# ANNUAL FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

AUTO1 GROUP

31 DECEMBER 2022


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# Combined Management Report

## Group Profile

### a. Business Model

We are Europe's leading buyer and seller of used cars. Our digital products are based on a unique vertically integrated platform. With around 650,000 used cars sold in 2022, we are one of Europe's leading partners for buying and selling used cars.

Revenue generated from used cars, including business-to-business (B2B), amounted to approx. EUR 600 billion in Europe. However, the online share of this market is still in very early stages of development. We firmly believe that this constitutes a very strong market opportunity for us.

Our leading market position in the European used car market is due to our broad purchasing channels, which allowed us to purchase an average of more than 2,100 used cars per working day in 2022. Through our consumer brands such as "wirkaufendeinauto.de", we offer consumers an online platform to sell their used cars to AUTO1 in nine European countries. In addition, fleet operators and commercial dealers can market their vehicles using our remarketing solutions.

We sell the cars through two additional sales channels: Our B2B brand "AUTO1" is Europe's largest wholesale platform for the sale of used cars. We sell these cars to more than 85,000 commercial dealers in Europe through online auctions. Under our trademark "Autohero", we have created a service for consumers to sell used cars online. We offer end customers in nine European countries used cars at fixed prices.

Our business activities are based on a vertically integrated, proprietary technology platform that has been specifically developed for the purchase, sale, inventory management and delivery of used cars in Europe.

### b. Objectives and Strategies

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

- our leading market position with a high volume and great variety in purchasing and sales and
- the growing awareness of our brand in Europe and the unique customer experience we offer, both when buying from and selling to customers.

To continue our success, we have identified the following key factors of our strategy:

- We want to become Europe's leading retailer for used cars under our "Autohero" brand;
- to continue to expand the Merchant segment and increase our market share, and
- to focus on profitability in 2023, resulting in accelerated growth and improved profitability per unit.

### c. Group Structure

AUTO1 Group SE is the Parent Company of the AUTO1 Group, which comprised 67 directly or indirectly controlled and fully consolidated subsidiaries as at the reporting date. The consolidated group comprises two financing companies, AUTO1 Funding B.V. and Autohero Funding 1 B.V. For further information, please refer to Note 15 in the consolidated financial statements.

The Group's direct and indirect subsidiaries perform all our business activities in Europe.

The Group's only financial liabilities are held through two asset-backed securitisation (ABS) programmes via our financing companies.

As at the reporting date, we have issued debt securities as part of the inventory ABS facility in the amount of EUR 455 million, which were secured by the used car inventory and did not allow any further recourse to the Group. To simplify our pan-European business activities and financing, all vehicles are purchased via our subsidiaries AUTO1 European Cars B.V. and Auto1 Italia Commercio S.R.L.

Furthermore, in order to facilitate the further development of the instalment purchase product for Autohero customers in Germany and Austria, instalment purchase receivables have been refinanced via our second financing company since financial year 2022. As at the reporting date, we have refinanced receivables from instalment purchases in the total amount of EUR 186 million (of which EUR 152 million relates to non-current receivables) through the issuance of debt instruments as part of the consumer loan ABS facility in the amount of EUR 176 million.

The shares of the AUTO1 Group SE have been traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since 4 February 2021. Proceeds from the IPO raised considerable amounts of cash and as a result enabled us to significantly strengthen our equity base. Also in view of the liquidity outflows in the years 2021 and 2022, the Group has cash of EUR 542 million as at the reporting date.

## d. Segments

The Group is structured in two segments: Merchant and Retail. The segments offer products for various customer groups and are separated. This is because in some areas they require different technologies (use of different sales platforms) and marketing strategies. Both segments purchase vehicles from both of the Group's procurement channels. The procurement channels encompass the purchase of vehicles from private individuals (C2B channel) and from commercial dealers (Remarketing channel) in the context of remarketing.

### *Merchant*

In the Merchant segment, used cars are sold to commercial car dealers via our own brand AUTO1.com. Merchant revenue also includes auction fees, fees for logistics services and all other fees in connection with the provision of vehicles to the dealers.

Revenue from the Merchant business is differentiated based on how the vehicles are procured. All cars purchased by private individuals through the Group's network are classified as "C2B". Meanwhile, cars purchased from commercial fleet operators and dealers and not via the branch network are classified as "remarketing". As there are no operations that result in standalone revenue in the two categories, C2B and remarketing merely represent different procurement channels. Sales are made to the same customer base through an identical distribution channel.

### *Retail*

The Retail segment is focused on the sale of used cars to private customers under the Autohero brand. This also includes revenue from financing and other products such as services for used vehicle purchasing. Vehicles for the "Retail" business are mostly purchased through C2B, but in some cases through Remarketing.

## e. Management Systems

The key financial and non-financial indicators used for managing business activities are revenue, number of vehicles sold, gross profit (i.e. revenue less cost of materials) and adjusted EBITDA margin (AEBITDA margin), with revenue and gross profit being used at the segment level and adjusted EBITDA at the group level. These performance indicators reflect the Group's clear growth target and together with the non-financial performance indicators are used to measure success and performance.

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

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

The following non-operating effects are not reflected in adjusted EBITDA: (i) share-based payment, (ii) expenses for strategic projects, (iii) expenses for the establishment of a capital structure and (iv) other non-operating expenses. Other non-operating expenses comprise consulting expenses in connection with financing, expenses for defined litigation and other non-operating expenses, such as settlement payments.

### f. Research and Development

We see AUTO1 first and foremost as a technology company with the goal of continuously improving our tech platform to make it as pleasant for dealers and private individuals to use as possible. To overcome the associated challenges such as the design of the websites and apps as well as the automation of process workflows, forecasting supply and demand and customer service challenges, AUTO1 primarily invests in qualified staff. More than 515 tech employees from over 60 countries (of whom approx. 72% are software engineers) work at 17 locations on cross-platform innovations and on ensuring a smooth process.

