles and relevant car documents compared to traditional external financing methods.

To adapt to evolving market dynamics, AUTO1 is also investing heavily in dealer and customer centricity. This includes optimizing the online interface for dealers, introducing tools for vehicle valuation, and expanding customer support initiatives. These measures are designed to align with shifting market demands while maintaining our focus on per-vehicle profitability, particularly in our Retail segment.

With our unique online service model and growing brand recognition, AUTO1 remains confident in navigating the competitive landscape. Our commitment to enhancing our digital platform and customer experience continues to position us for long-term growth and resilience in the face of market challenges.

Barriers to Online Purchase of Used Cars

In the Retail segment, while traditional dealers continue to have a strong presence, AUTO1 is actively working to reduce barriers associated with online car purchasing. The online car market's relatively recent development presents unique challenges, such as customer hesitation due to limited physical interaction with vehicles. While consumer preferences are gradually evolving in favor of digital transactions, these shifts remain measured and incremental. We continuously monitor these developments to ensure our platform evolves in alignment with customer behavior. Recognizing this, we have enhanced the online exploration and purchasing experience by refining vehicle presentations and descriptions to offer a transparent, thorough view for customers.

To set ourselves apart from traditional used car dealers, AUTO1, through our Autohero brand, focuses on delivering a seamless and compelling customer journey. In line with this commitment, we continue to improve delivery speeds to serve as a pivotal driver in boosting online sales conversions. Additionally, we offer direct financing options, pay on delivery, a range of add-ons, home delivery, and a 21-day money-back guarantee with a one-year warranty on all Retail vehicles. Autohero's production centres and showrooms play a key role in delivering quality vehicles and improved customer experience. These initiatives ensure the online car-buying process is as accessible, trustworthy and customer-focused as possible.

In 2024, we expanded our accessibility by launching the Autohero app, which mirrors the convenience of our website and enables customers to browse and purchase vehicles on the go. Further, we are working towards an approach that leverages our logistics to create immediacy of fulfillment, with increased geographical footprint to facilitate faster delivery.

AUTO1 is also committed to continuously adapting our platform to align with regulatory developments, enhancing ease of online transactions. Our fulfillment network, consisting of over 500 delivery and collection locations across Europe, along with strong logistics partnerships, reinforces our commitment to a uniform and efficient platform. This strategic approach allows us to adapt to evolving customer preferences and positions AUTO1 for steady growth in the digital automotive marketplace.

Regulatory Changes in the Used Car Market

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

AUTO1 is well-positioned to navigate these market shifts, with a business model that embodies the adaptability required to respond to regulatory changes and market demands. Our strategic focus remains on delivering a customer-centric approach, adapting to the evolving preferences and expectations of our customers. This includes leveraging our robust online platform to offer a diverse selection of vehicles and services that address the varied needs of today's consumers.

b. Legal and Compliance Risks

General Legal and Compliance Risks

As a European company that buys and sells cars online, AUTO1 is subject to a wide range of laws, regulations and compliance requirements. Cars are technologically complex and can have hidden faults that are not apparent until after the sale, potentially leading to claims by customers and business partners and resulting in litigation. This is particularly relevant for transactions with consumers, who are covered by consumer protection laws that — unlike our commercial customers — offer increased legal protection.

To mitigate these risks, all vehicles traded by AUTO1 undergo strict scrutiny by trained experts, who conduct inspections and test drives as part of our quality assurance process. These inspections, combined with transparent communication regarding a vehicle's condition, help significantly reduce risks associated with hidden faults, including post-sale complaints, litigation and other legal risks.

Supply chain considerations are integral to our compliance and risk analysis, allowing us to assess and determine risk levels. Given that AUTO1 operates predominantly within the EU, we consider our supply chain to have a relatively straightforward structure with low inherent risks. Additionally, we are committed to ensuring that our supply chain aligns with our human rights and ESG standards through continuous evaluation and oversight.

In response to the German Supply Chain Act, we have implemented measures to ensure compliance. For transactions of particular risk profile, we have also introduced a robust third-party due diligence process to vet business partners. Through these proactive measures, we aim to uphold our commitment to ethical business practices and compliance across all our operations.

Risk of Non-compliance With Anti-Money Laundering Regulations

The traditional European used car market is highly fragmented and lacks transparency. Given that used cars are high-value goods, there is a risk of the market being exploited for illegal activities, such as money laundering and related criminal offenses. As a company trading in used cars, AUTO1 faces the risk of engaging with persons or businesses that may be involved in such activities.

To mitigate this risk, we have implemented anti-money laundering (AML) reporting and training measures as part of our Group-wide compliance management system. A key component of our AML strategy is a strict cashless business model, ensuring that all transactions are settled via bank accounts that meet Know Your Customer (KYC) requirements. We also perform independent KYC checks to verify the reputability of our business partners.

Our Compliance Team, led by a dedicated AML officer, manages and enforces our Group AML policy. This includes a comprehensive web-based and individual AML training program to ensure our employees understand and adhere to these standards. To further strengthen our AML framework, we have established internal and external reporting channels to facilitate easy reporting, regularly monitor processes, and adapt to changing AML requirements.

Additionally, we continuously reevaluate our compliance by conducting annual reviews of our KYC process to ensure they align with the latest requirements. To enhance our compliance efforts, we have also integrated automated sanctions screening for business partners enabling monitoring against global sanctions lists across all segments.

Risk of Non-Compliance with Data Protection Regulations

As we handle personal data, we are exposed to the risk of non-compliance with the General Data Protection Regulation (GDPR) and other local data protection laws. For AUTO1, non-compliance may result in administrative fines, legal claims and reputational harm.

To ensure data protection compliance in our business processes, we engage in ongoing exchanges with various stakeholders across departments, regular training, and targeted awareness measures to integrate data protection requirements at all levels. Through consistent reviews of our processing activities and risk assessments, we provide group-wide recommendations to help mitigate potential data protection risks through technical and organizational measures. This proactive approach not only enhances AUTO1's ability to protect personal data but also contributes to a culture of awareness and continuous improvement in data protection practices.

Potential complaints or reports on data protection incidents are processed with high priority to resolve issues promptly, while also implementing preventative measures to avoid future occurrences and ensure compliance with any applicable reporting obligations. To support this, we have implemented procedures for identifying, reporting, and documenting data protection incidents across the Group.

To guarantee the data protection rights of our data subjects (business partners, employees), we have established necessary procedures and communication channels within the Group, providing our data subjects greater transparency and control over their data. Finally, we document all relevant processes and regularly expand our policies and training materials related to data protection, creating a transparent and accessible framework to ensure accountability and strengthen employee awareness, helping to reduce data protection risks associated with human and technical errors.

c. Operational Risks

Logistics and Used Car Inventory

Our logistics processes are fundamental to managing used car inventory and supporting the continued growth of our business. With the expansion of our branch network and increasing operational demands, efficient coordination with logistics partners remains a priority. However, the logistics landscape, while improving, still presents challenges. Our continued growth also brings risks of dishonest behaviour by both sellers and buyers, which is why there has been an increased focus on preventing such activities.

The pandemic caused significant disruptions in logistics, with reduced capacity and driver shortages that lingered into recent years. In 2024, the market showed signs of a bounce-back in logistics capacities and decreased demand from OEMs contributing to greater market availability. Nevertheless, external factors such as labour shortages and regulatory requirements continue to require careful management and adaptation.

To address these challenges, AUTO1 has implemented a range of strategies to enhance operational efficiency. We have achieved stronger diversification by increasing the number of active carriers and signing new agreements across key regions, ensuring more resilience in our network and strengthening our ability to meet delivery requirements. Additionally, we have opportunistically insourced specific logistics routes to mitigate bottlenecks and improve localisation, helping ensure timely deliveries and flexibility.

Our in-house fleet has also grown in importance as a strategic asset. Currently operational in key markets, we are rolling out additional vehicles to further support our capacity and strengthen our logistics infrastructure. This complements our proactive approach to securing resources and collaborating with logistics partners to meet the needs of our expanding branch network.

Compared to last year, we have lowered our assessment of the probability of risk occurrence from "Likely" to "Possible," as logistics capacity has improved, and AUTO1 has strengthened its network by diversifying partners, insourcing routes, and expanding its in-house fleet. These measures have enhanced our ability to manage delivery requirements efficiently.

The current business environment reflects a stabilised logistics market compared to 2023. However, proactive management remains essential to navigating these evolving challenges. By aligning our logistics strategies with operational demands and the expansion to over 500 branches, we are well-positioned to support sustainable growth. Our ongoing focus on flexibility and adaptability ensures that we can deliver reliable and efficient service across our growing network, maintaining the overall risk at a moderate level.

IT Security

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

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

With AUTO1's rapid growth, scaling our IT infrastructure is essential to manage the increasing complexity and volume of operations. We leverage additional cloud services from established providers to ensure the scalability and efficiency of our systems.

Given the significant risks associated with IT, our development and maintenance activities are centrally governed by standardised policies and best practices, and our staff undergoes mandatory security training to remain vigilant against threats at all times. Infrastructure is secured by industry-leading cybersecurity tools, and regular audits with external testers ensure the effectiveness of our security measures. AUTO1 has established several procedures to facilitate last-minute IT adjustments in urgent situations, ensuring agility and responsiveness to emerging IT challenges.

We employ a company-wide shared responsibility model to enhance collaboration across regions and enforce global IT security policies and procedures. In 2024, we continued to streamline our security protocols under this model. Our cybersecurity strategy also includes adding dedicated IT personnel focused on security and acquiring additional solutions to strengthen compliance and governance. This newly integrated solution offers automated access reviews, lifecycle management, audit readiness, and policy-based controls, further enhancing our security posture by standardising access management across departments and ensuring a high level of regulatory compliance.

The likelihood of IT risks occurring is generally assessed as low, with their impact on performance indicators deemed moderate. The Management Board considers the overall risk impact as medium and the probability of occurrence as unlikely, reflecting our effective risk mitigation strategies.

Personnel Risk

As AUTO1 continues to expand, our ability to attract, recruit, motivate and retain a skilled workforce remains essential to our success. With our broad hiring needs, AUTO1 appeals to a diverse pool of talent — from tech professionals to mechanics and truck drivers — supporting various aspects of our business. Attracting and retaining these varied profiles is crucial to sustaining our business growth and maintaining our competitive edge.

Recognizing the critical role of our employees in driving the company's progress, we are committed to offering competitive compensation and innovative employment solutions. We closely monitor the labour market landscape and adapt our approach for specific roles as needed. Additionally, we are digitising our onboarding program to provide a consistent and positive experience across all countries, fostering a motivated workforce and supporting AUTO1's long-term viability.

At AUTO1, we emphasize an open and constructive working environment where performance evaluations are conducted with transparency. Feedback cycles are organized biannually, and development plans are tailored to support the growth of each employee, reinforcing our commitment to their ongoing career progression. Our strong, values-based culture is integral to our hiring, induction and training processes. Additionally, our People team conducts exit surveys to gain insights into employee experiences and improve retention strategies, supporting our commitment to continuous improvement.

In line with our commitment to fair and transparent compensation, we have worked to align with pay transparency directives and will be introducing internal pay transparency reports. These reports will provide our People team with insights into any gender pay gaps by job profile, supporting an equitable and inclusive work environment at AUTO1.

d. Financial Risks

Of the financial risks, the liquidity, credit and interest rate risks are relevant for AUTO1. Foreign exchange risks are not considered material due to their limited exposure relative to the overall business operations.

Liquidity Risk

AUTO1 continues to maintain a robust liquidity position, which is crucial for mitigating financial risks. Our strong cash position, coupled with the absence of short-term corporate debt, provides a solid foundation for managing liquidity risks effectively. In 2024, we further expanded our merchant financing business to additional European markets, enhancing availability and integration within our platform. Additionally, we successfully completed our first transaction accessing the public ABS market for consumer loans, marking an important milestone in diversifying our financing options and reinforcing our access to capital markets. As AUTO1 continues to scale its operations, the size and utilisation of our asset-backed securitisation facilities are expected to grow in parallel, providing further support for our operational expansion and financing needs.

AUTO1's key liquidity resources include:

- Cash and cash equivalents: EUR 613 million as of 31 December 2024
- Our inventory asset-backed securitisation (ABS) facility for inventories: EUR 875 million total facility, with unutilised commitments of EUR 200 million as of 31 December 2024,
- Our consumer loan ABS facility for consumer car loans: EUR 200 million total facility, with unutilised commitments of EUR 69.6 million as of 31 December 2024, and
- Our merchant financing ABS facility for merchant loans: EUR 200 million total facility, with unutilised commitments of EUR 25.6 million as of 31 December 2024

Based on the Group's long-term planning, we are of the opinion that AUTO1's current liquid assets will be sufficient to support the planned expansion of Autohero's business and AUTO1's operating activities until we achieve full profitability and positive cash flows from operating and investing activities. Until then, AUTO1 will require access to banks and capital markets to cover our needs for asset-backed financing for inventories, merchant financing and Autohero car loans. We are confident in our ability to utilise these markets as necessary. In January 2025, we upsized the senior notes commitments of our inventory ABS facility from EUR 800 million to EUR 875 million, further improving our unutilised commitments and enhancing our liquidity position.

For further information on liquidity risk, please refer to Section 9 of the Notes to the Consolidated Financial Statements.

Interest Rate and Credit Risk

In response to the changing interest rate environment, AUTO1 maintained a stable interest margin on new loans generated in 2024. This adjustment aligns with the shifts in the underlying interest rate environment, ensuring our financial strategies remain responsive and proactive.

To further mitigate exposure to interest rate fluctuations, AUTO1 has continued its use of fixed-to-floating interest rate swaps on 95% of the consumer loans we generate. This approach ensures alignment between the floating basis of our refinancing debt and the fixed returns on our consumer loans, effectively matching assets and liabilities. Additionally, the successful public securitization transaction has significantly reduced our refinancing spread.

On the merchant financing side, AUTO1 continues to utilise floating rate refinancing. Given the short-term nature of merchant financing receivables, typically around two to three months, we do not foresee a significant mismatch of the maturity between assets and liabilities. Our ability to adjust interest rates on new receivables in response to market changes enables us to maintain a balanced financial position.

Our inventory ABS facility continues to bear interest at a variable rate. While higher interest rates could potentially negatively impact our anticipated net earnings, our active asset-liability management, combined with the interest earned on cash and liquid assets, helps offset this impact. We've seen interest rates come down, and we expect this trend to continue at a more measured pace. In that context, higher rates could still exert a negative impact on our net earnings. We expect our liquid assets to decrease as they are used to finance current negative cash flows from operating activities and investments, while the utilisation of our inventory ABS facility is projected to increase with our growing inventories.

Our consumer and merchant financing portfolios are highly diversified and refinanced through asset-backed securitisations. Each ABS includes risk retention tranches, entitling AUTO1 to surplus cash flows. With the successful pricing of our first public ABS transaction in 2024, AUTO1 has further diversified its funding sources. Portfolio performance, including default and repayment rates, is carefully monitored, and in-house lending standards are continuously reviewed and tightened accordingly to ensure resilience and stability.

Compared to last year, we have increased our assessment of the impact of the risk from “Low” to “Medium” due to the ongoing expansion of both the Consumer Financing and Merchant Financing portfolios. Additionally, we have decreased the probability of the risk from “Likely” to “Possible” in light of the current interest rate environment.

Fair Value Risks

In 2024, AUTO1 continues to experience stability in fair value risks related to our inventory, particularly in procurement and sales. Our business model, reliant on acquiring suitable vehicles from consumers and dealers, emphasizes a dynamic pricing strategy to maintain a diverse and appealing inventory. Algorithms remain at the core of our procurement process, ensuring accurate valuations even amid high transaction volumes.

Our inventory management is informed by market trends, demand fluctuations and strategic planning. We actively mitigate potential overvaluation risks, such as undetected wear and tear, by continually refining our inventory allowance estimations. This proactive approach allows us to adapt swiftly to market changes while maintaining a competitive edge.

Inherent risks, including inventory damage, destruction, or theft, are managed through partnerships with external storage providers and robust control measures. Additionally, we address risks such as the rapid depreciation of newer models and market susceptibilities, including shifts in vehicle supply affecting used car prices, proactively.

AUTO1's proprietary risk management system remains a cornerstone of mitigating fair value risks. Before acquiring used cars, our algorithms evaluate key factors such as expected gross profit per unit, selling speed, current inventories and market trends. Vehicles identified as challenging to sell are routed to online auctions, ensuring that potential impacts on performance indicators are minimized.

In 2024, the growing role of consumer and merchant financing has added further depth to our operations, becoming a more significant component of our balance sheet. This integration enhances our ability to strategically manage financial and inventory-related risks. While we assess the overall fair value risk as moderate, our continued focus on leveraging technology and strategic planning positions us to adapt effectively and maintain financial stability.

Opportunities

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

a. Increasing Digitalisation in the Used Car Market

The used car market, one of the world's largest sales sectors, remains predominantly offline, presenting significant potential for online expansion. Consumers often encounter limited local selections, a lack of comprehensive fulfillment services, and insufficient pricing transparency, leading to constrained choices and reduced confidence in their purchasing decisions. Professional dealers, traditionally confined to local markets, face challenges in achieving economies of scale, resulting in market fragmentation and limited growth potential.

In response to these challenges, AUTO1 Group is committed to developing a comprehensive online platform that facilitates seamless cross-border transactions across Europe. Our platform is tailored to address the specific needs of both consumers and dealers, enhancing the user experience and revolutionizing the process of buying and selling cars online. Operating in over 30 European countries, AUTO1 Group offers an extensive range of used cars across all price categories. Leveraging our vast transaction data, we have established the AUTO1 Group Price Index, which tracks the evolution of used car prices in the wholesale market across Europe on a monthly basis, providing enhanced transparency and valuable insights into pricing trends.

To further elevate the customer experience, we have introduced the Autohero mobile app, enabling customers to browse and purchase vehicles conveniently from their mobile devices. Additionally, we continue to refine our logistics systems to facilitate faster deliveries and explore innovative delivery options, aligning with evolving customer expectations and modern e-commerce standards. We are also scaling the AUTO1 Car Audit Technology, an AI-powered tool that enhances vehicle evaluation processes, ensuring accuracy and transparency for our customers.

In 2024, we have expanded our in-house merchant financing solution to additional markets, with plans for further growth in the near future. This solution supports dealer efficiency, simplifies the financing process, and strengthens our growing dealer network. Furthermore, we are actively exploring new ways for customers to sell and trade vehicles among themselves, fostering a dynamic and accessible marketplace.

The European used car market continues to demonstrate resilience and strong long-term growth potential. Our strategy, anchored in a robust digital platform, an efficient logistics network and a relentless focus on customer experience, positions AUTO1 to capitalize on the opportunities presented by the ongoing digital transformation of the industry, driving sustainable growth and profitability.

b. Customer Experience

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

AUTO1 continues to innovate in the area of customer communication and engagement. We have integrated live chat solutions across our purchasing brands and the Retail segment, facilitating real-time interactions and improving response times. Additionally, WhatsApp integration ensures faster, more accessible communication, further enhancing customer support. As part of our AI-driven customer service strategy, we are also expanding the use of AI-powered chatbots and automated verification calls to streamline interaction and improve response efficiency. We are continuously evaluating AI applications wherever possible to further optimize and streamline our processes, including in areas such as machine learning and dynamic pricing models. These efforts reinforce our commitment to creating a seamless and customer-centric experience.

Our merchant financing initiative remains a key pillar of support for dealers, offering a seamless and efficient way to finance their car purchases. This product eliminates the need for upfront capital and accelerates the financing process compared to traditional bank loans, helping dealers maintain inventory and grow their businesses. This solution is part of our broader effort to simplify dealer operations and strengthen engagement in key markets.

A significant part of our strategy is growing our B2B segment. We are refining our platform's technology to evaluate and display cars more effectively, improving usability and adding new features to assist dealers in their daily operations. Recent advancements in stock management include the introduction and refinement of AI models to better balance supply and demand. Our data-driven approach to digital behaviour trends continues to identify product improvement opportunities, boosting dealer demand and engagement. Additionally, the integration of AI in customer service further enhances response times and interaction quality.