We believe that the investments in this area give us a critical competitive edge. When using our products, dealers, customers and external partners are connected via a central IT network. Thanks to the use of a microservice architecture, cloud technologies and the integration of data collection and analytics (by our Data Science Team), we are in a position to manage all of AUTO1's corporate functions via our tech platform. Examples of these functions are shown below:

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

In 2022, technology expenses amounted to KEUR 51,963, which included salaries for several hundred IT developers and software engineers as well as IT expenses. No significant amounts of expenditure in our technology platforms have been capitalised to date.

# Economic Report

## General Economic Conditions

As a result of the Ukraine war, the global economy suffered a sharp downturn in financial year 2022 and recorded growth of only 3.4%, after having been able to benefit from the easing of coronavirus measures in many countries in the prior year.[1]

At 3.5%, growth in the eurozone was somewhat higher than the global average, while the German economy grew by a mere 1.9% in 2022. This was primarily due to the fact that Germany, in contrast to other EU countries, was especially hard hit by the high energy prices. The surprisingly above-average growth in the eurozone was due to the pent-up demand of many private households, which had built up in the course of the coronavirus pandemic, as well as the high level of corporate investments carried out despite the strained market situation, and the decline in transport costs.[1]

### a. Industry Environment

2022 presented yet another challenging year for the European car market. High energy prices, rising interest rates and the war in Ukraine resulted in a decline in consumer spending and caused consumers to refrain temporarily from making expensive purchases, such as the purchase of a used car.

The decline in demand for used cars caused inventories to rise as the year progressed and, following an increase in the first half of the year, resulted in a steady drop in used car prices in the second half of the year.

The online market share of B2C used cars sold across Europe stood at just 2.4% in December 2022[2]. This shows the high potential in the online sector.

Irrespective of the tense market environment, we believe that the used car market is one of the last major markets to make the permanent shift from the offline to online world. The ongoing penetration of internet and smartphone use is driving the shift towards buying and selling used cars online. Thanks to our range of products and services, we are well equipped to meet this demand.

### b. Business Performance

The AUTO1 Group reported strong growth in the 2022 financial year with the sale of 649,709 used cars (2021: 596,731). Revenue increased by 36.8% over the prior year and amounted to KEUR 6,534,119 (2021: KEUR 4,774,973). Revenue picked up in both the Merchant and the Retail segments. In the Merchant segment, revenue increased by 30.5% in 2022. Revenue in the Retail segment increased to KEUR 1,056,525 (2021: KEUR 578,985), with 64,164 vehicles sold (2021: 41,380). This corresponds to a 55.1% increase in units sold. This was mainly due to growing brand awareness and the resulting higher demand for Autohero's used cars. The cost of materials amounted to KEUR 6,045,907 in the 2022 reporting year (2021: KEUR 4,344,097). Thus, gross profit rose sharply to KEUR 488,212 (2021: KEUR 430,876). At the same time, the gross profit margin per car increased by EUR 24 to EUR 746.

Adjusted EBITDA for the AUTO1 Group decreased further from KEUR -107,100 to KEUR -165,578. This was primarily due to an increase in personnel expenses as a result of the higher average number of employees and to increased logistics expenses.

The AUTO1 Group rigorously pursues the goal of increasing profitability and subsequently accelerating growth while improving profitability per vehicle. In particular, this will involve a further switch to in-house refurbishing of Autohero vehicles, the reduction in marketing expenses and a general optimisation of costs.

[1] See IMF, World Economic Outlook January 2023.
[2] See Indicata Market Watch Covid-19, Edition 35, January 2023.

## c. Group's Position

### 1. Financial Performance

Group earnings in financial year 2022 compared to the prior year 2021 were as follows:

| | 1. Jan. 2022 - 31. Dec. 2022 | 1. Jan. 2021 - 31. Dec. 2021 |
|---|---|---|
| **Revenue (in KEUR)** | **6,534,119** | **4,774,973** |
| Revenue growth in % | 36.8 | 68.7 |
| **Gross profit (in KEUR)** | **488,212** | **430,876** |
| **Adjusted EBITDA (in KEUR)**[1] | **(165,578)** | **(107,100)** |
| Adjusted EBITDA margin in % | (2.5) | (2.2) |
| **EBITDA (in KEUR)** | **(182,984)** | **(124,412)** |
| EBITDA margin in %[2] | (2.8) | (2.6) |
| Sold cars (#) | 649,709 | 596,731 |
| **Average number of employees**[3] | **6,094** | **4,704** |

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

[2] Defined as EBITDA divided by revenue.

[3] Full-time equivalents.

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

| KEUR | 1. Jan. 2022 - 31. Dec. 2022 | 1. Jan. 2021 - 31. Dec. 2021 |
|---|---|---|
| **EBITDA** | **(182,984)** | **(124,412)** |
| Share-based payment | 8,029 | 5,689 |
| Other non-operating expenses | 9,377 | 11,623 |
| **Adjusted EBITDA** | **(165,578)** | **(107,100)** |

#### *Revenue Performance*

Despite the negative effects on the used car market, the AUTO1 Group's revenue increased by 36.8% to KEUR 6,534,119 (2021: KEUR 4,774,973) during the reporting year. In this regard, the Merchant segment accounted for revenue of KEUR 5,477,595 (2021: KEUR 4,195,988) and the Retail segment for KEUR 1,056,525 (2021: KEUR 578,985).

Merchant business generated year-on-year revenue growth of 31%. In contrast to the 8.4% decline in the total number of used cars sold throughout Europe in 2022, the number of cars sold in the Merchant segment increased by 30,194 to 585,545. This reflects our strong position in this segment. Meanwhile, the average sales price per unit went up by 23.8% to EUR 9,355, meaning that the strong increase in used car prices as a result of the continued low supply of new cars helped to bolster revenue.

The Retail business also recorded a substantial rise in revenue (year-on-year growth of 82%), mainly due to the further increase in awareness of the Autohero brand and our attractive offer inventory. Consumer demand was strong on all our European markets. As a result, the number of vehicles sold rose from 41,380 units in 2021 to 64,164 units in the year under review. The increase in the average sales price, rising by EUR 2,474 to EUR 16,466, also contributed to the increase in revenue.

#### *Gross Profit Development*

The cost of materials increased somewhat faster than revenue, rising by 39.2% or KEUR 1,701,810 to KEUR 6,045,907, of which KEUR 5,059,594 was attributable to the Merchant business and KEUR 986,313 to the Retail business. The cost of materials includes the cost for the sold vehicles, external transport costs (costs for transport to the customer) as the cost of purchased services and other services in connection with the operational processing of vehicle purchases and sales.

Gross profit performed well and climbed by KEUR 57,336 to KEUR 488,212 in financial year 2022. The Merchant segment generated gross profit of KEUR 418,000 (2021: KEUR 415,908). The Retail segment's contribution to gross profit increased from KEUR 14,968 in the prior year to KEUR 70,211. The plan is to further expand the gross profit share of the Retail segment.

### *Business Development by Segment*

*Merchant*

| | 1. Jan. 2022 - 31. Dec. 2022 | 1. Jan. 2021 - 31. Dec. 2021 |
|---|---|---|
| **Revenue (in KEUR)** | **5,477,595** | **4,195,988** |
| *thereof C2B** | 4,599,187 | 3,544,726 |
| *thereof Remarketing** | 878,407 | 651,262 |
| *Revenue growth in %* | 30.5 | 55.6 |
| **Gross profit (in KEUR)** | **418,000** | **415,908** |
| **Sold cars (#)** | **585,545** | **555,351** |
| *thereof C2B* | *497,254* | *481,190* |
| *thereof Remarketing* | *88,291* | *74,161* |
| **GPU (in EUR)** | **714** | **749** |

* Analysis of revenue by procurement channel.

*Retail*

| | 1. Jan. 2022 - 31. Dec. 2022 | 1. Jan. 2021 - 31. Dec. 2021 |
|---|---|---|
| **Revenue (in KEUR)** | **1,056,525** | **578,985** |
| *Revenue growth in %* | 82.5 | 337.0 |
| **Gross profit (in KEUR)** | **70,211** | **14,968** |
| **Sold cars (#)** | **64,164** | **41,380** |
| **GPU (in EUR)*** | **1,039** | **362** |

* GPU is not equal to gross profit/number of cars sold because the effects of inventory changes due to the capitalisation of internal refurbishment costs that do not come under cost of materials is not accounted for.

### *Development of EBITDA and Adjusted EBITDA*

EBITDA at the AUTO1 Group declined by KEUR 58,572 year on year to KEUR -182,984. This was mainly driven by higher personnel expenses and higher other operating expenses.

The increase in personnel expenses was due to an increase in the average number of employees at the AUTO1 Group. This increase during the first half of 2022 was offset by reductions due to a greater focus on profitability in the second half of 2022. Expenses for share-based payments increased by KEUR 2,341 to KEUR 8,029 in the year under review. Other operating expenses rose by 12.8% or KEUR 43,428 over the prior year to KEUR 384,046. The increase was mainly attributable to a rise in internal logistics expenses by KEUR 21,997 to KEUR 79,971 as a result of an increase in transport prices compared to the prior year. By contrast, marketing expenses declined by KEUR 10,119 to KEUR 193,156.

Adjusted EBITDA was adjusted for share-based payments and other non-operating expenses, which with KEUR 7,099 (2021: KEUR 8,274) mainly related to strategic projects and capital structuring, and totalled KEUR -165,578 in financial year 2022 (2021: KEUR -107,100).

### *Development of the Consolidated Loss*

The Group generated a consolidated loss of KEUR 246,372 (2021: KEUR 374,054) in the 2022 financial year. The decline in adjusted EBITDA was offset by an improvement in the financial result. The improvement in the financial result was mainly due to the fact that the other financial result in the prior year was negatively impacted by the early repayment of the convertible bond at the time of the IPO in the amount of KEUR 209,049.

## 2. Financial Position and Liquidity

*Merchant*

| KEUR | 1. Jan. 2022 - 31. Dec. 2022 | 1. Jan. 2021 - 31. Dec. 2021 |
|---|---|---|
| **Consolidated loss** | **(246,372)** | **(374,054)** |
| **Cash flows from operating activities** | **(392,364)** | **(467,249)** |
| *Net CapEx* | *(46,089)* | *(24,654)* |
| *Inflows (outflows) from liquid financial assets* | *603,537* | *(615,155)* |
| **Cash flows from investment activities** | **557,448** | **(639,809)** |
| **Cash flows from financing activities** | **270,694** | **1,056,460** |
| **Cash and cash equivalents at the beginning of the period** | **106,653** | **157,251** |
| **Cash and cash equivalents at the end of the period** | **542,431** | **106,653** |

Cash and cash equivalents equalled KEUR 542,431 (2021: KEUR 106,653) at year-end, an increase of KEUR 435,778 over the prior year. Cash and cash equivalents included short-term fixed deposits of KEUR 330,000 (2021: KEUR 0). Taking into account the money market investments recognised under other financial assets in the amount of KEUR 0 (2021: KEUR 614,432), which are treated as liquid reserves together with cash and cash equivalents, liquid reserves recorded a year-on-year decrease of KEUR 178,654.

In financial year 2022, cash flows from operating activities amounted to KEUR -392,364 (2021: KEUR -467,249). This was mainly the result of the increase in current and non-current trade receivables as a result of the positive development of the instalment purchase programme, which was refinanced by utilising the new non-recourse consumer loan asset-backed securitisation (ABS) facility (maturity April 2027) in the amount of KEUR 175,523. In addition, cash flows from operating activities were influenced by the continued expansion of inventories, which, as a result of growth, had increased by KEUR 34,024 over the prior year and were financed by use of the non-recourse inventory ABS facility (maturity January 2025) in the amount of KEUR 455,000. Furthermore, increased personnel expenses and payments in connection with higher other operating expenses contributed to the negative cash flows from operating activities. In the prior year it was especially inventories that increased.