In line with our commitment to transparency and excellence, we are scaling our AUTO1 Car Audit Technology (CAT) to more production centres, strengthening our vehicle evaluation and presentation processes. AUTO1 CAT leverages AI to automate damage detection with exceptional accuracy, reducing manual errors and ensuring consistent, high-quality inspections. This technology represents a significant step in our journey toward operational innovation and customer satisfaction.

We are also investing in innovative delivery solutions, such as express delivery, to align with modern e-commerce expectations. Furthermore, our expansion of smaller, strategically located branches in high-traffic retail areas continues to improve accessibility and convenience for customers. This approach not only boosts customer interaction but also reflects AUTO1's focus on proximity and ease of access.

Through these initiatives, AUTO1 is transforming the perception of used car dealerships by delivering a transparent, fair and customer-focused platform. By combining new technologies like AUTO1 CAT with our relentless focus on innovation, we continue to improve our customer service, with the aim of building sustainable loyalty and trust while enhancing our brand image.

c. Integrated Technology Platform

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

This year marked significant strides in enhancing our platform's infrastructure. We have strengthened the platform's security with industry-leading solutions and implemented regular updates to ensure resilience and reliability. Our commitment to automation, synergy and harmonisation continues to drive innovation, streamlining processes and creating a seamless experience for users. Efforts are also underway to enhance the presentation and description of vehicles, lowering barriers and making the process more intuitive and transparent for users.

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

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

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

d. Pan-European Logistics Network

AUTO1 continues to mark its presence in over 30 countries, with cross-border transactions constituting a significant portion of our business. This international reach is supported by our extensive logistics network, essential for ensuring quick and dependable transport. We manage over 500 delivery points across Europe and collaborate with logistics partners who not only handle transportation but also oversee the storage of our inventory in more than 130 warehouses. These logistics partners play a crucial role in preparing vehicles for Autohero, aligning them with our rigorous sales standards. This expansive network cements our status as one of the largest clients in European automotive logistics, apart from car manufacturers. The network's scale and efficiency are pivotal as the market increasingly transitions from offline to online transactions.

A key strength of our logistics network is its flexibility and scalability. By leveraging a broad network of partners and suppliers, we efficiently manage resources and ensure reliable operations across our markets.

Additionally, our logistics operations are supported by our integrated digital infrastructure, which connects data from branches to ensure a seamless flow across our network. This combination of physical touchpoints and a robust digital backbone underlines our identity as a tech-driven company with extensive logistical capabilities.

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

e. Network of Production Centres

Over the past years, AUTO1 has expanded its in-house used-car production network by adding new centres, reinforcing our commitment to comprehensive quality control and efficient refurbishment processes. This expansion strengthens our capacity and enhances our ability to oversee the entire refurbishment process, ensuring superior vehicle quality for our customers.

Our approach to localisation has advanced, with a focus on establishing production centres closer to our customers. This strategic shift aims to improve delivery efficiency while maintaining operational excellence. By aligning our operational footprint with customer proximity, we enhance scalability and adaptability to evolving market demands. As part of our growth strategy, we are planning to open additional production centres to further support these goals.

These centres are integral to our production strategy, enabling more agile and efficient workflows through fully digitalised logistics systems. This bolstered network is pivotal to the growth of our Autohero business, contributing to faster processing times and higher vehicle quality, further enhancing the customer experience.

Our production centres are staffed by automotive experts specialising in every aspect of the vehicle production line, from repairs to final quality checks and photographic documentation. This level of expertise ensures every car meets our exacting standards before delivery, underscoring our dedication to excellence and customer satisfaction.

f. Overall Risk Assessment

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

Forecast Report

Macroeconomy

According to the International Monetary Fund (IMF), global economic growth is estimated at 3.3% in 2025.[6] Overall global inflation is expected to fall to 4.2% in 2025[7] and return to the target level in the developed economies. According to the European Central Bank, overall inflation in the EU in particular is expected to fall to 2.1% in 2025.

As inflation continues to ease and private consumption and investment are expected to pick up while unemployment remains at a record low, growth in the eurozone should gradually accelerate: The eurozone economy is expected to grow by 1.0%, which is slightly stronger than in 2024, and the German economy will return to a positive growth of 0.3%.[8] However, certain geopolitical risks and potential trade conflicts could lead to uncertainties for future economic development.[9]

Industry

In 2025, used car prices in Europe are expected to fluctuate at the level of 2024 or fall slightly, creating a favourable environment for the used car market and increasing affordability.

According to AUTO1 Group's survey of a diverse group of used car dealers, more than a third (34.6%) of respondents thought that used car prices would remain stable in 2025 (compared to 25.9% last year), and over 21% of dealers expected prices to rise (compared to 13% last year). Almost half of European used car dealers (44.0%) expected used car prices to fall in 2025, 12.9 percentage points less than in 2024.

AUTO1 Group's Expectations

In the past financial year, AUTO1 Group focussed on increasing profitability per vehicle sold, accompanied by moderate growth. In the previous year, sales totalling 610,000 to 665,000 vehicles were forecast for the 2024 financial year. During the course of the year, this forecast was increased to between 665,000 and 679,000 vehicles. A total of 689,773 vehicles were actually sold. On segment level, the original forecast for Merchant was 540,000 to 595,000 vehicles (adjusted to 593,000 to 607,000 vehicles during the year) and the original forecast for Retail was 70,000 vehicles (updated to 72,000 vehicles during the year). For Merchant, 615,335 vehicles and 74,438 Retail vehicles were sold.

[6] See IMF, World Economic Outlook, Growth Forecasts, January 2025.
[7] Cf. European Central Bank, Eurosystem, survey of professional forecasters.
[8] See IMF, World Economic Outlook, Growth Forecasts, January 2025.
[9] See Kiel Economic Report No. 119 (2024|Q4).

The Group's gross profit for 2024 was originally forecast at EUR 565 million to EUR 625 million. As the financial year progressed, this forecast was raised to between EUR 682 million and EUR 700 million. AUTO1 Group actually generated a gross profit of EUR 725 million in the 2024 financial year. The higher gross profit is mainly due to an improved gross profit per unit and, to a lesser extent, to the higher number of vehicles sold.

The Group's adjusted EBITDA for 2024 was originally expected to be break even. This forecast was raised to between EUR 72 million and EUR 84 million in the course of the financial year. AUTO1 Group's adjusted EBITDA actually totalled to EUR 109 million in the financial year 2024. The improved gross profit was largely responsible for exceeding the forecast.

In the 2025 financial year, the Management Board of AUTO1 Group plans to focus on the sustainable growth of the Group based on the profitability figures per unit sold achieved to date.

With regard to the number of vehicles sold, the Group expects to sell between 650,000 and 700,000 vehicles in the Merchant segment. In the Retail segment, 85,000 to 95,000 vehicles are expected to be sold. A total of 735,000 to 795,000 vehicles are therefore forecast to be sold. Growth is to be achieved through a steady expansion of the purchasing branch network and higher capacity utilisation of existing branches.

An overall increase in gross profit is expected in both segments and also overall. As a result, the Group's gross profit for 2025 is expected to be between EUR 800 million and EUR 875 million. The increase in gross profit is linked to the forecast of a higher number of units sold in both segments and, in particular, growth in the retail GPU.

The Group's adjusted EBITDA in the 2025 financial year is between EUR 135 million and EUR 165 million. The improvement compared to 2024 is mainly expected to result from the higher gross profit. The cost side after gross profit is expected to increase disproportionately due to a higher contribution from the retail business.

These forecasts are based on the assumption that there will be no further economic restrictions for AUTO1 in Europe despite the ongoing political uncertainties. The forecast is based on the composition of the Group in the forecast period as known at the time of preparation.

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

Supplementary Management Report on the Annual Financial Statements of AUTO1 Group SE, Munich, for Financial Year 2024

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

Company Profile

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

As the company's statutory annual financial statements were prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the European Union (EU) as at 31 December 2024, there are differences in the accounting and valuation principles. These differences primarily relate to obligations for share-based payments. There may also be differences in the presentation of income and expenses in the income statement.

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

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

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

1. Financial Performance

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

KEUR	2024	2023
Revenue	1,436	1,804
Other operating income	14	38
Personnel expenses	(1,645)	(1,073)
Depreciation and amortisation	(19)	-
Other operating expenses	(18,592)	(16,631)
Interest and similar income	1,717	26,348
Interest and similar expenses	(89)	(1,363)
Taxes on income and earnings	18	(101)
Net loss (previous year: net income)	**(17,160)**	**9,022**

Revenue decreased in the current financial year by KEUR 368 to KEUR 1,436 (2023: KEUR 1,804) and mostly relates to management services for AUTO1 Group Operations SE.

Other operating income decreased by KEUR 24 to KEUR 14 (2023: KEUR 38).

Personnel expenses comprise the fixed and variable remuneration of the company's Management Board members.

Other operating expenses amount to KEUR 18,592 (2023: KEUR 16,631) and mainly include expenses for employee participation programmes of KEUR 15,592 (2023: KEUR 13,118).

Interest and similar income largely comprises interest income from the investment of short-term liquidity totalling KEUR

1,348 (2023: KEUR 3,906). The item also includes income from financing services relating to remuneration for the provision of intragroup loans. In the 2024 financial year, the remuneration for this was changed from an interest-based method to a financing-specific cost-plus method. This adjustment ensures that the company receives appropriate remuneration that corresponds to the function performed and the risks assumed in accordance with the function and risk analysis carried out. In the previous year, interest income of KEUR 22,379 was generated from receivables from affiliated companies, which has not been recognised since the 2024 financial year due to the change in the remuneration method. Interest and similar expenses in the previous year resulted primarily from liabilities to affiliated companies totalling KEUR 1,363, which will also no longer be incurred from the 2024 financial year. This reduced interest expenses to KEUR 89.

In the financial year 2024, the company generated a net loss of KEUR 17,160 (2023: net profit of KEUR 9,022), primarily due to the decline in interest income.

2. Assets and Liabilities of the Company

The following table contains the company's combined balance sheet:

KEUR		
Assets	**31 Dec. 2024**	**31 Dec. 2023**
Intangible assets	126	-
Financial assets	978,509	978,509
Receivables from affiliated companies	740,232	708,015
Other assets and prepaid expenses	685	482
Cash at banks	152	33,085
Total assets	**1,719,704**	**1,720,091**
Equity and liabilities	**31 Dec. 2024**	**31 Dec. 2023**
Provisions	45,237	47,247
Trade payables	528	159
Liabilities to affiliated companies	8,514	10,332
Other liabilities	5,128	3,117
Total liabilities	**59,407**	**60,855**
Net assets	**1,660,297**	**1,659,236**
Equity	**31 Dec. 2024**	**31 Dec. 2023**
Subscribed capital	217,146	215,413
Capital reserve	1,460,311	1,443,822
Accumulated loss *previous year accumulated profit*	(17,160)	-
Total equity	**1,660,297**	**1,659,235**

The financial assets relate to shares in the affiliated company AUTO1 Group Operations SE, Berlin, in the amount of KEUR 978,509 (2023: KEUR 978,509).

Receivables from affiliated companies increased by EUR 32,217 to KEUR 740,232 and essentially relate to the transfer of issue proceeds from the IPO to the subsidiaries to finance further growth. This includes other receivables in the amount of KEUR 711,097 (2023: KEUR 698,618), which are current and have an expected remaining term of more than one year.

Other assets and deferred items totalling KEUR 685 (2023: KEUR 482) mainly include receivables from the tax office from capital gains tax of KEUR 546 (2023: KEUR 360).

Bank balances decreased by KEUR 32,933 due to the cancellation of short-term liquid financial assets and the transfer of cash within the Group.

Provisions decreased by KEUR 2,010 to KEUR 45,237 (2023: KEUR 47,247), mainly due to higher transfers from the exercise of employee participation programmes compared to the additions made in the past financial year. All employee share ownership programmes are serviced in shares.

Liabilities to affiliated companies mainly result from centralised cash management and the transfer of VAT from the VAT group of which the company is the parent company.

Subscribed capital and the capital reserve increased as a result of the employee share ownership programmes utilised in the past financial year through the issue of shares.

3. Financial Position of the Company

At the end of the year, AUTO1 Group SE had cash and cash equivalents available at short notice totalling KEUR 152 (2023: KEUR 33,085). At the end of the past financial year, these consisted entirely of bank balances (2023: KEUR 478). In the previous year, they also included short-term investments in money market instruments totalling KEUR 32,607. The decrease in cash and cash equivalents is mainly due to the transfer of cash to the subsidiary AUTO1 Group Operations SE. The expected cash-effective liabilities, excluding the provisions for share-based payments that can be settled in shares, amount to KEUR 16,052. These can be serviced at any time by repayments by AUTO1 Group Operations SE on the existing current receivables due to the high level of liquidity of AUTO1 Group Operations SE.

Opportunities and Risks

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

Outlook

In the previous year, a result comparable to the annual result for 2023 was forecast for the 2024 financial year. As the remuneration method for intercompany loans was changed in the 2024 financial year and interest is no longer recognised on receivables from and liabilities to affiliated companies, the company is reporting a net loss for the 2024 financial year.

Due to the nature of the company's business activities, its future development is closely linked to the development of the Group. The Group's development has not yet had any direct impact on the company's earnings position, as no distributions have been received from the subsidiary to date. For this reason, we refer to the Group's forecast report. For the 2025 financial year, we expect a negative annual result, which will be significantly influenced by the expenses for employee participation programmes and is expected to be at a similar level to 2024.

Takeover-related Disclosures

Composition of subscribed capital

The subscribed capital of AUTO1 Group SE amounted to EUR 217,843,835 as at 31 December 2024 and was divided into 217,843,835 no-par value bearer shares in accordance with Article 4 of the Articles of Association. The shares are fully paid up. Each share carries the same rights and obligations and has one vote.

Restrictions relating to voting rights or the acquisition of shares

As at 31 December 2024, the company held shares with a total nominal value of EUR 697,668 as treasury shares, from which the company has no rights in accordance with Section 71b AktG.

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

As at 31 December 2024, BM Digital GmbH, Schönefeld (Germany), SVF Midgard (Cayman) Ltd, George Town (Cayman Islands), and Cadian Master Fund LP, Grand Cayman (Cayman Islands), each directly held an interest in the capital of AUTO1 Group SE that exceeded 10% of the voting rights.

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

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

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

Authorisations of the Management Board, in particular with regard to the possibility of issuing or buying back shares

The authorisation to acquire treasury shares is based on Art. 9 para. 1 c) ii) SE Regulation in conjunction with Sections 71 et seq. AktG and, as at the balance sheet date, the authorisation granted by the Annual General Meeting on 6 June 2024. The company is authorised until 5 June 2029 (inclusive), with the approval of the Supervisory Board, to acquire treasury shares in the company in an amount of up to 10% of the share capital existing at the time the authorisation is granted or - if this value is lower - of the share capital existing at the time the authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by the company or attributable to it in accordance with Sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time account for more than 10% of the existing share capital. Acquisition for the purpose of trading in treasury shares is excluded. The existing authorisation to acquire treasury shares dated 14 January 2021, which expires on 13 January 2026, was revoked by resolution of the Annual General Meeting on 6 June 2024.

The existing authorisation from 2 February 2021 to increase the share capital (Authorised Capital 2021/I) by up to EUR 103,746,000 (103,746,000 no-par value shares) was limited until 7 February 2026 and was cancelled by resolution of the Annual General Meeting on 6 June 2024. Until the cancellation, the Authorised Capital 2021/I still amounted to EUR 94,088,154 (94,088,154 no-par value shares) after partial utilisation.

By resolution of the Annual General Meeting on 6 June 2024, entered in the commercial register on 14 June 2024, the Management Board was authorised, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 5 June 2029 (inclusive) by a total of up to EUR 94,582,400 by issuing new no-par value bearer shares against cash and/or non-cash contributions

(Authorised Capital 2024/I). Authorised Capital 2024/I had been partially utilised by the reporting date by issuing 692,088 new shares in the amount of EUR 692,088. Following the partial utilisation, Authorised Capital 2024/I continues to exist in the amount of up to EUR 93,890,312 through the issue of up to 93,890,312 new no-par value bearer shares. Shareholders must generally be granted subscription rights as part of Authorised Capital 2024/I. However, the Management Board is authorised in accordance with the Articles of Association to exclude shareholders' subscription rights in certain cases with the approval of the Supervisory Board.

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

Significant agreements of the company that are subject to the condition of a change of control as a result of a takeover bid and the resulting effects

Significant agreements of the company that are subject to the condition of a change of control following a takeover bid relate to the inventory ABS facility and the merchant financing ABS facility, which may provide for early repayment of the respective loan amount in the event of a change of control.

Non-Financial Statement

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

Corporate Governance Statement (unaudited)

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

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

The Management Board and the Audit Committee are informed on a regular basis about the audits conducted by Internal Audit, the results of the ICS audits and the opportunity and risk inventory as well as their further development. In the context of its supervisory activities, the Management Board is not aware of any significant information that would suggest that the implemented internal control and risk management system is not appropriate and effective during the period from 1 January to 31 December 2024.

Berlin, 28 March 2025

AUTO1 Group SE

Christian Bertermann
CEO

Markus Boser
CFO

04 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

as at
31 DECEMBER 2024

Assets

KEUR	Note	31 Dec. 2024	31 Dec. 2023
Intangible assets	6.1	19,628	16,638
Property, plant and equipment	6.2, 6.3	143,801	118,999
Trade and other receivables	6.6	292,442	233,643
Other financial assets	6.7	6,384	10,835
Deferred tax assets	6.4	736	932
Non-current assets		**462,991**	**381,047**
Inventories	6.5	696,731	544,380
Trade and other receivables	6.6	363,965	145,522
Income tax receivables		5,411	5,282
Other financial assets	6.7	2,414	3,466
Other assets	6.8	63,597	76,818
Cash and cash equivalents	6.9	613,378	548,172
Current assets		**1,745,496**	**1,323,640**
Total assets		**2,208,487**	**1,704,687**

Consolidated Statement of Financial Position *continued*

as at
31 DECEMBER 2024

Equity & Liabilities

KEUR	Note	31 Dec. 2024	31 Dec. 2023
Subscribed capital	6.10	217,844	216,216
Capital reserve	8	1,735,473	1,718,879
Other reserves	6.11, 8	63,894	67,434
Retained earnings		(1,404,336)	(1,425,230)
Equity attributable to owners of the Parent Company		612,875	577,299
Non-controlling interests		-	148
Total equity		**612,875**	**577,447**
Financial liabilities	6.13	867,251	741,422
Other financial liabilities	6.3, 6.15	59,886	45,076
Provisions	6.12	95	454
Other liabilities	6.16	3,025	2,056
Deferred tax liabilities	6.4	-	142
Non-current liabilities		**930,257**	**789,150**
Financial liabilities	6.13	215,620	682
Trade payables	6.14	250,397	160,092
Other financial liabilities	6.3, 6.15	32,533	34,805
Provisions	6.12	21,712	20,869
Other liabilities	6.16	140,038	118,959
Income tax liabilities		5,055	2,683
Current liabilities		**665,355**	**338,090**
Total liabilities		**1,595,612**	**1,127,240**
Total equity and liabilities		**2,208,487**	**1,704,687**

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period
1 JANUARY - 31 DECEMBER 2024

KEUR	Note	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Revenue	5.1	**6,271,911**	**5,462,835**
of which revenue from contracts with customers	5.1	6,237,337	5,449,575
of which revenue from interest	5.2	34,574	13,260
Cost of materials	5.1	(5,547,187)	(4,934,947)
Gross profit		**724,724**	**527,888**
Other operating income	5.3	13,861	16,461
Personnel expenses	5.4, 6.11	(304,760)	(281,050)
Other operating expenses	5.5	(346,850)	(326,486)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**86,975**	**(63,187)**
Depreciation and amortisation	6.1, 6.2	(44,925)	(42,929)
Earnings before interest and tax (EBIT)		**42,050**	**(106,116)**
Interest income and other finance income	5.6	8,984	8,160
Interest expense and other finance costs	5.6, 6.3	(24,500)	(18,634)
Other financial result	5.6	(1,422)	(1,488)
Earnings before tax (EBT)		**25,112**	**(118,078)**
Income taxes	5.7	(4,218)	1,612
Net result for the year		**20,894**	**(116,466)**
Thereof attributable to the owners of the Parent Company		20,894	(116,466)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(436)	(1,770)
Profit or loss from derivative financial instruments	9	(3,016)	(2,885)
Deferred taxes	9	143	617
Other comprehensive income, net of tax		**(3,309)**	**(4,038)**
Total comprehensive income		**17,585**	**(120,504)**
Thereof attributable to the owners of the Parent Company		17,585	(118,236)
Thereof attributable to non-controlling interests		-	(2,268)
Earnings per share (basic)	12	0.10	(0.54)
Earnings per share (diluted)	12	0.09	(0.54)