In 2022, cash flows from investing activities amounted to KEUR 557,448 (2021: KEUR -639,809) and were mainly the result of proceeds from the disposal of liquid financial assets in the amount of KEUR 603,537 (2021: payments of KEUR 615,155). The negative cash flows from investing activities in the prior year were mainly the result of the acquisition of liquid financial assets. Cash outflows in 2022 included the continued high level of investments in the amount of KEUR 30,111 in the Autohero delivery vehicle fleet as well as in the establishment of refurbishment centres for used cars.

The positive cash flows from financing activities amounted to KEUR 270,694 (2021: KEUR 1,056,460) in the 2022 financial year. This was mainly the result of the increase in the inventory ABS facility used to refinance the inventory (maturity January 2025) and the raising of the new consumer loan ABS facility (maturity April 2027) to refinance Autohero's instalment purchase programme in Germany and Austria. The positive cash flows from financing activities in the prior year were mainly influenced by the capital increase in the context of the IPO as well as the repayment of the convertible bond.

### 3. Assets and Liabilities

Property, plant and equipment increased by a total of KEUR 39,398 to KEUR 123,490, mainly due to the further establishment of production centres for refurbishing vehicles for sale on the Autohero platform and investments in the Autohero delivery vehicle fleet.

Non-current trade receivables as at 31 December 2022 amounted to KEUR 151,703 (2021: KEUR 41,430). These comprised receivables from instalment purchases offered to Autohero customers in Germany and Austria and which are refinanced from the financial year 2022.

Inventories increased by KEUR 34,024 to KEUR 617,573. KEUR 455,000 of the inventory was financed by the inventory ABS facility. On the one hand, the increase in inventories was due to a higher number of vehicles owing to the growth of AUTO1 Group and, on the other hand, to a slight increase in the average purchase price per unit. The higher inventory levels are intended to secure future Group growth.

Current trade receivables and other receivables increased by KEUR 28,245 to KEUR 117,547, in particular as a result of the increase in current instalment purchase receivables.

Other current financial assets declined to KEUR 3,035 (2021: KEUR 616,248). The decline is associated with the sale of money market funds and the reporting of current money market instruments under cash and cash equivalents.

Other assets mainly concerned VAT receivables, which saw an increase as a result of growth, among other things.

Cash and cash equivalents increased from KEUR 106,653 to KEUR 542,431 and as at 31 December 2022 include short-term time deposits of KEUR 330,000 (2021: KEUR 0).

The AUTO1 Group's equity declined to KEUR 684,884 as at 31 December 2022 (2021: KEUR 921,014). The equity ratio thus equalled 40.6% (2021: 56.7%) at the end of the reporting period. The year-on-year decline was mainly due to the consolidated loss for 2022.

The fully collateralised investment grade-rated inventory ABS facility with an original scope for the senior notes of KEUR 400,000 was doubled to KEUR 800,000 in 2022. As at the reporting date on 31 December 2022, the amount utilised totalled KEUR 444,000. In addition, a further fully collateralised consumer loan ABS credit facility was concluded with a total senior-notes-volume of KEUR 127,500 in order to refinance the instalment purchase programme. In December 2022, this credit facility was increased to KEUR 212,500. As at 31 December 2022, it was valued at KEUR 175,523. Both credit facilities were reported under non-current financial liabilities owing to their long-term nature. Furthermore, a mezzanine tranche of KEUR 11,000 from the inventory ABS facility is reported as a current financial liability. For further details, please refer to our comments in the notes to the consolidated financial statements under liquidity risks.

Other financial liabilities mainly include lease liabilities, of which the non-current share amounted to KEUR 49,233 (2021: KEUR 38,117) and the current share amounted to KEUR 24,809 (2021: KEUR 19,523) as at 31 December 2022.

Current liabilities mainly consisted of trade payables, which were down slightly as at the reporting date due to a slight reduction in purchasing activities in comparison with the prior-year reporting date. The contract liabilities reported under other liabilities also decreased as a result of the lower volume of business as at the reporting date.

### 4. Overall Assessment

The Management Board gave a positive assessment of the AUTO1 Group's assets, liabilities, financial position and financial performance. Despite the negative macroeconomic and industry-related market developments prevailing in financial year 2022, the Group was able to record strong growth. The Group's revenue and gross profit reached a record high in 2022. The Group was able to achieve the objectives it had set itself, while also continuing to expand the Autohero brand and the Merchant segment. In addition, thanks to the expansion of the inventory ABS facility as a means of refinancing the inventory, as well as the utilisation of the new consumer loan ABS facility to fund the instalment purchase programme, projected growth was secured for the long term.

# Forecast, Opportunities and Risks

### Risk Report

We continued to improve our internal risk management team in 2022 with the aim of implementing a comprehensive, group-wide risk management system (RMS) that helps AUTO1 facilitate decision making by providing consistent, comparable and transparent information and that creates a shared understanding of risks and opportunities throughout the Company. The aim of the risk management team is to develop a strategy and define targets that ensure an optimal balance between generating growth and reducing the risks associated with this growth in order to promote the enterprise value sustainably and methodically. The following report sets out the risks and opportunities considered material for AUTO1 and provides an overview of the RMS.

### 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 are key components of ensuring resilient and profitable growth. Risks are defined as the potential for adverse deviations from expected company performance, while opportunities are defined as the potential for 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. Risks are identified and assessed using various tools such as workshops and risk surveys by risk owners in day-to-day operations and by the risk management team twice a year.

Risks are identified by all AUTO1 employees, both centrally and decentrally. As part of the RMS, the risk owners in the various group departments identify risks by examining the internal and external environment for future risks. Risk identification also includes recognising potential links between risks on the basis of qualitative factors. These links often result in new risks being identified. In order to facilitate and accelerate communication with the various departments and markets, the risk officers support the risk management team in recording and assessing risks.

### Our Approach to ESG Risks

Identifying risks and opportunities related to social and environmental factors is a key aspect of corporate sustainability. In order to identify risks and opportunities in relation to social and environmental factors, we are carrying out an analysis of our operations and supply chains, including an assessment of AUTO1's environmental and social impact and an assessment of the potential risks and opportunities associated with this impact. By addressing these risks and opportunities, we can enhance our sustainability performance, mitigate potential negative effects and take advantage of new opportunities. For more detailed information on our sustainability practices, please refer to our annual Environmental, Social and Governance (ESG) Report.

### Risk Assessment

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

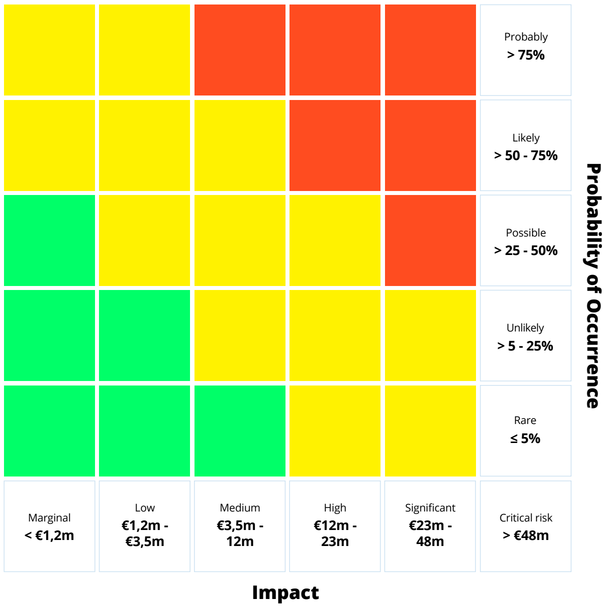
- **Impact:** The extent to which the risk, if it materialises, would negatively impact AUTO1 and its objectives.
- **Probability of occurrence:** The probability that a certain impact of a risk will occur within one year of the date it is assessed.

The impact assessment is carried out either on a quantitative or qualitative scale if risks cannot be quantified or qualitative aspects predominate (e.g. reputation risks). The impact scale ranges from marginal to critical and refers to the potential effects on adjusted EBITDA.

All risks are assessed on a gross and a net risk basis to understand and highlight the effectiveness of corrective action. The risks that have a material impact on the Group in gross terms are explained in the following risk report. The gross risk represents the inherent risk before risk mitigation strategies and corresponding actions are taken into account. The net risk represents the residual risk after all implemented mitigation measures have been considered. The probability of occurrence refers to the estimated probability that a risk will materialise within a period of one year.

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.

### Risk Matrix




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

### Risk Treatment

Together with their supervisors and the Management Board, the risk officers are responsible for ensuring that suitable risk mitigation measures and controls are established and put into practice in their area of responsibility. The risk officers 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 officer chooses between the options of risk avoidance, risk mitigation, risk transfer or risk acceptance.

### Risk Monitoring

Risk monitoring is the process of continually tracking risks that have been identified, assessed and managed together with the respective risk owner and manager. The aim is to assess the current probabilities, impacts and implementation status of corrective actions. The risk management team and the respective risk officers are jointly responsible for feeding continuous monitoring data into the risk analysis tools. Ongoing risk monitoring is integrated into our daily work.

In addition, AUTO1 has integrated ad-hoc reporting that keeps the risk management team and the Management Board up to date on substantive and critical risk events and relevant developments.

### Risk Reporting

The Management Board is informed of the Group-wide risk situation, especially about substantive risks, on a monthly basis. Together with the Management Board, the risk management team informs the Audit Committee about risk management activities and existing risks on a quarterly basis. Critical risks are reported to the Management Board and the Audit Committee in a timely manner to ensure that they can be remedied quickly and effectively.

### System of Internal Controls over Financial Reporting

As is also specified in the German Stock Corporation Act, the Supervisory Board monitors the effectiveness of the internal control system (ICS), which requires AUTO1 to work towards a practical and comprehensive ICS. We further developed our ICS in 2022 to sufficiently prevent errors, inefficiencies and compliance violations. We also stepped up our internal controls to avoid potential inconsistencies and misconduct by internal and external parties.

The AUTO1 RMS was set up to increase risk awareness, promote open communication regarding risks, create a shared understanding and initiate measures to ensure proactive management of risks that could, in the worst-case scenario, hurt the Company's performance or pose a threat to the Company as a going concern. The aim of the ICS is to raise general awareness of internal controls as a key component of good corporate governance. Another objective is to create transparency and improve efficiency by reducing complexity through the exchange of best practices and the standardisation of processes. The ICS relevant for accounting and financial reporting processes is responsible for ensuring that the accounting and financial reporting of the Group is accurate and reliable.

In order to monitor the effectiveness of the ICS, the chairman of the Audit Committee is in regular contact with the responsible departments. The ICS is constantly adapted to the requirements of COSO and the Group's expectations. The Internal Audit Department assesses the Group ICS Policy wherever appropriate and audits the ICS as a whole.

### Internal Audit System

AUTO1 ensures the quality of its processes by conducting internal audits and presenting a summary report of its activities to the Audit Committee on a quarterly basis. The objective of Internal Audit at AUTO1 is to provide independent and objective audit and advisory services to ensure compliance with the internal controls and to therefore improve the business activities of AUTO1. Through the systematic and disciplined approach of Internal Audit, AUTO1's corporate governance, risk management and control processes are continuously improved and evaluated. Internal Audit also helps expose potential misconduct, unethical business practices and alleged fraudulent activities and respond to these.