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

for the period
1 JANUARY - 31 DECEMBER 2024

	Subscribed Capital			Other Reserves						
KEUR	**Shares out-standing**	**Tre-asury Shares**	**Capital Reserve**	**Other Equity Reserves**	**Currency Translation Reserve**	**Hedge Reserve**	**Retained Earnings**	**Total of the Parent Company's Owners**	**Non-con-trollig Interests**	**Total Equity**
Note	6.10, 6.11, 8		8	6.11, 8	8	8, 9			8, 9	
As at 1 Jan. 2024	**215,413**	**803**	**1,718,879**	**70,303**	**(2,870)**	**-**	**(1,425,230)**	**577,298**	**149**	**577,447**
Profit for the year	–	-	-	-	-	-	20,894	**20,894**	-	**20,894**
Other comprehensive income	–	-	-	-	(435)	(2,874)	-	**(3,309)**	-	**(3,309)**
Total comprehensive income for the year	**–**	**-**	**-**	**-**	**(435)**	**(2,874)**	**20,894**	**17,585**	**-**	**17,585**
Share-based payment	105	(105)	-	17,843	-	-	-	**17,843**	-	**17,843**
Capital increases	1,628	-	16,594	(18,222)	-	-	-	**-**	-	**-**
Other changes	–	-	-	-	-	149	-	**149**	(149)	**-**
As at 31 Dec. 2024	**217,146**	**698**	**1,735,473**	**69,924**	**(3,305)**	**(2,725)**	**(1,404,336)**	**612,875**	**-**	**612,875**

	Subscribed Capital			Other Reserves					
KEUR	**Shares out-standing**	**Treasury Shares**	**Capital Reserve**	**Other Equity Reserves**	**Currency Translation Reserve**	**Retained Earnings**	**Total of the Parent Company's Owners**	**Non-control-lig Interests**	**Total Equity**
As at 1 Jan. 2023	**214,804**	**892**	**1,711,745**	**64,890**	**(1,100)**	**(1,308,764)**	**682,467**	2,417	**684,884**
Net loss for the year	-	-	-	-	-	(116,466)	**(116,466)**	-	**(116,466)**
Other comprehensive income	-	-	-	-	(1,770)	-	**(1,770)**	(2,268)	**(4,038)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(1,770)**	**(116,466)**	**(118,236)**	**(2,268)**	**(120,504)**
Share-based payment	89	(89)	-	13,067	-	-	**13,067**	-	**13,067**
Capital increases	520	-	7,134	(7,654)	-	-	**-**	-	**-**
As at 31 Dec. 2023	**215,413**	**803**	**1,718,879**	**70,303**	**(2,870)**	**(1,425,230)**	**577,298**	**149**	**577,447**

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

as at
31 DECEMBER 2024

KEUR	Note	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Net result for the year		**20,894**	**(116,466)**
Adjustments for			
Depreciation and amortisation	6.1, 6.2	44,925	42,929
Financial result	5.6	16,938	11,963
Income taxes	5.7	4,218	(1,612)
Change in provisions		484	4,820
Expenses from share-based payments	6.11	17,843	13,067
Loss on the disposal of property, plant and equipment		747	3,284
Other non-cash effects	7	22,942	7,949
Changes in operating assets and liabilities			
Change in operating assets		(435,256)	(10,065)
Change in operating liabilities		104,671	2,711
Other cash flows used in operating activities			
Interest received		8,984	7,870
Interest paid		(22,647)	(15,989)
Interest for lease liability	6.3	(2,327)	(1,797)
Taxes paid		(2,141)	(4,093)
Cash flow from operating activities		**(219,725)**	**(55,429)**
Acquisition of investments in property, plant and equipment		(15,880)	(18,052)
Acquisition of investments in intangible assets		(4,370)	(5,178)
Proceeds from the sale of property, plant and equipment		2,454	4,016
Cash flow from investing activities		**(17,796)**	**(19,214)**
Proceeds from incurring liabilities to banks		1,347,944	1,058,605
Repayment of liabilities to banks	7	(1,007,603)	(945,000)
Transaction costs related to loans taken out and concluding derivatives	7	(2,786)	(2,238)
Payments of lease liabilities	6.3, 7	(34,828)	(30,983)
Cash flows from financing activities		**302,727**	**80,384**
Net change in cash and cash equivalents		**65,206**	**5,741**
Cash and cash equivalents at the beginning of the period		**548,172**	**542,431**
Cash and cash equivalents at the end of the period	6.9	**613,378**	**548,172**

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

Notes

to the consolidated financial statements as at 31 December 2024

1. Reporting company

AUTO1 Group (hereinafter also referred to as “AUTO1” or the “Group”) consists of the parent company AUTO1 Group SE, Munich, Germany (hereinafter also referred to as “AUTO1 SE” or the “Company”), and its direct and indirect subsidiaries. The Company is registered in the commercial register of the Local Court of Munich under commercial register number 241031B. The address of the Company is Bergmannstraße 72, 10961 Berlin, Germany.

AUTO1 Group is a pan-European online marketplace for buying and selling used cars to dealers and private individuals with business activities in over 30 European countries. In 2024, AUTO1 sold cars to over 44,000 dealers. In total, almost 690,000 vehicles were sold via AUTO1 in 2024.

2. Basis of preparation

2.1 Basis of accounting

The Management Board of AUTO1 has prepared these consolidated financial statements of AUTO1 Group as at and for the financial year ended 31 December 2024 in accordance with the International Financial Reporting Standards (“IFRS”) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (“EU”) and applicable in the EU.

In accordance with Section 315e of the German Commercial Code (“HGB”), AUTO1 Group’s consolidated financial statements for the financial year ended 31 December 2024 also contain additional disclosures based on the requirements of German commercial law.

The consolidated financial statements are prepared in euro, which is also the functional currency of the parent company. All amounts are stated in thousands of euro (KEUR) unless otherwise stated. Rounding differences may occur when totalling individual amounts or percentages.

These consolidated financial statements comprise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements for the financial year 2024 as well as comparative figures for the financial year ending 31 December 2023.

The consolidated financial statements were prepared by the Management Board of AUTO1 Group SE on 28 March 2025 and submitted directly to the Supervisory Board for approval.

2.2 Basis of measurement

The consolidated financial statements have been prepared in accordance with the historical cost basis. Exceptions to this are the recognition of share-based payments, assets measured at fair value and the measurement of derivative financial instruments.

2.3 Use of judgements and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates in individual cases.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following judgements, estimates and assumptions have the greatest impact on the amounts reported in the consolidated financial statements when applying accounting policies:

- Determining the term of leases (Note 4.6)
- The valuation of inventories (Note 4.7)

There is a significant risk that the following estimates and assumptions will lead to a material adjustment within the next financial year:

- Determination of the fair value of equity-settled share-based payments (Note 6.11)

3. Application of new and amended standards

In principle, AUTO1 only applies new and revised IFRS regulations from the date on which they become mandatory. The Group has applied the following standards and amendments for the first time in the annual reporting period from 1 January 2024:

- Amendments to IFRS 16: Lease liabilities from sale and leaseback transactions
- Amendments to IAS 1: Classification of liabilities as current or non-current, deferral of the date of initial application and non-current liabilities with ancillary conditions
- Amendments to IAS 1 and IFRS 7: Supplier Financing Arrangements

The changes listed above had no effect on prior-year figures or amounts recognised in the current year and are currently not expected to have a material impact on future reporting periods.

Various new accounting standards and interpretations have been published, but are not mandatory for reporting periods ending on 31 December 2024 and have not been applied early by the Group. With the exception of IFRS 18, the Group does not consider the effects of the new regulations to be material for the current or future reporting periods.

IFRS 18 is to be applied from the 2027 financial year and sets out specific requirements for the presentation and disclosure of information in the financial statements. This includes regulations for the income statement, balance sheet and cash flow statement. In addition, the new standard contains requirements for the notes and replaces the previous IAS 1. AUTO1 is currently analysing the effects of the new standard.

4. Summary of significant accounting policies

The accounting policies set out below have been applied consistently by the Group companies for all periods presented in these consolidated financial statements.

4.1 Presentation

The presentation in the consolidated statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are expected to be realised or settled within one year. Deferred tax assets and liabilities and similar obligations are generally recognised as non-current items.

4.2 Basis of consolidation

AUTO1 Group SE and its subsidiaries over which AUTO1 Group SE exercises direct or indirect control are included in the consolidated financial statements. In addition to AUTO1 Group SE, the scope of consolidation currently comprises 62 (2023: 67) subsidiaries. The consolidated financial statements include the financial statements of the subsidiaries from the date on which control begins until the date on which control ends. AUTO1 Group SE controls a subsidiary if it has power over the subsidiary, has an opportunity or a risk with regard to the variable returns from the subsidiary and is in a position to influence the amount of the variable returns on the basis of voting or other rights.

The financial statements of the consolidated subsidiaries included in the consolidated financial statements are prepared as at the reporting date of the consolidated financial statements and in accordance with uniform accounting policies. All intragroup assets and liabilities, income and expenses and cash flows from transactions between consolidated companies are eliminated during the consolidation process. Changes in equity interests in subsidiaries of the Group that reduce or increase the percentage shareholding of the parent company without loss of control are recognised as equity transactions between owners.

4.3 Foreign currency translation

Functional and presentation currency

The items included in the financial statements of the individual Group companies are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are prepared in euro, the reporting currency of AUTO1 Group SE.

Transactions and balances

Transactions in foreign currencies are translated at the exchange rate of the functional currency at the time of the transaction. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

Group companies

The assets, liabilities, financial position and financial performance of foreign operations (none of which have the currency of a hyperinflationary economy) whose functional currency differs from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities are translated at the closing rate on the respective balance sheet date;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing at the dates of the transactions, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

The euro is the functional currency of the companies in the scope of consolidation that primarily operate in the European currency area.

The main translation effects result from foreign business operations with the following functional currencies:

	Closing rate as at		Average rate for the financial year	
Foreign currency per EUR	**31 Dec. 2024**	**31 Dec. 2023**	**2024**	**2023**
SEK	11.50	11.10	11.43	11.47
PLN	4.28	4.34	4.31	4.54

4.4 Intangible assets

Intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over a useful life of 3 to 16 years.

Development expenses are only capitalised if they can be reliably measured, the product or process is technically and commercially suitable, a future economic benefit is probable and the Group both intends to and has sufficient resources to complete the development and use the asset. Other development expenses are recognised in profit or loss as soon as they are incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. In addition to amortisation, an impairment test is carried out if there are relevant events or changes in circumstances that indicate a possible impairment of the intangible assets and an impairment loss is recognised if necessary.

4.5 Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment consists of the expenditure directly attributable to bringing the asset to working condition. Subsequent costs are only recognised as part of the cost of the asset or, if applicable, as a separate asset if it is probable that the Group will retain the future economic benefits and the cost of the asset can be reliably determined. All other expenses (e.g. for ongoing repair and maintenance costs) are recognised as expenses when incurred.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the following useful lives:

Property, plant and equipment	Average useful life
Buildings	5 - 15 years
Other operating and office equipment	3 - 13 years
Autohero delivery vehicle fleet	10 years

In addition to scheduled depreciation, an impairment test is carried out if there are relevant events or changes in circumstances that indicate a possible impairment of property, plant and equipment and an impairment loss is recognised if necessary.

Property, plant and equipment are derecognised either at the time of disposal or when it is determined that these items no longer generate any economic benefit. Gains or losses from disposals or decommissioning are recognised in profit or loss in the period in which they occur.

The residual carrying amounts and estimated useful lives as well as the amortisation methods are reviewed annually and adjusted if necessary.

Right-of-use assets from leases are recognised under property, plant and equipment.

4.6 Leases

A contract is, or contains, a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. In the Group, such contracts primarily relate to the leasing of property and vehicles where a Group company is the lessee. These contracts are recognised as right-of-use assets under property, plant and equipment and as lease liabilities under other financial liabilities.

The lease liability, which is recognised under other financial liabilities, is initially measured at the present value of the lease payments not paid at the inception of the lease, discounted at the Group's incremental borrowing rate. In subsequent measurement, the amount of the lease liability is increased by the interest expense for the lease liability and reduced by the lease payments made. The lease liability is remeasured if the future lease payments change due to a change in an index or interest rate, if the estimate of the amount expected to be payable under any residual value guarantee changes, or if the assessment changes as to whether a purchase or renewal option is reasonably certain to be exercised or a cancellation option is reasonably certain not to be exercised. Lease payments relating to the repayment portion of the lease liability are recognised in the cash flow statement under cash flow from financing activities.

The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, payments made before or at the inception of the lease, restoration costs and initial direct costs, less incentives received at inception, and subsequently measured at amortised cost, i.e. less accumulated depreciation and other impairment losses and adjusted for certain remeasurements of the lease liability.

If a leased property is subleased, the subleases are classified as either operating leases or finance leases, whereby the transfer of risks and rewards relating to the right of use from the main lease is measured.

The Group has exercised judgement in determining the term of some leases in which it is the lessee and which contain renewal options. The judgement as to whether the Group is reasonably certain to exercise such options affects the term of the lease and thus the amount of the lease liabilities and right-of-use assets recognised.

4.7 Inventories

The Group's inventories consist primarily of used vehicles. Inventories are measured at the lower of cost or net realisable value. The acquisition cost of the vehicle inventory is determined by specific identification. In addition, internally and externally purchased refurbishment costs are capitalised. The net realisable value is the estimated selling price less any costs incurred for refurbishment and repairs and the costs of selling the vehicles. The selling prices are derived from historical data and trends, such as the selling price and inventory turnover times of similar vehicles. In each reporting period, the Group recognises all necessary adjustments in the cost of materials in order to report the vehicle inventory at the lower of cost or net realisable value. If the estimated car selling prices change significantly or the demand for used cars declines, significant adjustments may be required to recognise inventories at net realisable value.

When measuring inventories, the Group categorises vehicles into clusters, which are determined on the basis of the country of purchase, fuel type, length of time in the inventory and purchase price. The Group determines the potentially realisable margins for each cluster on the basis of historical and current actual data. If the analysis results in a negative margin that indicates a potential loss or an actual loss in value, as the vehicle was already sold with a negative margin at the time of measurement, an adjustment is made. The impairment also takes into account uncertainties existing on the reporting date with regard to any negative effects on the selling price. In addition, costs for refurbishment are taken into account, which primarily relate to vehicles in the retail business.

4.8 Financial instruments

Trade receivables and debt instruments issued are recognised from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the trade date when the company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial measurement of financial assets

On initial recognition, the Group measures a financial asset at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of a financial asset measured at fair value through profit or loss are recognised in profit or loss. A trade receivable without a significant financing component is initially recognised at the transaction price.

Classification of financial assets

On initial recognition, a financial asset is classified and measured as follows:

- at amortised cost
- FVOCI debt instruments (investments in debt instruments measured at fair value through in other comprehensive income)
- FVOCI equity instruments (investments in equity instruments measured at fair value through other comprehensive income)

- FVTPL (at fair value through profit or loss)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if both of the following conditions are met and it has not been designated as FVTPL:

- It is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is designated as FVOCI if both of the following conditions are met and it has not been designated as FVTPL

- It is held as part of a business model whose objective is both to hold financial assets to collect contractual cash flows and to sell financial assets, and
- Its contractual terms lead to cash flows at fixed points in time that exclusively represent repayments and interest payments on the outstanding principal amount.

On initial recognition of an equity instrument that is not held for trading, the Group can irrevocably elect to recognise subsequent changes in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment.

All financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Upon initial recognition, the Group may irrevocably decide to designate financial assets that otherwise meet the conditions for measurement at amortised cost or at FVOCI at FVTPL if this results in the elimination or significant reduction of accounting mismatches that would otherwise occur.

Within AUTO1 Group, financial assets consist of cash and cash equivalents, trade receivables and other financial assets, including derivative financial instruments.

Financial assets – Business model assessment

The Group makes an assessment of the objectives of the business model in which the financial asset is held at a portfolio level, as this best reflects the way in which the business is managed and information is provided to management. The information to be considered includes

- the stated policies and objectives for the portfolio and the implementation of these policies in practice; this depends on whether management's strategy is to collect contractual interest income, maintain a certain interest rate profile, match the term of a financial asset with the term of an associated liability or expected cash outflows, or realising cash flows through the sale of assets,
- how the results of the portfolio are analysed and reported to Group management,
- the risks that affect the results of the business model (and the financial assets held according to this business model) and how these risks are managed,
- how the managers are remunerated - for example, whether the remuneration is based on the fair value of the assets under management or on the contractual cash flows received - and
- frequency, volume and timing of sales of financial assets in previous periods and expectations of future sales activities.

Financial assets that are held or managed for trading purposes and whose performance is assessed on the basis of fair value are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, the "principal amount" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding over a specified period of time, as well as for other basic credit risks, costs (e.g. liquidity risk and administrative costs) and a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount, the Group considers the contractual terms of the instrument. This requires an assessment of whether the financial asset contains a contractual agreement that could change the timing or amount of the contractual cash flows so that they no longer fulfil these conditions. The Group takes this assessment into account:

- certain events that would change the amount or timing of the cash flows,

- terms that would adjust the interest rate, including variable interest rates,
- early repayment and extension options and
- terms that restrict the Group's right to receive cash flows from a specific asset (e.g. no right of recourse).

An early repayment option is in line with the criterion of exclusive interest and amortisation payments if the amount of the early repayment essentially comprises unpaid interest and amortisation payments on the outstanding principal amount, whereby an appropriate fee for the early termination of the contract may be included.

In addition, a condition for a financial asset acquired at a premium or discount to the contractual principal amount that permits or requires prepayment at an amount that is substantially equal to the contractual principal amount plus accrued (but unpaid) contractual interest (which may include reasonable consideration for early termination of the contract) is treated as meeting the criterion if the fair value of the prepayment feature is not significant at inception.

Cash and cash equivalents

Cash and cash equivalents comprise all cash-related assets with a remaining term of less than three months at the time of acquisition or investment. Cash and cash equivalents mainly include bank balances and cash in hand. Cash and cash equivalents include cash that is subject to restrictions on disposal and is held to fulfil short-term payment obligations. At AUTO1, this cash results in particular from the ABS facilities concluded. Cash equivalents may include cheques and time deposits. Cash and cash equivalents are measured at amortised cost.

Impairment of financial assets

The Group recognises allowances for expected credit losses (ECL) for:

- financial assets that are measured at amortised cost, and
- other receivables.

The value adjustments on trade receivables recognised by the Group in the financial year mainly relate to receivables from instalment purchases or the merchant financing programme as well as other receivables from dealers. No expected 12-month credit loss is recognised on bank balances, as AUTO1 only maintains business relationships with house banks with very good credit ratings.

When determining whether the default risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group takes into account appropriate and reliable information that is relevant and available without unreasonable time and cost expenditure. This includes both quantitative and qualitative information and analyses based on the Group's past experience and well-founded estimates, including forward-looking information.

Trade receivables

Trade receivables that are securitised as part of the ABS facilities and public ABS notes continue to be recognised by AUTO1, as the significant risks and rewards from these receivables remain with AUTO1. Trade receivables for which the recoverability is classified as low (e.g. in the event of the dealer's insolvency) are considered uncollectible. Such trade receivables are written off. The gross carrying amount of such receivables is reduced by the corresponding amount previously recognised in the allowance account. Receivables that have been written off can still be collected in accordance with the Group's dunning procedures.

With the exception of the receivables from the merchant financing programme, the Group does not see any significant default risk for trade receivables relating to vehicle sales in the merchant business, as the actual invoicing only takes place at the time of receipt of payment for the trade receivables and the vehicle is handed over to the dealer after receipt of payment. Until the time of receipt of payment for the receivables, the Group has a request for payment from the dealers, which is offset by a contractual obligation on the part of the Group to fulfil its obligation to hand over the vehicle upon receipt of payment. Expected credit losses on receivables from the merchant financing programme are calculated using the simplified approach.