Internal Audit is guided by the mandatory elements of the International Professional Practices Framework issued by the Institute of Internal Auditors, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, International Standards for the Professional Practice of Internal Auditing and the definition of Internal Auditing. AUTO1's internal audit was carried out by one of the Big Four as an external service provider until the end of 2022. Since Q3 2022, internal audits have been carried out by the Internal Audit Team.

### Material Risks

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

### Risk Areas

Overall, we did not identify any risks or risk clusters that could endanger AUTO1's ability to continue as a going concern. The following table provides an overview of AUTO1's risk clusters and shows the material risks that we have identified using our risk assessment method described above. Compared to the 2021 Risk Report, two risk areas have been added. The macroeconomic environment and war in Ukraine as well as our environmental and social responsibility have been included in order to address changes in the business and regulatory environment. Compared to the 2021 Risk Report, there were no additional risk areas that were classified as critical.

### Overview of Risk Clusters

| RISK CLUSTER | ASSESSMENT | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | Probability | Impact | Probability | Impact |
| **Strategic Risks** | | | | | |
| Macroeconomic Environment and the War in Ukraine | Substantive | Likely | Significant | -- | -- |
| Environmental and Social Responsibility | Moderate | Likely | Low | -- | -- |
| Competitive Environment | Moderate | Possible | Medium | Possible | Medium |
| Barriers to Online Purchase of UCs | Moderate | Unlikely ↓ | Medium | Possible | Medium |
| Regulatory Changes in the UC Market | Moderate | Possible | Low | Possible | Low |
| **Legal and Compliance Risks** | | | | | |
| General Legal and Compliance Risks | Minor | Unlikely | Low | Unlikely | Low |
| AML | Moderate | Possible | Medium | Possible | Medium |
| Data Protection | Moderate | Possible | Medium | Possible | Medium |
| **Operational Risks** | | | | | |
| Logistics and Inventory | Moderate | Likely ↑ | Medium | Unlikely | Low |
| IT Security | Moderate | Unlikely | Medium | Unlikely | Medium |
| Personnel | Moderate | Unlikely | Medium | Unlikely | Medium |
| **Financial and Reporting Risks** | | | | | |
| Liquidity Risk | Moderate | Unlikely | High | Unlikely | High |
| Interest Rate and Credit Risk | Moderate (change) | Likely ↑ | Low | Unlikely | Low |
| Fair Value Risk | Moderate (change) | Possible ↑ | Low | Unlikely | 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 and the War in Ukraine*

In 2022, the European economy was dominated by ongoing disruptions caused by the war in Ukraine and the global pandemic, resulting in negative shocks to supply and demand. Rising interest rates, high inflation and low consumer confidence currently characterise the macroeconomic environment. Central banks have been gradually increasing interest rates in an attempt to control inflation and stabilise the economy, which can slow economic growth.

The direct impact of the war in Ukraine on our business is limited, as we do not have production activities or conduct any significant business in Ukraine or Russia. Some of our IT employees are in Ukraine, but are able to work remotely and have been offered the chance to change their location of work. Nevertheless, the uncertainty associated with the current macroeconomic environment is forcing consumers to set priorities in their spending in the short term and is putting increased pressure on people's personal finances. The high level of inflation is diminishing purchasing power and is thus suppressing consumer sentiment, which may translate into an actual decline in consumer spending. These uncertainties could cause people to hold onto their cars for longer, which makes it more difficult to procure used cars. We expect this to be a substantive risk, and as the war continues, uncertainties may increase. We are responding to these uncertainties by paying close attention to economic indicators and adjusting our business strategy accordingly, particularly in terms of our investment strategy and focus on profitability per vehicle.

### *Environmental and Social Responsibility*

AUTO1 has the potential to play an important role in the circular economy of the European automotive industry. Introducing and adhering to sustainable practices is crucial when it comes to the Company's long-term ability to adapt. The industry is influenced by legislative and regulatory developments as well as consumers' concerns about the environment, and the impact of climate change on key stakeholders represents a threat to our Group. In particular, the Non-Financial Reporting Directive (NFRD), the EU taxonomy regulations and the Corporate Sustainability Reporting Directive (CSRD) have an impact on the business activities and growth of AUTO1 as they govern our sustainability strategy and ethical responsibility. If we fail to live up to our promises to meet our sustainability commitments, our reputation as a responsible company could suffer. Furthermore, it could lead to legal risks or regulatory sanctions and make it more difficult for us to gain access to external financing.

Our assessment of sustainability risks is part of our overall risk management. It is our goal to assess how our business activities impact environmental, social and employee matters and whether we are complying with the necessary risk management, compliance and governance standards to successfully implement our sustainability strategy. On the basis of this risk analysis, we introduce measures and initiatives to mitigate the associated risks. For instance, by launching our carbon offset project while working on the efficiency of our sales network and energy consumption, we have made significant progress towards achieving our goal of being a climate-neutral company by 2030. We also plan to find and implement new ways to reduce our impact on the environment and to effectively reduce our greenhouse gas emissions. Furthermore, we have made a commitment to strengthen the governance measures that have enabled us to work towards our ESG goals while supporting the sustainable growth of our Company. More detailed information on our sustainability practices is included in our annual ESG Report.

### *Competitive Environment*

AUTO1 is the largest used car dealer in Europe. We operate in a highly competitive sector and pressure from new and existing competitors can negatively impact our business and our operating results. Especially in the Retail segment, we expect both new and existing competitors to enter the online and traditional automotive market with competing brands, business models, products and services, even though 2022 saw two competitors (Cazoo and Carnext) leave most of our markets. New competitors could potentially make it harder to acquire inventories, attract customers, gather data and sell cars at a profit. Our main competitors include independent used car dealers, small ads websites and apps, rental car companies that sell used cars from their fleets directly to consumers, and professional dealers. We provide an attractive, reliable service at competitive prices. If we fail to do so, potential buyers and sellers of used vehicles may choose to trade their vehicles through one of our competitors.