Trade receivables mainly include receivables from the retail business, which were concluded with end customers as part of the instalment purchase programme. These receivables are measured at amortised cost.

The expected credit losses (ECL) for instalment purchase receivables are determined in two stages:

- For instalment purchase receivables for which the credit risk has not increased significantly since initial recognition, the Group recognises credit losses that represent the defaults during the term that would result from a default in the 12 months after the reporting date.

- In the case of instalment purchase receivables for which the credit risk has increased significantly since initial recognition, an allowance for credit losses is recognised on the basis of the expected probability of default over the remaining term of the respective instalment purchase contract.

Financial liabilities

Initial measurement of financial liabilities

Financial liabilities are initially recognised at fair value. In the case of financial liabilities measured at amortised cost, the directly attributable transaction costs are deducted.

Classification of financial liabilities

Financial liabilities are classified as either those measured at fair value through profit or loss or those measured at amortised cost. Financial liabilities are measured at amortised cost unless they are required to be measured at fair value through profit or loss. If financial liabilities measured at amortised cost contain embedded derivatives that are not closely related to the host instrument, these embedded derivatives are separated and recognised at fair value through profit or loss.

Interest expenses for financial liabilities measured at amortised cost are recognised in profit or loss using the effective interest method.

Trade and other payables

Trade payables comprise amounts that were invoiced to the Group before the end of the financial year but have not yet been paid. These liabilities are generally unsecured and are usually paid within 30 days of being recognised. Trade payables and other liabilities are classified as current liabilities unless the due date for payment is more than twelve months after the end of the reporting period. Contract liabilities are recognised under other liabilities.

Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs incurred. Financial liabilities are subsequently measured at amortised cost. Any difference between the disbursement amount (less transaction costs) and the repayment amount is recognised in profit or loss over the term of the loans using the effective interest method. Fees and directly attributable expenses paid on the establishment of credit facilities are recognised as an expense to the extent that it is probable that the facility will be utilised in full or in part. In this case, the fee is recognised over the term of the credit facility. If financial liabilities measured at amortised cost contain embedded derivatives that are not closely related to the host instrument, these embedded derivatives are separated and measured at fair value through profit or loss.

Financial liabilities are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities are classified as current unless the Group has an unconditional right to defer repayment of the liability for at least twelve months after the reporting period.

Derivative financial instruments and hedge accounting

AUTO1 Group holds derivative financial instruments exclusively to hedge interest rate risks arising from the refinancing of the instalment purchase portfolio. Derivatives are initially recognised and subsequently measured at fair value.

Derivative financial instruments are generally designated as hedging instruments in order to hedge fluctuations in cash flows resulting from changes in interest rates. At the beginning of the designated hedging relationship, the risk management objectives and strategies pursued with regard to the hedge are documented. In addition, it is documented, that the economic relationship between the hedged item and the hedging instrument and the expectation that changes in the cash flows of the hedged item and the hedging instrument will offset each other.

Hedging of cash flows

If a derivative (currently interest rate swaps) is designated as a cash flow hedge, the effective portion of the changes in fair value is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of the changes in fair value recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item (calculated on the basis of the present value) since the inception of the hedge. An ineffective portion of the changes in the fair value of the derivative is recognised directly in profit or loss.

When using options (e.g. interest rate caps), the Group only recognises the change in the fair value of the intrinsic value as a hedging instrument in cash flow hedges. The change of the time value is recognised separately as costs of the hedging and allocated to the cost of hedging reserve in equity.

If the hedge no longer fulfils the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount recognised in the hedging reserve remains in equity until it is reclassified to profit or loss in the period or periods in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to materialise, the amounts allocated to the hedging reserve and the reserve for hedging costs are reclassified directly to profit or loss.

4.9 Provisions

Provisions are recognised for present constructive obligations arising from past events that are likely to result in an outflow of resources, provided that a reliable estimate of the amount of the obligations can be made.

If the cash outflow to settle a provision is expected after one year, the provision is recognised at the present value of the expected cash outflow. Reimbursement claims from third parties are recognised separately in the balance sheet if their realisation is virtually certain.

A provision for warranties is recognised as soon as the underlying vehicles are sold. The provision is based on historical warranty data.

4.10 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and holiday entitlements, which are expected to be settled in full within twelve months of the end of the period in which the employees render the corresponding services, are recognised until the end of the reporting period. They are measured at the amounts that are expected to be paid when the liabilities are settled. These liabilities are recognised in the balance sheet under other liabilities as current liabilities for employee benefits.

Benefits in connection with the termination of employment are due if the Group terminates the employment relationship before the normal retirement date or if an employee leaves voluntarily in exchange for these benefits. The Group recognises such benefits on the earlier of the following dates: (a) as soon as the offer of these benefits can no longer be revoked or (b) when the Group recognises costs for a restructuring that falls within the scope of IAS 37 and includes the payment of termination benefits. Benefits that do not fall due until more than twelve months after the end of the reporting period are discounted to their present value.

4.11 Share-based payment

The Group's share-based payment plans regularly include a fulfilment option for AUTO1 Group, which is generally exercised to the effect that the settlement is made using equity instruments.

The fair value of the equity-settled share-based payment is determined on the grant date and recognised as an expense over the period in which the employees become unconditionally entitled to the equity instruments. At the same time, a corresponding increase in equity is recognised. The expense recognised is adjusted regularly to reflect the expected number of equity instruments for which the service conditions and non-market performance conditions are expected to be met. At the end of the vesting period, the expense recognised is based on the actual number of equity instruments that meet the relevant conditions.

4.12 Contingent liabilities

Contingent liabilities are potential obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are beyond the control of the Group. In addition, contingent liabilities can also be current obligations that result from past events but are not recognised in the balance sheet. This is the case if either an outflow of resources to fulfil the obligation is considered unlikely or the amount of the obligation cannot be estimated with sufficient reliability. In accordance with IAS 37, such contingent liabilities are not recognised in the balance sheet but disclosed in the notes.

4.13 Subscribed capital

The par value shares of AUTO1 Group SE are classified as equity. Additional costs directly associated with the issue of new shares or options are recognised directly in equity, net of tax.

If a Group company acquires equity instruments of the company, for example as part of a share buyback or a share-based payment plan, the consideration paid, including all directly attributable additional costs (net of income taxes), is deducted from equity as treasury shares. This applies until the shares are either cancelled or reissued.

If such shares are subsequently reissued, the consideration received, less all directly attributable transaction costs and the associated income tax effects, is recognised in equity. Further details can be found in Note 6.10 Equity.

4.14 Revenue recognition

Revenue is recognised as soon as the customer obtains control of the promised goods or services. The amount of revenue corresponds to the amount that the company expects to receive in exchange for these goods or services.

Used car sales to dealers (Merchant) - C2B

The Group sells the used cars purchased from sellers in the purchasing branches to dealers via online auctions. The corresponding revenue is recognised as soon as an auction has been successfully completed and the dealer has fulfilled all contractual obligations, such as transferring the purchase price. The vehicles sold are not subject to a right of return.

The vehicles are sold at a fixed contract price, which is made up of the price achieved at the auction and all associated fees (e.g. auction fees, handling fees for the vehicle and documents). In the event of customer complaints, the Group may offer discounts on future vehicle purchases. As soon as these discounts are granted, they reduce the revenue realised and at the same time increase the contract liabilities.

Dealers have the option of either collecting the vehicle themselves or commissioning a delivery. As transport can be ordered separately after the auction has been completed, this service represents a separate performance obligation for the Group. Revenue is recognised at a point in time for both the sale of the used vehicle and the transport.

Sales and other taxes levied on behalf of government authorities at the time of sale are not recognised in revenue, other operating income or cost of materials.

In addition to the purchase of used cars via our purchasing branches (customer-to-business, C2B), the Group also buys vehicles from commercial car dealers (remarketing). The Merchant segment can therefore be divided into C2B and Remarketing according to the procurement channels.

Since October 2023, AUTO1 Group has been offering selected merchant customers in Germany, France, Spain and Austria the option of deferring payment of the purchase price (so-called "merchant financing") as part of the AUTO1 financing programme. In 2024, this programme was extended to dealers in the Netherlands and Belgium. Under the merchant financing programme, AUTO1 recognises the revenue from the sale of the vehicle on the basis of the underlying special terms and conditions at the time the purchase price is deferred, as control of the vehicle is transferred to the dealer. The maximum deferral period is generally 180 days. The interest rates are determined on the basis of the customer's individual credit risk profile. Until the purchase price is paid in full by the merchant customer, revenue from interest is recognised and reported in the Merchant segment.

Remarketing

Remarketing differs from the customer-to-business (C2B) model in terms of vehicle procurement. In this case, the purchase is not made via the Group's branch network, but directly from commercial fleet owners or car dealers. The purchase process is handled via the Group's remarketing channel. Once the vehicles have been evaluated, they are registered for auction. If the seller does not decide in favour of a direct sale to AUTO1, the seller will inform AUTO1 of the minimum selling price for the vehicle in the auction.

A purchase agreement between the seller and AUTO1 shall only be concluded subject to the condition precedent that a third party submits a bid in the auction that is at least equal to the minimum selling price of the seller. If the minimum selling price or a higher bid is achieved, AUTO1 will purchase the vehicle from the seller. Otherwise, no purchase contract is concluded. If AUTO1 submits an offer to the seller below the minimum selling price, the seller has two working days after the end of the auction to accept this offer.

Control of the vehicle is only transferred to the buyer when AUTO1 has received the purchase price in full, unless the sale takes place as part of the merchant financing programme. Revenue is also recognised at this time. AUTO1 bears the inventory risk from the conclusion of the auction until the transfer of control to the buyer.

AUTO1 assumes primary responsibility for the fulfilment of the promise of performance, as the purchase contract is concluded directly between the buyer and AUTO1. The buyers are generally not aware of the original purchase channel of the vehicle. AUTO1 acts solely towards the buyers in the external relationship and is responsible for warranty and service issues as well as all communication with the buyers. Buyers therefore assume that they are purchasing the vehicle directly from AUTO1.

In addition, AUTO1 determines the criteria for the vehicle valuation, validates the valuations, defines the conditions of the auction and approves the results.

Used car sales to private customers (Retail)

The Group also sells vehicles to private customers. Revenue is recognised at the time the vehicle is handed over to the customer. A 21-day right of return applies to vehicles sold to private customers. The provisions of IFRS 15 on variable consideration are applied when recognising the right of return. This means that AUTO1 recognises revenue in the amount of the consideration to which the Group expects to be entitled, taking into account the amounts that are expected to be refunded for returned vehicles. A liability is recognised in the amount of the expected reimbursement, while at the same time an asset is recognised for the right to the vehicle to be reimbursed.

Private customers can choose between various warranty packages when purchasing a vehicle. Additional warranty packages represent a separately identifiable service, as they are offered to the customer in addition to the vehicle delivery. These warranty packages are treated as a separate performance obligation to which a separate transaction price is allocated. The allocated transaction price is realised over the warranty period.

The Group also generates revenue from referring Autohero customers to partner banks. The brokerage commission is paid when a financing agreement is successfully concluded. The commission is essentially realised at the same time as the corresponding vehicle sale is booked.

In Germany and Austria, AUTO1 Group offers its customers the option of instalment purchase. Customers can choose terms of between 36 and 96 months. The interest rates are determined on the basis of the customer's individual credit risk profile. As the contract contains a significant financing component, the consideration is adjusted by the time value of money. The realised financing component is recognised as revenue from interest within revenue in the Retail segment and reported separately in the statement of comprehensive income together with revenue from interest in the Merchant segment.

The exemption under IFRS 15.63, which applies if the period between the transfer of the vehicle and payment by the customer is one year or less, does not apply to instalment purchase agreements. Instead, the contractual interest rates, which reflect the customer's individual credit risk, are used to determine the transaction price (IFRS 15.64).

4.15 Income taxes

Income taxes for the reporting period correspond to the sum of current and deferred income taxes.

Current income taxes

The actual income tax expense is calculated using the tax regulations applicable on the reporting date in the countries in which AUTO1 Group operates. Estimates are required when assessing income tax items. The assessment by the respective tax authorities may differ. Uncertainty is taken into account by recognising uncertain tax positions only if AUTO1 Group estimates the probability of occurrence to be more than 50%.

Actual income tax liabilities or income tax refund claims for the current period or for previous periods are measured at the amount expected to be paid to the tax authorities or refunded by the tax authorities.

Deferred income taxes

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base. In addition, deferred tax assets are recognised for tax loss carryforwards and interest carryforwards. Deferred tax liabilities (deferred tax liabilities) are recognised for all taxable temporary differences. Deferred tax assets are recognised for temporary differences and tax loss and interest carryforwards to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and/or tax loss and interest carryforwards can be utilised.

Deferred taxes are measured at the tax rates that are expected to apply to the period in which the tax asset is realised or the tax liability is settled.

The change in deferred taxes is recognised in profit or loss if it relates to items recognised in profit or loss in the consolidated statement of comprehensive income. If the items in the consolidated financial statements relate directly to equity or other comprehensive income, the corresponding deferred taxes are also recognised in these items.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, unless the timing of the reversal of the taxable temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are recognised on a net basis if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and are determined by the same tax authority.

IFRIC 23 clarifies how the recognition and measurement requirements set out in IAS 12 should be applied when there is uncertainty about income tax treatments and includes current and deferred tax assets or liabilities. In accordance with IFRIC 23, uncertain tax treatments may be recognised separately or combined with one or more other uncertain tax treatments. The method that is better suited to predicting the resolution of the uncertainty must be selected. When making the assessment, it must be assumed that a tax authority will examine all amounts that it is authorised to examine and that it has all relevant information for the examination. If it is considered unlikely that the tax authority will accept an uncertain tax treatment, either the most likely amount or the expected value should be applied to each uncertain tax treatment to account for the effect of the uncertainty, depending on which method is more appropriate for predicting the resolution of the uncertainty.

The Group companies are subject to income tax in a large number of countries worldwide. When assessing global income tax assets and liabilities, the interpretation of tax regulations in particular can be subject to uncertainty. Differences in the views of the respective tax authorities regarding the correct interpretation of tax standards cannot be ruled out. Changes in assumptions regarding the correct interpretation of tax standards, for example due to changes in case law, are included in the recognition of uncertain income tax assets and liabilities in the corresponding financial year.

4.16 Measurement at fair value

The fair value is the price at which an asset would be sold or a liability transferred in an orderly transaction in the principal market or, if none exists, in the most advantageous market to which the Group has access at that time, at the measurement date. The fair value of a liability reflects the risk of non-fulfilment.

If available, the Group determines the fair value of a financial instrument on the basis of quoted prices in an active market for this instrument. A market is considered active if transactions for the respective asset or liability take place with sufficient frequency and in sufficient volume for price information to be available on an ongoing basis.

If there are no quoted prices in an active market, the Group uses valuation techniques that maximise the use of relevant, observable inputs and minimise the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would take into account when pricing such a transaction.

The Group measures the input factors used to determine fair value using a three-level hierarchy. The hierarchy indicates the extent to which the input factors used to determine fair value are observable on the market.

Level 1 input factors are unadjusted price quotations on active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs are inputs that are significant to the measurement, are not observable in the market and reflect the Management Board's judgement about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

If the inputs used to determine the fair value of an asset or liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is allocated in its entirety to the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement as a whole.

In connection with the management's assessment of fair value measurement, the Group may consult an independent external valuation expert who applies appropriate valuation techniques and determines the fair value of assets and liabilities.

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. There were no reclassifications between levels of the fair value hierarchy in the reporting period.

The derivative financial assets and liabilities that were concluded to hedge against interest rate risks and that are measured at fair value belong to level 2 of the measurement hierarchy

4.17 Segment reporting

Reporting on operating segments is carried out in accordance with the internal reporting to the Group's chief operating decision maker.

The Management Board, which acts as the main decision-making body, assesses the Group's net assets, financial position and results of operations and makes strategic decisions. The Management Board is made up of Christian Bertermann (founder and Chief Executive Officer) and Markus Boser (Chief Financial Officer).

4.18 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by division:

- of the profit attributable to the owners of the parent company,
- by the weighted average number of shares in circulation during the financial year, excluding treasury shares.

Diluted earnings per share

In the diluted earnings per share, the values used to calculate the basic earnings per share are adjusted to take account of this:

- the after-tax effect of interest and other financing expenses associated with the dilution of potential no-par value shares, and
- of the weighted average of the additional no-par value shares that would have been in circulation assuming the conversion of all dilutive potential no-par value shares.

The dilutive instrument is not taken into account in the adjustment to the extent that it reduces the loss per share or increases earnings per share.

5. Notes to the consolidated statement of profit or loss and other comprehensive income

5.1 Revenue

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Merchant platform (Merchant)	5,037,811	4,463,962
Private Customer Business (Retail)	1,234,099	998,873
Total revenue	**6,271,911**	**5,462,835**

AUTO1 Group's revenue increased by KEUR 809,076 compared to the previous year, mainly due to a higher number of vehicles traded in both segments.

The Retail segment's revenue includes revenue from interest in the amount of KEUR 21,188 (2023: KEUR 12,889), which resulted from instalment purchase receivables in the private customer business and which lead to the recognition of a significant financing component in accordance with IFRS 15. This revenue from interest does not represent revenue from contracts with customers. Merchant revenue includes revenue from interest of KEUR 13,386 (2023: KEUR 371) from the merchant financing programme.

In the financial year 2024, AUTO1 Group essentially fulfilled the contract liabilities recognised as at 31 December 2023 for performance obligations still to be fulfilled to customers who had made payments and recognised them in revenue.

The information on revenue contained in the segment disclosures under note 11 fulfils the requirements of IFRS 15.114. These revenue disclosures are based on the recognition and measurement criteria of IFRS 15. Accordingly, no further disaggregated disclosures on revenue are provided.

5.2 Cost of materials

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Cost of vehicles sold	(5,316,284)	(4,747,929)
Other cost of materials	(230,903)	(187,018)
Total	**(5,547,187)**	**(4,934,947)**

The increase in the cost of materials was disproportionately low compared to the increase in Group revenue. Other material expenses include costs for external transport (purchased services for transport to the customer), handling of documents and other costs in connection with the processing of vehicle purchases and sales as well as expenses for the refurbishment of vehicles.

Other cost of materials includes changes in inventories from the capitalisation of internal refurbishment expenses in the amount of KEUR 1,102 (2023: KEUR 757). This item also includes interest expenses for the refinancing of the instalment purchase programme from the consumer loan ABS facility and public ABS notes and the associated interest hedging in the amount of KEUR 10,912 (2023: KEUR 7,734) as well as expenses for the refinancing of the merchant financing programme through the merchant financing ABS facility of KEUR 5,823 (2023: KEUR 161).

5.3 Other operating income

The effects from the capitalisation of internally generated intangible assets amounting to KEUR 4,218 (2023: KEUR 5,139) are under other operating income.

In addition, other operating income consisted mainly of prior-period income and currency translation gains.

5.4 Personnel expenses

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Wages and salaries	(224,354)	(208,904)
Social security contributions	(54,184)	(50,138)
Equity-settled share-based payments	(17,843)	(13,067)
Other	(8,379)	(8,941)
Total	**(304,760)**	**(281,050)**

The increase in personnel expenses is mainly due to a higher number of employees.

In the financial year 2024, the contributions to defined contribution plans totalled KEUR 29,114 (2023: KEUR 26,571).

The following table shows the average number of employees by headcount in the financial year:

	2024	2023
Employees	5,513	5,318
Senior management	36	38
Total	**5,549**	**5,356**

5.5 Other operating expenses

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Marketing expenses	(140,981)	(137,067)
Internal logistics expenses	(88,650)	(78,000)
Personnel-related expenses	(28,786)	(23,062)
Expenses for IT from third-party providers	(12,403)	(12,722)
Building-related expenses	(14,450)	(12,142)
Vehicle-related expenses	(13,346)	(11,603)
Legal, consulting and acquisition expenses	(10,393)	(10,526)
Prior-period expenses	(5,766)	(8,929)
Other expenses	(32,075)	(32,435)
Total	**(346,850)**	**(326,486)**

Other operating expenses increased mainly due to expenses for internal logistics which rose due to an increase in the number of vehicles transported. Marketing expenses increased due to higher marketing activities for our C2B purchasing channel. The increase in personnel-related expenses is primarily due to the increased use of freelancers. Other expenses mainly include currency translation losses, impairment losses on receivables, insurance costs, taxes and contributions.

5.6 Finance income and finance costs

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Interest income and other finance income		
Interest income	8,968	8,095
Other interest and similar income	16	65
Total	**8,984**	**8,160**
Interest expense and other finance costs		
Interest expense	(19,375)	(12,774)
Other interest and similar expenses	(5,125)	(5,860)
Total	**(24,500)**	**(18,634)**
Other financial result	**(1,422)**	**(1,488)**
Financial result	**(16,938)**	**(11,962)**

Interest income and other finance income mainly resulted from interest on cash and cash equivalents and liquid financial assets. The improvement is mainly the result of a higher level of interest-bearing funds.

Interest expenses mainly related to interest from the inventory ABS facility (KEUR 16,880; 2023: KEUR 9,996) for refinancing inventories and interest on lease liabilities (KEUR 2,327; 2023: KEUR 1,797). The interest expenses from the two other ABS facilities and for the public ABS notes are recognised under cost of materials.

The other financial result for the past financial year includes a loss from the measurement at fair value of derivative financial instruments totalling KEUR 1,065 (2023: KEUR 671), which were not included in hedge accounting.

5.7 Income taxes

The income tax expense recognised in profit or loss in the consolidated statement of profit or loss comprises:

KEUR	1 Jan. 2024- 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Deferred tax expense (current year)	1,768	(181)
Current tax expense (current year)	(7,034)	(280)
Current tax expense (changes in estimates related to prior years)	1,369	1,376
Deferred tax expense (for previous years)	(321)	697
Total	**(4,218)**	**1,612**

The effective income tax expense is reconciled as follows:

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Earnings before tax	25,112	(118,078)
Income tax rate (of Parent Company)	30.175%	30.175%
Income tax at the income tax rate	(7,578)	35,630
Increase / (decrease) in income tax expense due to:		
Effects of deviations between domestic and foreign tax rates	7,339	(3,416)
Effect of non-tax-deductible expenses for tax purposes/tax-exempt income	3,968	(1,598)
Effect of non-recognition of deferred tax assets on tax loss carryforwards	(7,231)	(33,310)
Effect of non-recognition of deferred tax assets on temporary differences	-	(166)
Taxes for previous years	(1,048)	4,588
Other differences	332	(116)
Total income tax income (+) / expenses (-)	**(4,218)**	**1,612**
Effective tax rate	16.797%	1.365%

The tax rate applied to determine the expected tax income corresponds to the tax rate of AUTO1 Group SE, Berlin, Germany, and is made up of the tax rate for corporation tax including solidarity surcharge of 15.825% and the trade tax rate of 14.350%. Note 6.4 contains further information on deferred taxes.

Global minimum taxation

For the financial year 2024, the implementation of the global minimum taxation does not have any tax implications for AUTO1 Group.

AUTO1 Group applies the temporary, mandatory exemption with regard to the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognises these as actual tax expense/income at the time they arise.

AUTO1 Group assumes that it will apply the safe harbour rules in the next two future periods at the most and does not consider the income tax effects of the introduction of global minimum taxation to be material.

6. Notes to the consolidated statement of financial position

6.1 Intangible assets

KEUR	Acquired intangible assets	Internally generated intangible assets	Intangible assets under development	Total
Gross carrying amount as at 1 January 2024	**12,960**	**2,743**	**2,545**	**18,248**
Additions	152	-	4,218	4,370
Reclassification	-	1,622	(1,622)	-
Foreign currency translation differences	-	-	-	-
Gross carrying amount as at 31 December 2024	**13,112**	**4,365**	**5,141**	**22,618**
Accumulated amortisation as at 1 January 2024	**1,553**	**57**	**-**	**1,610**
Additions	829	552	-	1,381
Foreign currency translation differences	(1)	-	-	(1)
Accumulated amortisation as at 31 December 2024	**2,381**	**609**	**-**	**2,990**
Net carrying amounts as at 31 December 2024	**10,731**	**3,756**	**5,141**	**19,628**

KEUR	Acquired intangible assets	Internally generated intangible assets	Intangible assets under development	Total
Gross carrying amount as at 1 January 2023	**12,924**	**149**	**-**	**13,073**
Additions	38	2,594	2,545	5,177
Disposals	2	-	-	2
Gross carrying amount as at 31 December 2023	**12,960**	**2,743**	**2,545**	**18,248**
Accumulated amortisation as at 1 January 2023	**709**	**2**	**-**	**711**
Additions	844	55	-	899
Disposals	-	-	-	-
Accumulated amortisation as at 31 December 2023	**1,553**	**57**	**-**	**1,610**
Net carrying amounts as at 31 December 2023	**11,407**	**2,686**	**2,545**	**16,638**

The Group’s intangible assets mainly relate to an acquired trademark. Internally developed intangible assets were also capitalised.

6.2 Property, plant and equipment

KEUR	Land and buildings	Other equipment	Rights of use	Total
Gross carrying amount as at 1 January 2024	**7,746**	**70,421**	**160,358**	**238,525**
Additions	2,596	13,270	55,749	71,615
Disposals	204	3,775	19,640	23,619
Foreign currency translation differences	11	21	(79)	(47)
Gross carrying amount as at 31 December 2024	**10,149**	**79,937**	**196,388**	**286,474**
Accumulated depreciation as at 1 January 2024	**1,547**	**22,607**	**95,372**	**119,526**
Additions	1,119	8,164	34,260	43,543
Disposals	49	730	19,546	20,325
Foreign currency translation differences	3	17	(91)	(71)
Accumulated depreciation as at 31 December 2024	**2,620**	**30,058**	**109,995**	**142,673**
Net carrying amounts as at 31 December 2024	**7,529**	**49,879**	**86,393**	**143,801**

KEUR	Land and buildings	Other equipment	Rights of use	Total
Gross carrying amount as at 1 January 2023	**5,897**	**63,059**	**144,955**	**213,911**
Additions	2,199	15,817	28,965	46,981
Disposals	387	8,455	13,963	22,805
Foreign currency translation differences	37	-	401	438
Gross carrying amount as at 31 December 2023	**7,746**	**70,421**	**160,358**	**238,525**
Accumulated depreciation as at 1 January 2023	**719**	**17,385**	**72,317**	**90,421**
Additions	812	6,780	34,439	42,031
Disposals	19	1,558	11,611	13,188
Foreign currency translation differences	35	-	227	262
Accumulated depreciation as at 31 December 2023	**1,547**	**22,607**	**95,372**	**119,526**
Net carrying amounts as at 31 December 2023	**6,199**	**47,814**	**64,986**	**118,999**

The largest group of AUTO1's property, plant and equipment comprises leased property relating to our retail outlets and Autohero production centres. These are recognised as right-of-use assets. Note 6.3 contains further information on leases. Property, plant and equipment also mainly includes the Autohero delivery vehicle fleet and the operating and office equipment in the Autohero production centres.

6.3 Leases

The Group's leases mainly relate to real estate, whereby these are divided into the branches used for vehicle purchases and the production centres in which the used vehicles are refurbished for Autohero. The leases are recognised as right-of-use assets, which are reported in the consolidated statement of financial position under property, plant and equipment (see note 6.2) and the corresponding lease liabilities (see note 6.15).

The following amounts were recognised in the consolidated statement of comprehensive income in relation to leases:

KEUR	1 Jan. 2024 - 31 Dec. 2024	1 Jan. 2023 - 31 Dec. 2023
Depreciation expense for right-of-use assets	(34,260)	(34,439)
Interest expense for lease liabilities	(2,327)	(1,797)
Total	**(36,587)**	**(36,236)**

The depreciation expense for right-of-use assets is determined by the term of the lease.

The remaining term analysis of the undiscounted contractual cash flows of the lease liabilities is presented below:

KEUR	31 Dec. 2024	31 Dec. 2023
Maturity analysis – Contractual undiscounted cash flows		
< 1 year	35,232	27,734
1 - 5 years	52,467	41,527
> 5 years	9,139	4,299
Total undiscounted lease liabilities as at 31 Dec.	**96,838**	**73,560**
Lease liabilities in the statement of financial position as at 31 Dec.	**90,682**	**69,844**

The lease payments are recognised in the cash flow statement with their repayment portion in the cash flow from financing activities.

6.4 Deferred taxes

Deferred tax assets on tax loss carryforwards, interest carryforwards, tax credits and deductible temporary differences are only recognised to the extent that the realisation of the tax relief through future taxable profits is probable.

The changes in deferred tax assets and liabilities result from the effects presented below. The changes in deferred taxes resulting from the reversal of temporary differences were recognised through profit or loss in the consolidated statement of comprehensive income. An amount of KEUR 0 (2023: KEUR 143), which is based on temporary differences from derivative financial instruments included in hedging relationships, was recognised as deferred tax in other comprehensive income and recognised directly in equity.

The following table shows the deferred tax assets and liabilities:

KEUR	31 Dec. 2024	31 Dec. 2023
Deferred tax assets	736	932
Deferred tax liabilities	-	(143)
Net deferred taxes recognised	**736**	**789**

Deferred tax assets and liabilities are presented after offsetting.

The deferred taxes corresponding to the assets and liabilities in connection with temporary differences as at 31 December 2024 are as follows:

KEUR	31 Dec. 2024 Deferred tax assets	31 Dec. 2024 Deferred tax liabilities
Property, plant and equipment	-	-
Inventories	1,113	-
Other receivables	-	(2,222)
Financial liabilities (non-current)	-	(2,042)
Provisions (current)	3,117	-
Other liabilities (current)	770	-
Total temporary differences	**5,000**	**(4,264)**
Loss carryforwards	**-**	**-**
Total	**5,000**	**(4,264)**
Offsetting	**(4,264)**	**4,264**
Total after offsetting	**736**	**-**

Deferred taxes according to assets and liabilities in connection with temporary differences were as follows as at 31 December 2023:

KEUR	31 Dec. 2023 Deferred tax assets	31 Dec. 2023 Deferred tax liabilities
Property, plant and equipment	-	-
Inventories	307	-
Other receivables	-	(5,837)
Financial liabilities (non-current)	299	-
Provisions (current)	431	-
Other liabilities (current)	5,589	-
Total temporary differences	**6,626**	**(5,837)**
Loss carryforwards	**-**	**-**
Total	**6,626**	**(5,837)**
Offsetting	**(5,694)**	**5,694**
Total after offsetting	**932**	**(143)**

Deferred tax assets were not recognised in relation to the following temporary differences (gross amount) in accordance with IAS 12, as a future taxable profit that the Group can use has not yet been sufficiently substantiated.

KEUR	31 Dec. 2024	31 Dec. 2023
Other liabilities	-	1,039
Total	**-**	**1,039**

In addition, deferred tax assets were not recognised in relation to the following tax loss and interest carryforwards that do not expire (unlimited loss and interest carryforwards that can be carried forward):

KEUR	31 Dec. 2024	31 Dec. 2023
Tax loss carryforwards (corporate tax)	873,873	971,258
Tax loss carryforwards (trade tax)	816,062	828,466
Interest carryforwards	87,986	87,986

As at 31 December 2024, no deferred tax liabilities were recognised in connection with shares in subsidiaries, as the Group controls the timing of the reversal of the associated taxable temporary differences. The management does not plan to reverse the taxable temporary differences in the foreseeable future. As at 31 December 2024, there were taxable temporary differences in connection with shares in subsidiaries amounting to KEUR 1,923 (2023: KEUR 1,241).

6.5 Inventories

The carrying amount of inventories includes the vehicle stock of KEUR 696,731 as at 31 December 2024 (31 December 2023: KEUR 544,380). For a breakdown of inventories by Merchant segment and Retail segment, see Note 11. Inventories increased compared to the previous year, in particular due to a higher number of vehicles held in the portfolio.

Significant parts of the vehicle fleet are pledged as collateral for liabilities to financial institutions (see Note 6.13). In the financial year 2024, the acquisition costs of vehicles recognised in the cost of materials amounted to KEUR 5,304,491 (2023: KEUR 4,753,500). As at the balance sheet date of 31 December 2024, inventories were reduced by KEUR 33,351 (31 December 2023: KEUR 21,557) due to the routine write-down to net realisable value.

Both impairment losses and reversals of impairment losses are recognised in the cost of materials.

6.6 Trade and other receivables

KEUR	31 Dec. 2024	31 Dec. 2023
Non-current trade receivables		
Receivables from instalment purchases	292,442	233,643
Total	**292,442**	**233,643**
Current trade receivables and other receivables		
Trade receivables	75,385	71,602
Receivables from merchant financing	214,382	36,522
Receivables from instalment purchases	72,829	35,500
Other receivables	1,369	1,898
Total	**363,965**	**145,522**

The increase in current trade receivables compared to the previous year is mainly due to the merchant financing programme launched by AUTO1 in October 2023. Receivables from instalment purchases (current and non-current) from retail customers totalled KEUR 365,271 (2023: KEUR 269,143) at the end of the reporting period. Some of the instalment receivables from Germany and Austria serve as collateral for creditors from the consumer loan ABS facility. In addition, another portion of the instalment purchase receivables, which was publicly securitised in 2024, serves as collateral for the public ABS notes. The receivables from the merchant financing programme serve as collateral for the merchant financing ABS facility.

As at the balance sheet date, impairments on current and non-current trade receivables totalled KEUR 20,386 (2023: KEUR 12,632). KEUR 4,407 (2023: KEUR 2,808) of the net expense recognised in the past financial year relates to impairments on the instalment purchase portfolio and KEUR 2,107 (2023: KEUR 61) to impairments on the merchant financing portfolio.

6.7 Other financial assets

KEUR	31 Dec. 2024	31 Dec. 2023
Other non-current financial assets		
Deposits	6,384	6,119
Derivative financial assets	-	4,716
Total	**6,384**	**10,835**
Other current financial assets		
Deposits	2,414	3,466
Total	**2,414**	**3,466**

The security deposits primarily relate to security deposits for rental agreements. The derivative financial assets in the previous year related to interest rate hedging instruments concluded to limit interest rate risks from the consumer loan ABS facility, which had a negative fair value as at 31 December 2024 and are reported under other financial liabilities.

6.8 Other assets

Other assets mainly comprise VAT receivables totalling KEUR 45,065 (2023: KEUR 58,897), prepaid expenses for insurance and advertising campaigns as well as assets from the recognition of Autohero customers' rights of return.

6.9 Cash and cash equivalents

Cash and cash equivalents include cash balances of KEUR 241,586 (2023: KEUR 456,391), which are pledged as collateral for liabilities to financial institutions (see note 6.13) and mainly serve to pre-finance the future acquisition of vehicles and the further expansion of the instalment purchase programme as well as the merchant financing programme.

As at 31 December 2024, there were no cash equivalents (2023: KEUR 32,600) from time deposits with maturities of less than three months.

6.10 Equity

The ordinary shares of AUTO1 Group SE are no-par value shares, which are fully paid up. All ordinary shares are of equal ranking with respect to the Company's residual assets. The holders of these shares are entitled to dividends declared from time to time and are entitled to one vote per share at the company's Annual General Meetings.

The Annual General Meeting on 14 January 2021 resolved to create authorised capital. This authorised the Management Board, with the approval of the Supervisory Board, to increase the share capital on one or more occasions until 13 January 2026 by a total of up to EUR 86,559,075 against cash and/or non-cash contributions, whereby shareholders' subscription rights could be excluded (Authorised Capital 2021/I).

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

The Annual General Meeting on 2 February 2021 also amended the conditions of the Authorised Capital 2021/I. The Authorised Capital 2021/I was increased to EUR 103,746,000. This may be used until 7 February 2026.

By resolution of the Annual General Meeting on 6 June 2024, the Management Board was authorised, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 5 June 2029 (inclusive) by a total of up to EUR 94,582,400 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2024/I). The existing authorisation from 2 February 2021 to increase the share capital (Authorised Capital 2021/I) by up to EUR 103,746,000 (103,746,000 no-par value shares) was limited until 7 February 2026 and was cancelled by resolution of the Annual General Meeting on 6 June 2024. Until the cancellation, the authorised capital still amounted to EUR 94,088,154 (94,088,154 no-par value shares) after partial utilisation.

The following capital increases were carried out in the financial year 2024. The share capital was increased by EUR 441,213 to EUR 216,657,501 upon entry in the commercial register on 28 March 2024. The share capital was increased by EUR 494,246 to EUR 217,151,747 upon entry in the commercial register on 5 June 2024. The share capital was increased by EUR 258,007 to EUR 217,409,754 upon entry in the commercial register on 20 August 2024. The entry in the commercial register on 13 December 2024 led to an increase in share capital of EUR 434,081 to EUR 217,843,835. These capital increases were in connection with the settlement of share-based payments in shares and were each carried out with partial utilisation of Authorised Capital 2021/I and 2024/I. The Authorised Capital 2024/I amounted to EUR 93,890,312 at the end of the 2024 financial year after partial utilisation.

The following table shows the development of share capital and capital reserves:

KEUR	Share capital	Capital reserves
Status as at 1 Jan. 2024	216,216	1,718,879
Capital increase (VSIP/SCP/VOP) in March 2024	441	4,557
Capital increase (VSIP/SCP/VOP) in June 2024	495	4,737
Capital increase (VSIP/SCP/VOP) in August 2024	258	2,398
Capital increase (VSIP/SCP/VOP) in December 2024	434	4,902
Status as at 31 Dec. 2024	**217,844**	**1,735,473**

KEUR	Share capital	Capital reserves
Status as at 1 Jan. 2023	215,696	1,711,745
Capital increase (VSIP/SCP/VOP) in March 2023	202	3,007
Capital increase (VSIP/SCP/VOP) in May 2023	90	1,125
Capital increase (VSIP/SCP/VOP) in September 2023	194	2,181
Capital increase (VSIP/SCP/VOP) in December 2023	35	339
Other changes from the fulfilment of employee participation programmes in 2023	-	482
Status as at 31 Dec. 2023	**216,216**	**1,718,879**

6.11 Share-based payment

I. Incentive program for virtual shares

Terms and conditions

The company had set up an incentive programme for virtual shares ("Virtual Share Incentive Programme"). As part of this programme, employees, freelancers or consultants of AUTO1 who participated in the programme received virtual shares that are linked to the employment or service relationship. The virtual shares are transferred in four annual tranches. The virtual shares would have been settled in cash in the event of one of the following liquidity events: (i) upon a sale of at least 50% of all shares in the company, (ii) upon a transfer of individual assets of the company (asset deal) or (iii) upon the liquidation of the company. The cash amount as the starting point for the calculation corresponded to the difference between the value of the company's ordinary shares and the fixed exercise price upon the occurrence of such a liquidity event.

Through the agreement of side agreements in 2019, the definition of a liquidity event was expanded to include an IPO of AUTO1 Group SE shares on an internationally recognised stock exchange. In the event of an IPO, AUTO1 Group SE is entitled to settle any payment claims - in whole or in part - in shares of AUTO1 Group SE. If AUTO1 Group SE decides to settle in shares, the beneficiary will receive a number of AUTO1 Group SE shares corresponding to the respective portion of the net cash payment entitlement, whereby the value of an ordinary share of AUTO1 Group SE will be based on the offer price at the time of the IPO. The vesting of the virtual shares granted remains unchanged after the IPO in accordance with the established vesting schedule.

With the establishment of all preparatory measures that should lead to a successful IPO of AUTO1 Group SE shares, a scenario change from a probable exit by sale (see above) to an IPO was completed in September 2020. The IPO was the most likely scenario from this point onwards. This had an impact on the accounting assessment of the share-based payment agreements. As a result, the change in scenario in 2020 against the background of the contractual amendment in 2019 led to a reclassification of the cash-settled plan to an equity-settled plan in September 2020, so that an expense for the equity-settled share-based payment was recognised. As a result, the obligation for the cash settlement was derecognised as this settlement option was now considered unlikely.

The expense for the remaining vesting period is determined on the basis of the fair value of the virtual shares measured at the original grant date.

The other reserves in equity in relation to all share-based payments developed as follows:

KEUR	
Share-based payment as at 1 Jan. 2024	**70,303**
+ Recognition of share-based payment (equity-settled)	17,843
- Reclassification of share-based payment to capital reserve	(18,222)
Share-based payment as at 31 Dec. 2024	**69,924**

The effect on profit or loss can be seen in Section 5.4.