In addition, existing e-commerce companies such as Amazon or major automobile manufacturers such as Volkswagen may enter the online used car market directly. Some of these companies have significant resources and may be able to provide customers access to a large vehicle inventory or purchase cars from consumers at high prices, while simultaneously offering a competitive online experience.

The European used car market is in a period of uncertainty, with record-high prices for cars and petrol dampening spirits. Recent macroeconomic developments have exacerbated the problems in the automotive supply chain, and since the number of cars being traded in for new cars is ever decreasing, it has become more difficult to source used cars. This has forced AUTO1 to improve cost efficiency and to continue to prioritise profitability per vehicle, which is a high priority for us, especially in the Retail segment.

In light of this competitive environment, we firmly believe that our unique online service, in combination with our increased brand awareness, is the right answer for the future and one that will allow AUTO1 to expand its customer base and deepen customer relationships by offering the most attractive offer for buying and selling cars online.

### *Barriers to Online Purchase of Used Cars*

Traditional dealers still have a relatively strong position in the Retail segment. For some buyers of used cars, not being able to view and test drive a vehicle in person is still a reason not to buy a used car online. This could present a barrier to the online business model of AUTO1. Compared to last year, we have lowered our assessment of the probability of risk occurrence from "possible" to "unlikely", as AUTO1 has invested significantly in its website and app design as well as in the technological infrastructure. Furthermore, an increasing number of people are choosing to purchase cars online, and it is our aim to offer a convenient and convincing customer experience that sets AUTO1 apart from traditional used car dealers. We offer Autohero customers the option of using our online platform to arrange financing and warranty services, to value and trade in their current cars, and to schedule delivery and collection. Our handover experts deliver the cars to customers in branded vehicles and we offer a 20-day right of return for all cars sold. We also continued to invest in our fulfilment platform, which consists of over 400 delivery and collection locations in ten countries, as well as in our relationships with logistics providers. We firmly believe that a uniform platform is a considerable advantage, especially if we want to continue to grow our business over time.

### *Regulatory Changes in the Used Car Market*

As a European Group, local regulatory changes are part of our day-to-day business. These changes can impact our business. New rules or regulations implemented by governmental authorities can result in a decline in certain types of vehicles, including those in our inventory. Such developments may adversely affect our margins and could lead to impairment losses on our inventory.

Some of the vehicles we buy and sell do not have the latest innovative features, such as autonomous driving, and there is no guarantee that we will be able to quickly acquire such vehicles if these are in high demand. Initiatives by manufacturers and dealers also have a significant impact on demand in the used car market. If these parties decide to offer greater incentives for new car sales (e.g. rebates or attractive financing) or generally lower prices for new cars, this could make the purchase of a new car more attractive. This could lower the prices for used cars.

## b. Legal and Compliance Risks

### *General Legal and Compliance Risks*

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

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

### *Risk of Non-compliance With Anti-Money Laundering Regulations*

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

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

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

### *Risk of Non-Compliance with Data Protection Regulations*

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

In order to counter these risks, we monitor our products and processes to ensure that they are in line with the General Data Protection Regulation. We also introduced a data protection management system that includes a data protection policy and IT security policy, and which forms the basis for training our employees. From management's perspective, we have a dedicated data protection team, including a data protection officer, who monitors our data protection measures, regional data contacts, who raise the awareness of data protection in all regions where we are active, as well as a data protection coordinator, who implements our data protection measures across the Group. In order to reduce the particular risks in connection with the personal data of consumers, we have a special procedure in place relating to the right of access, deletion and all other data protection issues.

## c. Operational Risks

### *Logistics and Used Car Inventory*

Our logistics processes depend heavily on coordinating data exchange systems, the logistics team and communication with our logistics partners. Due to the strong growth of the business volume in recent years, expansion and continuous optimisation of these processes is required. Inefficient processes, erroneous planning or failing IT systems harbour the risk of increased logistics and personnel costs and delayed deliveries, which can impact gross profit and net earnings.

Managing the used car inventory is a key component of our business. The strong growth of the last few years, with more than 400 branches in various European countries, the corresponding transport and logistics network and the rollout of additional services has made business more resilient but also more complex within a short period of time. The continuous adjustment of the personnel and system requirements is necessary in order to counteract this.

Compared to last year, we raised our assessment of the risk of increased logistics and personnel costs as well as delivery delays from "minor" to "moderate", as new regulations for the road transport sector came into effect for the entire EU in 2022. These regulations are putting pressure on logistic capacity and transportation costs. The ongoing war in Ukraine led to a reduction in the number of drivers from Russia and Ukraine, which - in conjunction with rising logistics requirements facing OEMs and the aforementioned stricter regulations – is raising the pressure on logistics. In light of the currently challenging business environment, which also includes rising fuel prices, we assume that the problems plaguing logistics capacity will continue to persist in 2023. Nevertheless, we have taken appropriate measures to cushion these effects and rate the overall risk as being moderate in light of the market volume, flexible planning and diversification of our providers.

### *IT Security*

As an online service provider with e-commerce components, AUTO1 depends heavily on the capability and stability of various online platforms as well as interfaces to tools of third-party providers. As purchases and sales of vehicles are made on our online platform, technical malfunctions or failures have an immediate impact on the entire value chain.

To ensure the security and stability of the systems, AUTO1 is connected to geographically separated and redundant server centres. Platform operation is monitored in order to take appropriate action if there are any malfunctions. AUTO1 has set up multi-level system security and personalised, role-based access to protect against unauthorised access and attacks. A process of user administration regarding documenting new hires and exits is defined.

AUTO1's strong growth requires the constant expansion of its IT systems in order to cope with rising complexity and size. Additional cloud services from an established provider are being used to achieve the necessary scalability.