Measurement of the fair values

The expense for the incentive programme is determined on the basis of the fair value at the grant date. The fair value was determined using a simulation-based option pricing model. No further virtual shares were granted from the incentive programme (VSIP) in the 2024 financial year. The average share price on the exercise date for virtual shares exercised during the period was EUR 0.52.

The virtual shares outstanding as at 31 December 2024 have a weighted average exercise price of EUR 2.80 and a weighted average remaining contract term of 0 months.

II. Shares - Member of the Management Board

Terms and conditions

In March 2020, one member of the Management Board was granted a further shareholding as an additional incentive in connection with his future work as a member of the Group's Management Board. The incentive was implemented by issuing 33,004 new no-par value registered shares in Series 1a with a nominal value of EUR 1.00 each. In the event of a dividend or exit payment, the Series 1a shares were only subject to a dividend/exit payment if the agreed negative liquidity preference was exceeded. The shares had a vesting period of 48 months with certain conversion rights into ordinary shares in the event of an IPO. The incentives granted related to a settlement in equity instruments. Consequently, the incentives were classified as equity-settled share-based payment transactions. The expense was recognised on the basis of the respective vesting period and was recognised in equity.

The Series 1a shares were converted into ordinary shares during the course of the IPO, taking into account the existing negative liquidity preferences for these shares. All other conditions remained unchanged.

Measurement of the fair values

The fair value at the grant date of the shares was determined using a simulation-based option pricing model. The following key parameters were used to measure the fair value: a share price of EUR 20.22 (starting point for the simulation-based option value calculation), an expected volatility of 19%, a negative liquidity preference of EUR 11.74 per share, a risk-free interest rate of 0% and a dividend yield of 0%. The expected volatility was derived from the historical volatility of peer group companies. The valuation resulted in a fair value in accordance with IFRS 2 of EUR 8.08 per share.

As at 31 December 2024, there were no outstanding shares as the vesting period ended in the 2024 financial year.

III. Long-Term Incentive Plan 2020 - Member of the Management Board

Terms and conditions

In December 2020, one member of the Management Board was granted subscription rights to shares in the company under a new long-term remuneration programme (Long-Term Incentive Plan 2020) as an incentive in connection with future activity as a member of the Management Board in the Group. Conditional capital was created to service the share options. The incentive was implemented by granting 7,500,000 share options with subscription rights to up to 6,624,900 ordinary shares. Vesting takes place in 20 equal instalments at the end of each calendar quarter. The share options were converted into shares in the event of a successful IPO. In addition to vesting, the exercise of the share options is subject to a waiting period and defined performance conditions. The incentives granted relate to settlement in equity instruments. Consequently, the incentives are classified as equity-settled share-based payment transactions. The expense is recognised on the basis of the respective vesting period and is recognised in equity. As a result of the IPO, all conditions remained unchanged.

In 2023, the programme was slightly modified with regard to the possible exercise window and the performance conditions. The incremental fair value of KEUR 470 resulting from the modification is spread over the remaining vesting period.

Measurement of the fair values

The fair value at the grant date of the subscription rights was determined using a simulation-based option pricing model. The following key parameters were used to measure the fair value: a share price of EUR 15.30 (fully diluted share price as the starting point for the simulation-based option value calculation), an expected volatility of 25%, a fixed exercise price of EUR 15.76, a remaining vesting period until 31 December 2024 (for 6,000,000 share options) and 31 December 2025 (for 1,500,000 share options), a subsequent exercise window until 31 December 2027 and a risk-free interest rate of 0%. The expected volatility was derived from the historical volatility of peer group companies. The valuation resulted in a weighted average fair value of EUR 0.66 per subscription right.

The incremental fair value of the subscription rights at the time of the modification in the 2023 financial year was also determined using a simulation-based option pricing model. The following key parameters were used: an enterprise value of EUR 1,673 million, an expected volatility of 27%, a fixed exercise price of EUR 15.76, a remaining vesting period until 24 August 2027, a subsequent exercise window until 31 December 2030 and a risk-free interest rate of 2.5%. The expected volatility was derived from the historical volatility of peer group companies.

The subscription rights to shares outstanding as at 31 December 2024 have an exercise price of EUR 15.76 and a weighted average remaining contractual term of 31 months.

Reconciliation of outstanding subscriptions rights

	2024	
	Number of options	Weighted-average exercise price
Outstanding on 1 January	7,500,000	15.76
Expired in the period	-	-
Granted in the period	-	-
Exercised in the period	-	-
Outstanding on 31 December	7,500,000	15.76
Exercisable on 31 December	-	-

	2023	
	Number of options	Weighted-average exercise price
Outstanding on 1 January	7,500,000	15.76
Forfeited during the period	-	-
Granted during the period	-	-
Exercised during the period	-	-
Outstanding on 31 December	7,500,000	15.76
Exercisable on 31 December	-	-

IV. AUTO1 Share Compensation Program 2021

Terms and conditions

In the 2021 financial year, a further share-based payment programme was introduced that grants employees virtual shares as an incentive in connection with their future work in the Group (AUTO1 Share Compensation Programme 2021). The virtual shares are granted to the beneficiaries free of charge. The number of virtual shares granted results from an allocation amount in EUR, which is determined for each individual beneficiary. The allocation amount is converted into virtual shares by dividing the amount by the average market price of AUTO1 Group SE shares during a reference period specified in the allocation letter. Vesting generally takes place after 18 months. The beneficiary can apply for compensation twice a year within certain exercise periods. The programme gives AUTO1 Group SE the right to choose how to settle the virtual shares (cash settlement or settlement with equity instruments). As none of the criteria of IFRS 2.41 are met, the programme was classified as equity-settled share-based payment. The expense is recognised on the basis of the respective vesting period and is recognised in equity.

Measurement of the fair values

The fair value at the grant date of the subscription rights is determined as follows. The number of virtual shares granted results from an allocation amount in EUR, which is determined for each individual participant and later converted into virtual shares by dividing the amount by the average stock market price of the real shares of AUTO1 Group SE during a reference period specified in the allocation offer. An option price valuation taking into account the usual input parameters, such as volatility, is therefore not necessary.

The virtual shares outstanding as at 31 December 2024 have a weighted average remaining contract term of 6 months.

V. Virtual Option Program

Terms and conditions

As part of the Virtual Option Programme, employees and freelancers receive part of their remuneration in the form of virtual options. Each virtual option grants the participant an option right vis-à-vis the company, which is fulfilled by the transfer of AUTO1 Group shares. Alternatively, at the company's discretion, settlement can also be made in the form of a cash payment. The virtual options are granted in three tranches with three different vesting periods, which are determined individually for each participant. The participant can exercise the option rights from the virtual options allocated to him/her at the earliest after the expiry of the respective vesting period for the respective tranche. The virtual options can be exercised at least twice a year within certain exercise periods. The option rights have a term of five years, beginning with the expiry of the respective vesting period.

As none of the criteria of IFRS 2.41 are met, the programme was classified as equity-settled share-based payment. The expense is recognised on the basis of the respective vesting period and is recognised in equity.

Measurement of the fair values

The fair value at the grant date of the subscription rights is determined as follows. The participant receives virtual shares depending on the number specified in the allotment offer. The exercise price of the virtual shares is approximately zero, which is why the value of an option corresponds to the average market price of the real shares of AUTO1 Group SE during a reference period specified in the allocation offer. An option price valuation taking into account the usual input parameters, such as volatility, is therefore not necessary. In individual cases, the number of virtual options granted in financial year 2024 was dependent on non-market conditions that affect the number of vesting options.

The virtual shares outstanding as at 31 December 2024 have a weighted average remaining contract term of 21 months.

Reconciliation of outstanding virtual options

	2024	
	Number of virtual options	**Weighted-average exercise price**
Outstanding on 1 January	**1,384,520**	**-**
Forfeited during the period	13,304	-
Granted during the period	2,505,909	-
Exercised during the period	664,004	-
Outstanding on 31 December	**3,213,121**	**-**
Exercisable on 31 December	302,844	-

VI. Long-Term Incentive Plan 2023 - Member of the Management Board

Terms and conditions

In November 2023, one member of the Management Board was granted virtual subscription rights to shares in the company under a new long-term remuneration programme (Long-Term Incentive Plan 2023) as an incentive in connection with future activities as a member of the Management Board in the Group. The incentive was implemented by granting a total of 772,835 virtual share options, divided into three tranches, with subscription rights to ordinary shares. Vesting takes place quarterly until 31 December 2025 and the exercise of the virtual share options is dependent on defined performance conditions in addition to vesting. The incentives granted relate to settlement in equity instruments. Consequently, the incentives are classified as equity-settled share-based payment transactions. The expense is recognised on the basis of the respective vesting period and is recognised in equity.

Measurement of the fair values

The fair value at the grant date of the subscription rights was determined using a simulation-based option pricing model. The following key parameters were used to measure the fair value: a share price of EUR 6.14 (fully diluted share price as the starting point for the simulation-based option value calculation), an expected volatility of 27%, an exercise price of EUR 0.01 for two tranches and EUR 15.00 for the third tranche and a risk-free interest rate of 2.42%. The expected volatility was derived from the historical volatility of peer group companies. The valuation resulted in a weighted average fair value of EUR 4.09 per virtual subscription right.

The subscription rights to shares outstanding as at 31 December 2024 have a weighted exercise price of EUR 5.14 and a weighted average remaining contractual term of 20 months.

Reconciliation of outstanding subscriptions rights

	2024	
	Number of virtual subscriptions rights	**Weighted-average exercise price**
Outstanding on 1 January	**772,835**	**5.14**
Forfeited during the period	-	-
Granted during the period	-	-
Exercised during the period	-	-
Outstanding on 31 December	**772,835**	**5.14**
Exercisable on 31 December	88,408	-

6.12 Provisions

KEUR	1 Jan. 2024	Utilisation	Reversal	Additions	Reclassifications	31 Dec. 2024
Provisions for litigation	**4,817**	18	769	265	-	**4,295**
Provisions for vehicles	**15,926**	15,898	-	17,262	-	**17,290**
Other provisions	**580**	359	-	-	-	**221**
Total	**21,323**	**16,275**	**769**	**17,527**	**-**	**21,806**

The provisions for vehicles were mainly recognised in connection with warranties.

6.13 Financial liabilities

In December 2020, the structured entity AUTO1 Funding B.V., based in Amsterdam, the Netherlands, was founded, which is controlled and fully consolidated by AUTO1 Group SE. In January 2021, AUTO1 Funding B.V. issued promissory note loans and registered bonds as part of a securitisation ("inventory ABS facility"; so-called "non-recourse financing") in order to finance the Group's growing vehicle trade. The promissory note loans and registered bonds are collateralised by a significant portion of the inventories, among other things.

In February 2022, the structured entity Autohero Funding 1 B.V. was founded with its registered office in Amsterdam, the Netherlands, which is controlled and fully consolidated by AUTO1 Group SE. Autohero Funding 1 B.V. issued debt instruments in April 2022 as part of a securitisation ("consumer loan ABS facility"; so-called "non-recourse financing") in order to finance Autohero's growing instalment purchase programme. The debt instruments are collateralised, among other things, by a significant portion of the non-publicly securitised instalment purchase receivables.

In addition, the structured entity AUTO1 Car Funding S. à r. l., based in Luxembourg, Luxembourg, was founded in October 2023, which is controlled and fully consolidated by AUTO1 Group SE. AUTO1 Car Funding S. à r. l. issued debt instruments in December 2023 as part of a securitisation ("Merchant Financing ABS Facility"; so-called "non-recourse financing") to refinance AUTO1's dealer financing programme. The debt instruments are collateralised by, among other things, a significant portion of the trade receivables from dealers.

Part of the instalment purchase portfolio was refinanced at better conditions in July 2024. A closed sub-portfolio was removed from the consumer loan ABS facility. To refinance this sub-portfolio, AUTO1 Car Funding S. à r. l. (Compartment FinanceHero 2024-1) subsequently issued publicly listed bonds ("public ABS notes") with a nominal volume of EUR 212.1 million. The public ABS notes are repaid monthly from the payments received on the instalment purchase receivables.

These non-recourse debt instruments are recognised in the balance sheet as follows:

KEUR	31 Dec. 2024	31 Dec. 2023
Financial liabilities (non-current)		
Liabilities to financial institutions	727,972	741,422
Public ABS-Notes	139,279	-
Total	**867,251**	**741,422**
Financial liabilities (current)		
Public ABS-Notes	40,341	-
Liabilities to financial institutions	174,448	-
Interest and fees accrued	831	681
Total	**215,620**	**681**

Liabilities to financial institutions relate to the loans drawn down as at the reporting date from the three securitisation programmes mentioned above.

The financing liabilities from the ABS facilities and public ABS notes are generally recognised under non-current financing liabilities due to their long-term nature. However, they are classified as current if AUTO1 does not have the right to defer repayment for a period of more than 12 months at the reporting date. The liabilities from the merchant financing ABS facility are recognised as current, as the revolving period of the facility ends at the end of November 2025 and the repayment phase begins thereafter. However, AUTO1 plans to extend the facility in the 2025 financial year. For the public ABS notes, the portion of the liability for which repayment is expected in 2025 is recognised as current. This is based on the repayment profile of the securitised instalment purchase receivables.

The nominal amounts of the utilisation of the three facilities provided by external lenders and the public ABS notes as at the balance sheet date are presented below:

KEUR	31 Dec. 2024	31 Dec. 2023
Utilisation of ABS facilities and public ABS notes		
Inventory ABS-Facility	600,000	475,000
Public ABS-Notes	179,620	-
Consumer Loan ABS-Facility	130,401	230,523
Merchant Financing ABS-Facility	174,448	38,605
Total	**1,084,469**	**744,128**

The difference between the total utilisation of the ABS facilities and ABS notes and the carrying amount of the reported financing liabilities results from the inclusion of transaction costs, which are recognised over the corresponding contractual term using the effective interest method.

6.14 Trade payables

Trade payables are unsecured.

The carrying amounts are considered to be the same as their fair values, due to their short-term nature. Payment is usually made within 30 days but depends on the individual terms of payment.

6.15 Other financial liabilities

KEUR	31 Dec. 2024	31 Dec. 2023
Other non-current financial liabilities		
Lease liabilities	58,149	43,488
Other	1,737	1,588
Total	**59,886**	**45,076**
Other current financial liabilities		
Lease liabilities	32,533	26,356
Other	-	8,449
Total	**32,533**	**34,805**

Note 6.3 contains further information on leases.

6.16 Other liabilities

KEUR	31 Dec. 2024	31 Dec. 2023
Other non-current liabilities		
Contract liabilities	3,025	-
Personnel-related liabilities	-	2,056
Total	**3,025**	**2,056**
Other current liabilities		
Contract liabilities	90,858	89,796
Personnel-related liabilities	28,718	21,090
Other	20,462	8,073
Total	**140,038**	**118,959**

Other liabilities mainly result from contract liabilities and personnel-related liabilities.

Contract liabilities mainly relate to the dealer business. A contract liability corresponding to the receivable is recognised when a payment is due from a dealer. Revenue relating to outstanding contract liabilities is recognised upon payment.

Personnel-related liabilities mainly comprise holiday entitlements, wage tax liabilities and social security contributions.

7. Notes to the consolidated statement of cash flows

Cash flows from financing activities reconcile to the statement of financial position as follows:

KEUR	31 Dec. 2024	Cash outflows	Cash inflows	Accrued interest expense (non-cash)	Interest paid (cash out-flow)	Additions/ disposals (non-cash)	Changes in foreign exchange rates	1 Jan. 2024
Financial liabilities	1,082,871	(1,007,603)	1,347,944	150	-	277	-	742,103
Lease liabilities	90,682	(34,828)	-	-	-	55,749	(83)	69,844
Total	**1,173,553**	**(1,042,431)**	**1,347,944**	**150**	**-**	**56,026**	**(83)**	**811,947**

KEUR	31 Dec. 2023	Cash outflows	Cash inflows	Accrued interest expense (non-cash)	Interest paid (cash out-flow)	Additions/ disposals (non-cash)	Changes in foreign exchange rates	1 Jan. 2023
Financial liabilities	742,103	(945,000)	1,058,605	500	-	(695)	-	628,693
Lease liabilities	69,844	(30,988)	-	-	-	26,656	134	74,042
Total	**811,947**	**(975,988)**	**1,058,605**	**500**	**-**	**25,961**	**134**	**702,735**

The non-cash changes in financial liabilities mainly relate to additions to lease liabilities.

The other non-cash changes in operating cash flow mainly relate to allowances of inventories recognised in profit or loss.

8. Notes to the consolidated statement of changes in equity

Subscribed capital and capital reserve

Number of shares	2024	2023
Issued on 1 January	**216,216,288**	**215,695,838**
Issue during the year	1,627,547	520,450
Issued on 31 December	**217,843,835**	**216,216,288**
Authorised capital - nominal value in EUR	**93,890,312**	**95,023,613**

The shares issued are ordinary shares with no par value, which grant their holders the right to the remaining assets of the company and one vote per share at the Annual General Meeting. AUTO1 holds 697,668 (2023: 803,037) treasury shares as at the balance sheet date of 31 December 2024.

The capital reserve comprises the equity received by the company from shareholders as a premium over and above the subscribed capital. In addition, the amount exceeding the subscribed capital is transferred to the capital reserve as part of the fulfilment of share participation programmes.

For further details and matters relating to the subscribed capital and the capital reserve, see Notes 6.10 and 6.11.

Nature and purpose of other reserves

Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves

Other reserves comprise the participation programmes recognised in equity that have not yet been fulfilled by the Group. When the share participation programmes are settled in shares, the amounts previously recognised in other reserves are transferred to subscribed capital in the amount of the capital increase entered in the commercial register and the remaining amount is transferred to the capital reserve.

Hedging reserve

The hedging reserve results from hedge accounting in Autohero Funding 1 B.V. and AUTO1 Car Funding S.à r.l. (see Note 9 - Cash flow hedges). The hedging reserve includes the cost of hedging reserve.

9. Financial instruments

The following overview shows the carrying amounts and fair values of financial assets and financial liabilities, including their classification in the measurement categories of IFRS 9. The carrying amounts of cash and cash equivalents, current trade receivables and other receivables as well as trade payables correspond to their fair values due to their short maturity. The fair value of non-current trade receivables may deviate from the carrying amount, in particular due to changes in the interest rate environment. For all other financial assets and liabilities in the measurement category "Measurement at amortised cost", there have been no changes that would have had a material impact on the fair values of these instruments since their initial recognition. The fair values of derivative financial assets and liabilities as well as receivables from instalment purchases are determined using the discounted cash flow method. Interest rates are the relevant input factor.

31 Dec. 2024

KEUR	Measurement category	Carrying amount	Fair value	Fair value hierarchy
Financial assets				
Non-current financial assets		298 826		
of which receivables from instalment purchases	*Measured at amortised cost*	*292,442*	*295,747*	*2*
of which other non-current financial assets	*Measured at amortised cost*	*6,384*	*n.a.*	*n.a.*
Current trade and other receivables	Measured at amortised cost	363,965	n.a.	n.a.
Other current financial assets	Measured at amortised cost	2,414	n.a.	n.a.
Cash and cash equivalents	Measured at amortised cost	613,378	n.a.	n.a.
Financial liabilities				
Non-current financial liabilities		927,137		
of which financial liabilities	*Measured at amortised cost*	*867,251*	*867,251*	*2*
of which derivative financial liabilities	*No measurement category in accordance with IFRS 9*	*1,713*	*1,713*	*2*
of which lease liabilities	*No measurement category pursuant to IFRS 9*	*58,149*	*n.a.*	*n.a.*
of which other financial liabilities	*Measured at amortised cost*	*24*	*n.a.*	*n.a.*
Current financial liabilities	Measured at amortised cost	248,153		
of which financial liabilities	Measured at amortised cost	*215,620*	*215,620*	*2*
of which lease liabilities	*No measurement category pursuant to IFRS 9*	*32,533*	*n.a.*	*n.a.*
Trade and other payables	Measured at amortised cost	250,397	*n.a.*	*n.a.*

31 Dec. 2023

KEUR	Measurement category	Carrying amount	Fair value	Fair value hierarchy
Financial assets				
Non-current financial assets		244,478		
of which receivables from instalment purchases	*Measured at amortised cost*	*233,643*	*233,863*	*2*
of which derivative financial assets	*No measurement category in accordance with IFRS 9*	*4,717*	*4,717*	*2*
of which other non-current financial assets	*Measured at amortised cost*	*6,119*	*n.a.*	*n.a.*
Current trade and other receivables	Measured at amortised cost	145,521	n.a.	n.a.
Other current financial assets		3,466	n.a.	n.a.
Cash and cash equivalents	Measured at amortised cost	548,172	n.a.	n.a.
Financial liabilities				
Non-current financial liabilities		786,498		
of which financial liabilities	*Measured at amortised cost*	*741,422*	*741,422*	*2*
of which derivative financial liabilities	*No measurement category pursuant to IFRS 9*	*1,566*	*1,566*	*2*
of which lease liabilities	*No measurement category pursuant to IFRS 9*	*43,488*	*n.a.*	*n.a.*
of which other financial liabilities	*Measured at amortised cost*	*23*	*n.a.*	*n.a.*
Trade and other payables	Measured at amortised cost	160,092	n.a.	n.a.
Other current financial liabilities		35,487		
of which lease liabilities	*No measurement category pursuant to IFRS 9*	*26,356*	*n.a.*	*n.a.*
of which other current financial liabilities	*Measured at amortised cost*	*9,131*	*n.a.*	*n.a.*

The net income from financial instruments comprises the following:

31 Dec. 2024

KEUR	Interest	Impairment	Gain (+)/ loss (-) from measurement	Total
Financial assets at amortised cost	8,984	(11,152)	(357)	(2,525)
Financial assets measured at fair value through profit or loss (FVTPL)	-	-	(1,065)	(1,065)
Financial liabilities measured at amortised cost	(24,500)	-	-	(24,500)
Net income (loss)	**(15,516)**	**(11,152)**	**(1,422)**	**(28,090)**

31 Dec. 2023

KEUR	Interest	Impairment loss	Gain (+)/ loss (-) from measurement	Total
Financial assets measured at amortised cost	8,160	(7,233)	-	927
Financial assets measured at fair value through profit or loss (FVTPL)	-	-	(2)	(2)
Financial liabilities measured at amortised cost	(18,634)	-	(816)	(19,450)
Financial liabilities measured at fair value through profit or loss (FVTPL)	-	-	(671)	(671)
Net income (loss)	**(10,474)**	**(7,233)**	**(1,489)**	**(19,196)**

In the financial year 2024, no financial instruments were held that were measured at fair value and whose fair value was allocated to level 3.

The difference between the fair value and carrying amount of non-current financial liabilities is considered immaterial as these are subject to variable interest rates.

Management of financial risk

The Group's most significant financial risks are credit risk, market risk, interest rate risk and liquidity risk.

The company's Management Board is responsible for establishing and monitoring Group risk management.

Credit risk

Credit risk is the risk that a business partner will not fulfil its obligations under a financial instrument and that this will result in a financial loss. The carrying amounts of the financial assets correspond to the maximum default risk.

The credit risk in relation to the Group's commercial business partners is limited to the extent that an advance payment is received in cash. Impairment losses are also recognised. Impairment losses in the reporting period totalled KEUR 11,152 (2023: KEUR 7,233). Receivables whose recoverability is classified as very low are written down and derecognised.

With the exception of receivables from the merchant financing programme, there is no significant need to recognise impairment on current trade receivables due to the short payment term. The fair value of non-current trade receivables recognised from instalment purchases differs from the carrying amount due to changes in interest rates.

As at 31 December 2024, the Group had cash and cash equivalents amounting to KEUR 613,378 (2023: KEUR 548,172). Cash and cash equivalents are deposited with banks and financial institutions that have high credit ratings from international rating agencies. The Group assumes that its cash and cash equivalents have a low default risk on the basis of the external ratings of banks and financial institutions and therefore does not recognise any allowances.

The carrying amount of the financial assets corresponds to the Group's maximum credit risk position. Trade receivables totalled KEUR 656,407 (2023: KEUR 379,164) as at the reporting date. Other financial assets totalled KEUR 2,414 (2023: KEUR 3,466) for current other financial assets and KEUR 6,384 (2023: KEUR 10,835) for non-current financial assets. In addition, the Group did not hold any financial assets accounted for using the equity method as at 31 December 2024 (2023: KEUR 0). Financial assets are not offset in the balance sheet. Furthermore, there are no off-balance sheet netting potentials due to any global netting agreements.

Market risk

Market risks arise from the exchange rate risk associated with intra-Group financing in euro, which is made available to subsidiaries by the parent company if the functional currency of the subsidiary is not the euro. However, the effects of exchange rate fluctuations on the last reporting date and the corresponding comparative dates are insignificant.

Interest rate risk

An interest rate risk arises, among other things, from the inventory ABS facility, which has a variable interest rate. As at 31 December 2024, this credit line had been utilised in the amount of KEUR 600,000. In addition, the merchant financing ABS facility concluded in the 2023 financial year is also subject to variable interest rates. The interest rate risk from the inventory ABS facility and the merchant financing ABS facility has not yet been hedged.

There is also an interest rate risk for the consumer loan ABS facility and the public ABS notes issued in the financial year, as the income from the instalment purchase receivables is based on a fixed interest rate and the refinancing through the consumer loan ABS facility and public ABS notes is subject to a variable interest rate. As at 31 December 2024, the consumer loan ABS facility had been utilised in the amount of KEUR 130,401. The public ABS notes have a nominal volume of KEUR 179,620 as at the reporting date. Interest rate swaps are concluded for this purpose in order to hedge fluctuations in cash flows from changes in interest rates. A hedging ratio of 1:1 is applied wherever possible. The economic relationship between the hedging instrument and the hedged underlying transaction is established on the basis of the reference interest rates, terms, interest rate adjustment dates and maturities as well as the nominal values. The expected effectiveness is determined on the basis of the critical terms. The main reasons for ineffectiveness in the context of these hedging relationships may be differences in the interest rate adjustment dates between the hedging instruments and the underlying transaction. A possible increase in market interest rates of 100 basis points as at the reporting date would have reduced the profit or loss by KEUR 7,744, taking into account the interest rate hedging instruments concluded. The change in the fair value of the interest rate hedging instruments would have increased equity by KEUR 3,819 as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to fulfil its financial liabilities as contractually agreed by delivering cash or other financial assets. Liquidity management within the Group is intended to ensure that, as far as possible, sufficient liquid funds are always available to meet payment obligations when they fall due, both under normal and strained conditions, without suffering unacceptable losses or damaging the Group's reputation.

The Group uses a cost accounting system to calculate its product and service costs. This makes it possible to monitor cash requirements and optimise cash inflows from capital employed.

The Group endeavours to maintain the amount of cash and cash equivalents at a level that exceeds the expected cash outflows from financial liabilities. The Group also monitors the amount of expected cash inflows from trade receivables and other receivables together with the expected cash outflows from trade payables and other liabilities.

In December 2020, a secured rated inventory ABS facility was concluded, which relates to the refinancing of inventories. As at the balance sheet date of 31 December 2024, the inventory ABS facility was utilised in the amount of KEUR 600,000 (2023: KEUR 475,000). In January 2025, the credit facility was extended until 25 August 2028. The repayment period begins in February 2027. The junior and mezzanine notes are held by AUTO1. The key data of this credit line are as follows:

Type	Junior Notes	Mezzanine Notes	Senior Notes
Amount of credit facility	220,000,000 EUR	35,000,000 EUR	875,000,000 EUR
Interest rate	5.00%	4.50% + EURIBOR (0% floor)	1.75% + EURIBOR (0% floor)
Term	25 August 2028		
Collateral	Assignment of inventories as collateral and of bank accounts of AUTO1 Funding B.V. and AUTO1 European Cars B.V. and shares in AUTO1 European Cars B.V.		

In April 2022, the secured consumer loan ABS facility was concluded as part of the refinancing of the instalment purchase programme. As at the reporting date of 31 December 2024, the consumer loan ABS facility was utilised in the amount of KEUR 130,401 (2023: KEUR 250,523). The decrease in utilisation is due to the fact that a sub-portfolio was refinanced via the public ABS notes in the 2024 financial year. In this context, the volume of the senior notes was reduced from EUR 275 million to EUR 200 million. The junior and mezzanine notes are held by AUTO1. The repayment period begins in January 2026. The key figures for this credit facility are as follows:

Type	Junior Notes	Mezzanine Notes	Senior Notes
Amount of credit facility	75,000,000 EUR	40,000,000 EUR	200,000,000 EUR
Interest rate	5.00%	5.00%	1.40% + EURIBOR
Term	09 January 2029		
Collateral	Assignment of receivables and bank accounts of Autohero Funding 1 B.V. as collateral		

In July 2024, the public ABS notes were placed by AUTO1 Car Funding S.à r.l. (Compartment FinanceHero 2024-1) to refinance an existing instalment purchase portfolio of EUR 223 million. The public ABS notes are repaid monthly from the repayments of the securitised instalment purchase portfolio. The Class E loan and the sub-loan are held by AUTO1. As at the balance sheet date of 31 December 2024, the public ABS notes had the following key data:

Type	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Loan	Sub Loan
Amount of the credit	150,419,666 EUR	11,200,000 EUR	10,100,000 EUR	7,900,000 EUR	11,200,000 EUR	835,663 EUR
Interest rate	0.7% + EURIBOR	1.0% + EURIBOR	1.5% + EURIBOR	3.5% + EURIBOR	4.25%	5.00%
Term	December 2033					
Collateral	Assignment of receivables and bank accounts of AUTO1 Car Funding S.à r.l. (Compartment FinanceHero 2024-1) as collateral					

In December 2023, the secured merchant financing ABS facility was also concluded for the purpose of refinancing the merchant financing programme. As at the reporting date of 31 December 2024, this merchant financing ABS facility had been utilised in the amount of KEUR 174,448 (2023: KEUR 38,605). The credit line was last extended in November 2024. The repayment period begins in December 2025. The junior and mezzanine notes are held by AUTO1. The credit line has the following key data:

Type	Junior Notes	Mezzanine Notes	Senior Notes
Amount of credit facility	5% of the total facility	30,000,000 EUR	200,000,000 EUR
Interest rate	7.50%	8.0% + EURIBOR	1.45% + EURIBOR
Term	01 December 2027		
Collateral	Assignment of receivables and bank accounts of AUTO1 Car Funding S.à r.l. (Compartment 1) as collateral		

As the three ABS facilities and the Public ABS notes - as described above - refinance the respective assets, a decline in the corresponding assets can lead to a short-term pro rata repayment obligation in accordance with the underlying contractual terms.

Significance of liquidity risk

The contractual undiscounted interest and redemption payments for financial liabilities as at the reporting date are listed below.

31 Dec. 2024

KEUR	< 1 year	1 - 5 years	> 5 years	Total	Carrying amount
Financial liabilities	215,620	869,680	-	1,085,300	1,082,871
of which ABS credit facilities and Public ABS-Notes	*215,620*	*869,680*	-	*1,085,300*	*1,082,871*
Derivative financial instruments	282	1,495	2	1,779	1.713
Other financial liabilities	-	24	-	24	24
Trade payables	250,397	-	-	250,397	250,397
Liabilities from leasing obligations	35,232	52,467	9,139	96,838	90,682
Total	**501,531**	**923,666**	**9,141**	**1,434,338**	**1,425,687**

31 Dec. 2023

KEUR	< 1 year	1 - 5 years	> 5 years	Total	Carrying amount
Financial liabilities	500	744,128	-	744,628	741,922
of which ABS credit facilities	*500*	*744,128*	-	*744,628*	*741,922*
Derivative financial instruments	(107)	1,749	37	1,679	1,566
Other financial liabilities	8,630	23	-	8,653	8,653
Trade payables	160,092	-	-	160,092	160,092
Lease liabilities	27,734	41,526	4,299	73,559	69,844
Total	**196,849**	**787,426**	**4,336**	**988,611**	**982,077**

Hedging of cash flows

As at 31 December 2024, the following instruments were held to hedge against interest rate risks from the consumer loan ABS facility and the Public ABS notes:

31 Dec. 2024		Remaining term	
Interest rate risk, interest swaps	**1-6 months**	**6-12 months**	**More than one year**
Nominal value (in KEUR)	295,668	253,387	70,577
Average cap interest rate	2.3%	2.3%	2.4%

In the previous year, the following instruments were held to hedge against interest rate risks from the instalment purchase business:

31 Dec. 2023		Remaining term	
Interest rate risk, interest rate caps and swaps	**1-6 months**	**6-12 months**	**More than one year**
Nominal value (in KEUR)	210,734	177,746	61,401
Average cap interest rate	1.9%	1.8%	2.5%

Amounts relating to items designated as hedged items were as follows as at the reporting date:

31 Dec. 2024

Interest rate risk	**Change in value for calculation of the ineffectiveness of the hedge relationship**	**Cash flow hedge reserve**	**Costs of hedging reserve**	**Remaining balances in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied**
Floating rate instruments (in KEUR)	(3,927)	(2,393)	(332)	1,210

In the previous year, the amounts relating to items designated as hedged items were as follows:

31 Dec. 2023

Interest rate risk	**Change in value for calculation of the ineffectiveness of the hedge relationship**	**Cash flow hedge reserve**	**Costs of hedging reserve**	**Remaining balances in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied**
Floating rate instruments (in KEUR)	(4,786)	741	450	-

The amounts relating to items that were designated as hedging instruments and hedge ineffectiveness are as follows:

Interest rate risk (in KEUR)	**31 Dec. 2024**	**31 Dec. 2023**
Nominal amount of interest hedging instruments	313,271	225,219
Carrying amount of assets	(1,713)	3,209
Line item of statement of financial position which includes the hedging instrument	Other financial liabilities (non-current)	Other financial assets (non-current)
Changes in the value of the hedging instrument recognised in other comprehensive income	(3,134)	(3,265)
Hedge ineffectiveness recognised in profit or loss	(322)	-
Comprehensive income statement item that includes the ineffectiveness of the hedge	Cost of materials	-
Hedging costs recognised in other comprehensive income	118	380
Amount reclassified from the hedging reserve to profit or loss	2,952	1,811
Amount reclassified from the reserve for hedging costs to profit or loss	438	464
Total comprehensive income item affected by the reclassification	Cost of materials	Cost of materials

The following table contains a reconciliation of the risk categories of the equity components and the analysis of the items in other comprehensive income after taxes resulting from cash flow hedge accounting:

KEUR	**Hedge reserve**	**Costs of hedging reserve**
Carrying amount at 1 January 2024	**698**	**(550)**
Fair value changes	(182)	(320)
Amount reclassified to consolidated statement of profit or loss and other comprehensive income	(2,952)	438
Taxes on movements in the reserves	43	100
Carrying amount as at 31 December 2024	**(2,393)**	**(332)**

The reconciliation of the risk categories of the equity components and the analysis of the items in other comprehensive income after taxes resulting from cash flow hedge accounting was as follows for the previous year:

KEUR	**Hedge reserve**	**Costs of hedging reserve**
Carrying amount at 1 January 2023	**3,047**	**(631)**
Fair value changes	(1,454)	(84)
Amount reclassified to consolidated statement of profit or loss and other comprehensive income	(1,811)	464
Taxes on movements in the reserves	916	(299)
Carrying amount as at 31 December 2023	**698**	**(550)**

Capital management

The following table quantifies AUTO1 Group's managed capital positions:

KEUR	31 Dec. 2024	31 Dec. 2023
Fixed assets and other non-current assets	462,991	381,047
Inventory	696,731	544,380
Cash and cash equivalents	613,378	548,172
Other current assets less current liabilities	(229,968)	(107,002)

AUTO1 Group has set itself the goal of managing its capital (equity and financial debt),

- safeguard its ability to continue as a going concern so that it can continue to generate returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure in order to reduce the cost of capital.

The Group understands an optimal capital structure to mean that sufficient capital is available to finance its assets on a sustainable basis. The Group considers four main groups of assets:

- Fixed assets and other non-current assets
- Inventories
- Cash and cash equivalents (see note 6.9)
- Other current assets less current liabilities

Up to 80% of inventories are currently refinanced externally via the inventory ABS facility. Up to 85% of the instalment purchase receivables included in other non-current and current assets are refinanced via the consumer loan ABS facility and, since 2024, via the public ABS notes. Up to 80% of the receivables from the merchant financing programme included in other current assets are refinanced via the Merchant Financing ABS facility. The remaining inventories and all other assets - with the exception of right-of-use assets - are financed by the Group.

AUTO1 Group SE controls AUTO1 Group's liquidity risks mainly by establishing sufficient capital reserves and credit lines with banks as well as by continuously monitoring expected and actual cash flows and maintaining a balanced portfolio of financial assets and liabilities in terms of residual maturities.

The following table shows the Group's total equity and equity ratio:

KEUR	31 Dec. 2024	31 Dec. 2023
Total equity	612,875	577,447
Total equity and liabilities	2,208,487	1,704,687
Equity ratio	**27.8%**	**33.9%**

10. Contingent liabilities

Due to the application of the local reverse charge procedure to domestic sales of regularly taxed vehicles to registered companies in France, AUTO1 Group has contingent liabilities to the French tax authorities totalling KEUR 7,467 (2023: KEUR 7,467).

11. Operating segments

The Group has two strategic areas: "Merchant" and "Retail", which are the reportable segments. These strategic areas offer products for different customer groups and are managed separately, as they sometimes require different technologies (use of different sales platforms) and marketing strategies. The business segments have not been combined.

Monthly reports are prepared for these segments for management purposes, which are reviewed by the Management Board of AUTO1.

All revenues are generated with external customers. Gross profit, defined as revenue less cost of materials, is used to assess the profitability of the segments.

Information regarding reportable segments

	Merchant		Retail		AUTO1 Group	
KEUR	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**
Revenue	**5,037,811**	**4,463,962**	**1,234,099**	**998,873**	**6,271,911**	**5,462,835**
thereof:						
C2B	*4,450,816*	*3,830,601*	-	-	-	-
Remarketing	*586,995*	*633,361*	-	-	-	-
Cost of materials	**(4,475,190)**	**(4,044,811)**	**(1,071,997)**	**(890,137)**	**(5,547,187)**	**(4,934,948)**
Gross profit	**562,621**	**419,151**	**162,102**	**108,736**	**724,723**	**527,887**

KEUR	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Inventories	**334,909**	**273,454**	**361,822**	**270,926**	**696,731**	**544,380**

Merchant

The merchant business primarily relates to the sale of used cars to commercial car dealers via the AUTO1.com platform. Fees for logistics services and all other fees in connection with the provision of vehicles to dealers are included in the Merchant segment.

Revenue from the "Merchant" business is categorised according to the procurement of the vehicles. All vehicles purchased via the Group's branch network are classified as "C2B" vehicles. In contrast, all cars purchased by commercial dealers via the remarketing channel are categorised as "Remarketing" vehicles. There are no business activities that result in independent revenue from the operating segments; therefore, C2B and Remarketing are merely different procurement channels. Sales are made to the same customer channel.

Retail

The private customer business mainly relates to the sale of used cars to private customers via Autohero.com in eight European countries.

Reconciliation of information on reportable segments

Transactions involving the transfer of used vehicles and joint sales services are carried out between the reportable segments. The amounts reported to the chief operating decision maker correspond to the amounts after consolidation. The key figures reported for the segments represent key figures in accordance with IFRS. Differences between the profit and loss figures of the reportable segments (gross profit) and the profit before tax in the consolidated statement of comprehensive income therefore relate to all material items in the consolidated statement of comprehensive income below gross profit.

Geographical information

AUTO1's country of origin is Germany. In addition, France and Italy are particularly important for the Group's business.

The following table shows the Group's revenue and non-current assets, broken down by country of origin of AUTO1 and other countries. In the presentation of information on a geographical basis, revenue is based on the geographical locations of customers.

Revenue

KEUR	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Germany	1,501,236	1,149,153
France	878,194	811,025
Italy	731,806	712,977
Spain	731,561	605,605
Other countries	2,429,114	2,184,075
Total	**6,271,911**	**5,462,835**

There is no external customer whose share of revenue amounts to 10% or more.

Non-current assets (excluding financial instruments and deferred tax assets) are broken down by asset location as follows:

Non-current assets

KEUR	31 Dec. 2024	31 Dec. 2023
Germany	65,191	56,992
Italy	20,878	20,087
France	19,774	17,109
Other countries	57,586	41,448
Total	**163,429**	**135,636**

12. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average of the ordinary shares in circulation.

	2024	2023
Earnings per share (basic)	0.10	(0.54)
Earnings per share (diluted)	0.09	(0.54)

Treasury shares are excluded from the calculation.

	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Consolidated result for the period in KEUR	20,894	(116,466)
Result attributable to holders of ordinary shares (for basic and diluted earnings per share)	**20,894**	**(116,466)**

The weighted average number of ordinary shares in 2024 (basic and diluted) was calculated as follows:

In thousands of shares	**2024**
Ordinary shares as at 1 Jan.	215,345
Effect of the ordinary shares vested in February 2024	59
Effect of the capital increase in March 2024	361
Effect of the capital increase in June 2024	284
Effect of the capital increase in August 2024	120
Effect of the capital increase in December 2024	21
Weighted average of ordinary shares as at 31 Dec.	**216,190**

The dilutive effect results solely from share-based payment programmes. This increases the weighted average number of ordinary shares as at 31 December 2024 by 4,090 thousand shares.

When calculating the diluted weighted average number of ordinary shares as at 31 December 2024 the following options were not taken into account, as they would have had an anti-dilutive effect:

In thousands of shares	**2024**
Potential ordinary shares from the Long-Term Incentive Plan 2020	7,500
Potential ordinary shares from the Long-Term Incentive Plan 2023 - Tranche 3	264
Total number of potential ordinary shares	**7,764**

Weighted average number of ordinary shares in 2023 (basic and diluted):

In thousands of shares	**2023**
Ordinary shares as at 1 Jan.	214,461
Effect of the ordinary shares vested in February 2023	59
Effect of the capital increase in March 2023	181
Effect of the ordinary shares vested in May 2023	42
Effect of the capital increase in May 2023	54
Effect of the ordinary shares vested in August 2023	25
Effect of the capital increase in September 2023	73
Effect of the ordinary shares vested in November 2023	7
Effect of the capital increase in December 2023	4
Weighted average of ordinary shares as at 31 Dec.	**214,906**

The following options were not taken into account when calculating the diluted weighted average number of ordinary shares as at 31 December 2023, as they would have had an anti-dilutive effect:

In thousands of shares	**2023**
Unvested ordinary shares from the shares - Management Board member	69
Potential ordinary shares from the incentive programme for virtual shares	1,378
Potential ordinary shares from the Long-Term Incentive Plan 2020	7,500
Potential ordinary shares from the Share Compensation Programme	747
Potential ordinary shares from the Virtual Options Programme	1,744
Potential ordinary shares from the Long-Term Incentive Plan 2023	773
Total number of potential ordinary shares	**12,211**

13. Related party disclosures

Key management personnel

At AUTO1, the members of the Management Board and Supervisory Board were considered key management personnel.

The Management Board consists of Christian Bertermann (Founder / Chief Executive Officer) and Markus Boser (Chief Financial Officer).

The members of the Supervisory Board are Hakan Koç (Chairman of the Supervisory Board), founder, entrepreneur, Lars Santelmann (Deputy Chairman of the Supervisory Board), entrepreneur, Sylvie Mutschler-von Specht, entrepreneur, Claudia Frese (since June 2024), independent consultant, Martine Gorce Momboisse, independent consultant and Christian Miele (since June 2024), entrepreneur. Until 6 July 2024, Gerhard Cromme (Chairman of the Supervisory Board until 6 July 2024), member of the Supervisory Board, and Gerd Häusler, businessman, were members of the Supervisory Board.

The remuneration of key management personnel includes:

KEUR	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Short-term employee benefits	1,650	1,564
Share-based payment	2,217	847
Total	**3,867**	**2,411**

Of the short-term benefits due, KEUR 1,111 (2023: KEUR 1,034) are attributable to members of the Management Board. The expenses for share-based payments are exclusively for members of the Management Board. As at 31 December 2024, the Group had not granted any pension commitments to members of the Management Board or Supervisory Board.

14. Auditor's fees and services

The following table shows the fees for the services provided by KPMG AG Wirtschaftsprüfungsgesellschaft, Germany, the Group auditor for the consolidated financial statements as at and for the financial year ended 31 December 2024:

KEUR	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Audit services	843	810
Other assurance services	313	243
Tax services	-	-
Other services	57	6
Total	**1,213**	**1,059**

The fee for auditing services provided by KPMG AG Wirtschaftsprüfungsgesellschaft, Germany, primarily related to the audit of the consolidated financial statements and the annual financial statements of AUTO1 Group SE as well as enforcement proceedings. The fee for auditing services in the past financial year includes fees totalling KEUR 153, which relate to the 2023 financial year. Other assurance services relate to the review of interim financial statements and voluntary assurance services for AUTO1 subsidiaries. The other services relate to translation services and consulting services in connection with sustainability reporting.

15. Disclosures relating to subsidiaries

As at 31 December 2024, AUTO1 Group SE held direct or indirect interests in 62 (2023: 67) companies. All companies were included in the consolidated financial statements by way of full consolidation. The subsidiaries are presented below.

The list also shows the subsidiaries that utilise the exemption options in accordance with Section 264 (3) HGB and Section 264b HGB or Dutch company law. For these companies, the consolidated financial statements of AUTO1 Group SE are the exempting consolidated financial statements.

AUTO1 Group does not hold any ownership interests in the structured entities AUTO1 Funding B.V., Autohero Funding 1 B.V. and AUTO1 Car Funding S.á r.l., which are used for financing under the ABS facilities. AUTO1 Car Funding S.á r.l. also issued public ABS notes in the 2024 financial year. However, based on the terms of the agreements under which the entities were established, AUTO1 Group receives substantially all of the income from their activities and net assets. AUTO1 Group also has the ability to direct the activities of the companies, which significantly influence their income. Non-controlling interests in the consolidated result are not not reported, as the result is economically attributable to AUTO1 and the remaining contribution to the result is immaterial.

Name	Registered office	Total of direct and indirect shareholdings as at 31 Dec. 2024 in %	Total of direct and indirect shareholdings as at 31 Dec. 2023 in %
A1 Engineering LLC	Kiev, Ukraine	100.00	100.00
AGENZIA1 S.R.L.	Milan, Italy	100.00	100.00
AUTO1 Albania SPHK	Tirana, Albania	100.00	100.00
Auto1 Car Export S.R.L.	Milan, Italy	100.00	100.00
AUTO1 Car Funding S.à r.l. **	Luxembourg, Grand Duchy of Luxembourg	0.00	0.00
Auto1 Car Trade S.R.L.	Milan, Italy	100.00	100.00
AUTO1 Czechia s.r.o.	Prague, Czech Republic	100.00	100.00
AUTO1 Danmark ApS	Copenhagen, Denmark	100.00	100.00
AUTO1 European Auctions Verwaltungs GmbH	Berlin, Germany	100.00	100.00
AUTO1 European Cars B.V. *	Amsterdam, Netherlands	100.00	100.00
AUTO1 Finance B.V. *	Amsterdam, Netherlands	100.00	100.00
AUTO1 FT Investment GmbH & Co KG *****	Berlin, Germany	0.00	100.00
AUTO1 FT MI GmbH & Co KG *****	Berlin, Germany	0.00	80.00
AUTO1 FT PANAS GmbH & Co KG *****	Berlin, Germany	0.00	80.00
AUTO1 FT Partners Verwaltungs GmbH ****	Berlin, Germany	0.00	100.00
AUTO1 Funding B.V. **	Amsterdam, Netherlands	0.00	0.00
AUTO1 Global Services SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Group Operations SE *	Berlin, Germany	100.00	100.00
AUTO1 IT Services SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Italia Commercio S.R.L. ****	Milan, Italy	0.00	100.00
AUTO1 Marketing Services SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Operation Services SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Polska Sp. z o.o.	Warsaw, Poland	100.00	100.00
AUTO1 Productions SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Remarketing GmbH	Berlin, Germany	100.00	100.00
AUTO1 RS D.O.O.	Belgrade, Serbia	100.00	100.00

Name	Registered office	Total of direct and indirect shareholdings as at 31 Dec. 2024 in %	Total of direct and indirect shareholdings as at 31 Dec. 2023 in %
AUTO1 Sales Services SE & Co KG *	Berlin, Germany	100.00	100.00
AUTO1 Slovakia s.r.o.	Bratislava, Slovakia	100.00	100.00
AUTO1.com GmbH	Berlin, Germany	100.00	100.00
Autohero Sweden AB	Stockholm, Sweden	100.00	100.00
Autohero Belgium BV	Antwerp, Belgium	100.00	100.00
Autohero France SAS	Neuilly-sur-Seine, France	100.00	100.00
Autohero Funding 1 B.V. **	Amsterdam, Netherlands	0.00	0.00
Autohero GmbH *	Berlin, Germany	100.00	100.00
Autohero Inc.	Wilmington, Delaware, USA	100.00	100.00
Autohero Italia S.R.L.	Milan, Italy	100.00	100.00
Autohero NL B.V. *	Amsterdam, Netherlands	100.00	100.00
Autohero Österreich GmbH	Vienna, Austria	100.00	100.00
Autohero Plus Spain S.L.	Madrid, Spain	100.00	100.00
Autohero Polska Sp. z o.o.	Warsaw, Poland	100.00	100.00
Autohero Services GmbH & Co KG. *	Berlin, Germany	100.00	100.00
Autowholesale Automotive Finland Oy	Helsinki, Finland	100.00	100.00
GAB Service UG (limited liability)	Berlin, Germany	100.00	100.00
L&L Auto Info GmbH ****	Berlin, Germany	0.00	100.00
NOI COMPRIAMO AUTO.IT S.R.L.	Milan, Italy	100.00	100.00
VAMANCIA S.L.	Madrid, Spain	100.00	100.00
VKDB Sverige AB	Stockholm, Sweden	100.00	100.00
WijKopenAutos B.V. *	Amsterdam, Netherlands	100.00	100.00
WKA BENL Holding B.V. *	Amsterdam, Netherlands	100.00	100.00
WKA BV	Antwerp, Belgium	100.00	100.00
WKDA Automobile DE SE & Co KG *	Berlin, Germany	100.00	100.00
WKDA Automotive SRL	Bucharest, Romania	100.00	100.00
WKDA Booking Services SE & Co KG *	Berlin, Germany	100.00	100.00
WKDA France S.A.S.	Issy-les-Moulinaux, France	100.00	100.00
WKDA FRSM UG (haftungsbeschränkt) ****	Berlin, Germany	0.00	100.00
WKDA GmbH	Berlin, Germany	100.00	100.00
WKDA Mitte SE & Co. KG *	Berlin, Germany	100.00	100.00
WKDA Mobil Mitte SE & Co. KG*	Berlin, Germany	100.00	100.00
WKDA Mobil Nord SE & Co. KG ***	Berlin, Germany	100.00	0.00
WKDA Mobil Ost SE & Co. KG *	Berlin, Germany	100.00	100.00
WKDA Mobil Süd SE & Co KG *	Berlin, Germany	100.00	100.00
WKDA Mobil West SE & Co. KG *	Berlin, Germany	100.00	100.00
WKDA Nord SE & Co. KG ***	Berlin, Germany	100.00	0.00
WKDA Ost SE & Co. KG *	Berlin, Germany	100.00	100.00

Name	Registered office	Total of direct and indirect shareholdings as at 31 Dec. 2024 in %	Total of direct and indirect shareholdings as at 31 Dec. 2023 in %
WKDA Austria GmbH	Vienna, Austria	100.00	100.00
WKDA Portugal, Unipessoal Lda.	Lisbon, Portugal	100.00	100.00
WKDA Purchasing SE & Co. KG *	Berlin, Germany	100.00	100.00
WKDA Süd SE & Co. KG *	Berlin, Germany	100.00	100.00
WKDA West SE & Co. KG *	Berlin, Germany	100.00	100.00

* Utilisation of the exemption pursuant to Section 264 (3) or Section 264b HGB or Dutch company law.
** Non-controlling interests in consolidated result not recognised due to immateriality.
*** Company was founded in the 2024 financial year.
**** Company was merged within the Group in the 2024 financial year.
***** Company was dissolved in the 2024 financial year.

16. Events after the reporting period

In January 2025, the term of the inventory ABS facility was extended by one year until August 2028, including the adjustment of the repayment period from February 2027.

Responsibility Statement

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

Berlin, 28 March 2025
AUTO1 Group SE

Christian Bertermann
CEO

Markus Boser
CFO

Independent Auditor's Report

To AUTO1 Group SE, Munich

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

Opinions

We have audited the consolidated financial statements of AUTO1 Group SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of AUTO1 Group SE for the financial year from 1 January to 31 December 2024.

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

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 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 components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, 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 Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the 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 Art. 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the 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 judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 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 opinion thereon, we do not provide a separate opinion on these matters.

Amount and recoverability of inventories

Please refer to Section 4.7 Inventories in the notes to the consolidated financial statements for information on the accounting policies applied. Please also refer to Section 6.5 Inventories in the notes to consolidated financial statements.

The Financial Statement Risk

In the consolidated statement of financial position as at 31 December 2024, used vehicles with a value amounting to EUR 697 million are recognised under inventories; for the most part this inventory was impaired by EUR 33 million in the current financial year.

The used vehicles are located at a large number of storage locations throughout Europe. In addition to the locations operated by AUTO1, a significant proportion of inventories are attributable to third-party storage locations. Used vehicles are recognised and updated using an IT system developed in-house by AUTO1, which is subject to constant adaption due to the growth of the Group and the targeted optimisation of operating processes. As at the reporting date, AUTO1 conducts physical inventory taking and – in the case of third-party storage – performs a check against the inventory reports of warehousers.

Due to the complex inventory management, the individually customised IT system, the high inventory turnover, as well as the time-consuming inventory process, there is the risk for the consolidated financial statements that the inventory of used vehicles is not determined accurately.

Inventories, which are initially recorded at cost, are written down in value if the expected net realisable values no longer cover cost. The determination of the net realisable values is subject to judgement. Net realisable value requires in part forward-looking estimates with regard to potentially achievable margins, where applicable inclusive of the costs for vehicle refurbishment. The determination of the expected net realisable values is based on vehicle-specific factors.

There is the risk for the consolidated financial statements that the valuation for used vehicles is overstated due to potentially unidentified impairment losses.

Our Audit Approach

Based on our understanding of the process, we assessed the establishment and design of the internal controls identified with regard to the used vehicle inventory. We also attended the Company's taking of inventory at randomly selected locations and confirmed the accurate recording and the condition of the existing inventories using samples selected on a random basis.

Furthermore, we obtained third-party confirmations for all inventories stored at third parties.

We reconciled the transfer of the volumes counted from the count lists or the reported volumes from third-party confirmations in the inventory system for our inventory sampling as well as all reports from third-party confirmations. In addition, we analysed the significant deviations between the volumes measured and reported and the volumes according to the inventory system.

Based on our understanding of the process, we assessed the establishment and design of the internal controls identified with regard to the valuation of the used vehicle inventory.

We evaluated the cost of the vehicle inventory using a representative selected sample by reconciling the recognised costs with the underlying purchase agreements and outgoing payments.

We assessed the appropriateness of the markdowns to the lower of cost and net realisable value by determining our own expected value on the basis of historical data and comparing this to the Company's estimates. Furthermore, we confirmed the accuracy of the forecasts for the estimated write-downs by comparing the estimated net realisable values of previous financial years with the net realisable values actually realised and analysed deviations.

Our Observations

The approach for recognising used vehicle inventories is appropriate.

The determination of net realisable values is appropriate.

Recognition of revenue from contracts with customers

Please refer to Section 4.14 Revenue recognition in the notes to the consolidated financial statements for information on the accounting policies applied. Please also refer to Section 5.1 Revenue in the notes to consolidated financial statements.

The Financial Statement Risk

The Group's revenue from contracts with customers amounted to EUR 6,237 million in financial year 2024 and was generated in the Merchant and Retail segments. Revenue from contracts with customers is a material part of the gross profit. The gross profit is one of the most important performance indicators for the Group and also forms a significant basis for decisions for the users of financial statements.

Revenue from contracts with customers in the Merchant segment was generated especially from the sale of used vehicles to dealers by way of online auctions and from the associated fees. Revenue from contracts with customers in the Retail segment was generated especially from online sales of higher-end used vehicles to private customers.

The recording and revenue recognition cut-off for used vehicles sold online in conjunction with contracts with customers is carried out using IT systems that are specially tailored to revenue recognition. The Group's growth and the targeted optimisation to improve profitability require continuous adaption of IT systems. Adjustments made in the IT systems and the resulting manual subsequent work have a direct impact on the overall process of revenue recognition.

There is the risk for the consolidated financial statements that revenue from contracts with customers is recognised without the underlying goods or services.

Our Audit Approach

In order to test the existence of revenue from contracts with customers, we evaluated the design and setup of internal controls relating to IT systems relevant for revenue recognition.

We evaluated the correct point in time and the amount of revenue recognised from contracts with customers by reconciling invoices with data recorded in the system, external delivery records and incoming payments for a representative selected sample of sales transactions for the relevant financial year.

In addition, using internal data analysis tools, we analysed the development of revenue from contracts with customers during the course of the year as well as the underlying entry patterns and those responsible for the accounting entries. In the process, we also investigated whether the corresponding cost of materials was recorded for each entry in the revenue for contracts with customers for the sale of used vehicles.

Our Observations

The Group's approach for recognising revenue from contracts with customers is appropriate.

Other Information

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

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, which is expected to be provided to us after the date of this independent auditor's report and
- the combined corporate governance statement of the Company and the Group, which is contained in the "Corporate Governance Statement" (unaudited) section of the combined management report.

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

Our 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, in so doing, to consider whether the other information

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

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

Management is responsible for the preparation of 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 Section 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, management is 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, management is 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, management is 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, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the 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 Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism 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 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 relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Section 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 provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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 management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „auto1groupse-2024-12-31-de.zip" (SHA256 hash value: e859e06104cb28a2efa58e35fe3fa5fa3df78b9b6853295-fff6b6877c0cf5d09) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in 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 made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

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

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control 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 Section 328 (1) HGB for the electronic reporting format.

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

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.

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

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Art. 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, 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 auditor of the consolidated financial statements at the Annual General Meeting on 6 June 2024. We were engaged by the Chairman of the Supervisory Board on 6 February 2025. We have been the auditor of the consolidated financial statements of AUTO1 Group SE without interruption since financial year 2021.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – 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 examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

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

Berlin, 28 March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

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

05

SERVICE

Glossary

ABS

Asset-backed-securitization facilities, which are utilized to secure long-term, cost-efficient financing of the inventory as well as receivables from the instalment purchase programme and merchant financing programme.

Adjusted EBITDA

EBITDA adjusted for separately disclosed items including non-operating effects, which comprise share-based payments and other non-operating expenses.

ASP

Abbreviation for “Average Selling Price“, defined as revenue for the period divided by the number of cars sold.

AUTO1 Group SE

The Company, together with its consolidated subsidiaries.

Autohero

Retail sales channel of the Auto1 Group to sell used cars to private customers.

C2B

Abbreviation for the purchase channel of the AUTO1 Group, which stands for the procurement of used cars from private individuals via “we buy your car” and corresponding brands in all purchase countries.

GPU

Gross profit per unit, defined as gross profit divided by units sold in a respective period.

Gross Profit (GP)

Defined as Revenue less cost of materials.

Merchant

Wholesale sales channel of the AUTO1 Group to sell used cars to dealers.

Remarketing

Name for the purchase channel of the AUTO1 Group, which stands for the procurement of used cars from the dealer side.

Retail

See Autohero.

Financial Calendar

2025

May 7	Q1 2025 Trading and Financial Results
June 4	2025 Annual General Meeting
July 30	Q2 2025 Trading and Financial Results
September 3	Publication Half-year Financial Report
November 5	Q3 2025 Trading and Financial Results

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Disclaimer

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties. Our actual results may differ materially and adversely from any forward-looking statements discussed in this communication. You should not rely on forward-looking statements as predictions of future events. We do not undertake any obligation to update or revise these statements and do not accept any liability regarding the achievement of forward looking statements.

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