The profound impact of IT risks means IT development and maintenance are subject to constant quality controls. There are several processes that can be used to make necessary last minute IT changes when urgent.

We further bolstered our IT security infrastructure during the course of 2022 by establishing a special security team, improving our e-commerce platform and reducing the risk of security incidents by optimising processes on the entire platform. A new security software will be rolled out in 2023. This program uses machine learning algorithms to identify malicious behaviour on servers and staff terminal devices and automatically diffuses threats. The probability of IT risks occurring is generally assessed as being low and the significance of IT risks for the performance indicators is assessed as moderate. Overall, the Management Board assumes that the impact of the risk can be considered as being medium and the probability of occurrence is unlikely, as the measures to reduce the risk are viewed as being appropriate.

### *Personnel Risk*

AUTO1's steady growth allows the Company to attract, recruit, motivate and retain a highly talented team. Competition for these qualified employees is increasingly fierce. If we are unable to attract and retain talented employees, this could impair our ability to maintain and expand our business and our competitive position.

People are crucial in ensuring the Company's continued existence, which is why we offer our employees competitive remuneration and modern employment solutions.

We have long-term incentive plans for our senior and key employees and career development plans to retain our senior management and help them develop further. In addition, we recently launched a matching share programme so that all employees who have been with the Company for more than six months can acquire shares and receive additional matching shares depending on how long they have worked for the Company. At AUTO1, we value having an open working environment where performance is evaluated honestly and constructively within the Company. We have a strong, values-based culture that is embedded in our hiring, induction and training process. Our HR team carries out employee engagement surveys as part of our culture of open dialogue in order to further improve our transparency and understanding of what our employees need. Feedback cycles are organised twice a year.

### d. Financial Risks

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

#### *Liquidity Risk*

Liquidity risk is the most relevant potential financial risks for AUTO1, as there are no material foreign currency transactions or default risks. AUTO1's most important liquidity resources include its cash and cash equivalents of EUR 542 million as at 31 December 2022, our inventory asset-backed securitisation (ABS) facility for inventories with unused commitments of EUR 356 million as at 31 December 2022 and our consumer loan ABS facility for car loans with unused commitments of EUR 37 million as at 31 December 2022. The high amount of cash on hand and the fact that AUTO1 does not have – except for the ABS programmes for inventory and consumer credit – additional financial debt mean that the short-term liquidity risk for AUTO1 is very limited. Based on the Group's long-term planning, we assume that AUTO1's current liquid assets will be sufficient to support the planned expansion of Autohero's business and AUTO1's operating activities until we achieve profitability and positive cash flows from operating and investments. Up until this time, AUTO1 will need access to banks and capital markets in order to cover its need for asset-backed financing for inventories and Autohero car loans. AUTO1 is confident that it will be able to use these markets where necessary.

#### *Interest Rate and Credit Risk*

Despite expected increases in key rates, interest rate risks are still limited for AUTO1 at present. Our inventory-ABS facility bears interest at a variable rate, which means that higher interest rates would have a negative impact on our anticipated net earnings. This is managed through active asset-liability management and offset by our liquid assets, which are also subject to variable interest rates, which means that higher interest rates would have a positive impact on our anticipated net earnings. However, we assume that our liquid assets will decrease in the next two years as we use these to finance negative current cash flows from operating activities and investments, while the utilised amount of our inventory-ABS facility is expected to rise as our inventories increase. This means that higher key rates would have an increasingly negative impact on our net earnings.

Therefore, compared to last year, we raised our estimate of the risk from "minor" to "moderate".

Our highly diversified auto credit portfolio of EUR 186 million as at 31 December 2022 is refinanced by asset-backed securitisation, where we retain the risk and interest surplus tranche. The returns on risk retention can be adversely affected by interest rate changes and default losses. In the case of our consumer loans for cars, these involve fixed-interest loans with terms of 3-8 years, which are refinanced by a facility with variable interest rates. We have acquired a number of interest rate caps that effectively limit the maximum variable interest rate component to 1% for a considerable portion of the refinancing debts that was raised for the granted consumer loans. Thus, this reduces the potential effects of changes in interest rates. In addition, the returns reflect the performance of the underlying consumer loans with regard to default and repayment. AUTO1 manages the risk by means of (i) its underwriting process and (ii) reminder and collection processes. AUTO1 selects the customers to whom it grants financing by obtaining external credit reports and checking income. AUTO1 has an in-house collection and reminder department that closely monitors delinquent and non-paying customers and takes appropriate measures, which range all the way through to repossessing vehicles and taking legal action. The delinquency and default rates in 2022 were within the expected parameters. However, the Management Board is aware that the expected economic prospects for 2023 will necessitate continuous and careful monitoring of the credit portfolio. Accordingly, in-house lending standards were tightened already in 2022.

#### *Fair Value Risks*

There are two material factors related to inventory that are subject to ongoing risks: procurement and sales. We depend on consumers and dealers who offer us suitable vehicles in order to be able to provide our customers with a broad and attractive offering. Unlike manufacturers, we do not produce our vehicles ourselves but have the flexibility to align prices in line with the attractiveness of the products. Used cars are procured using our pricing algorithm, although a correct calculation for each individual valuation cannot be guaranteed at all times where volumes of transactions are high. Since we purchase and value used cars, there is always the possibility that traces of use, such as paint damage, are not detected and the purchase price is accordingly too high.

While used cars are in our inventory, they may be damaged, destroyed or stolen. Since we also rely on external partners for storage, the possibility of control is limited. Our inventory is procured based on our expectation for future demand. Falling demand would lead to increased inventory, a slower rate of turnover and corresponding pressure on prices and margins. Since used cars, especially the newer models, depreciate quite quickly, longer periods in inventory could also lead to higher depreciation. There is especially a potential risk in the prices for used cars declining due to a greater supply of new vehicles, which could possibly lead to more transactions, but also to a potential decline in average sales prices. The outbreak of war in Ukraine impacted our inventories, but we were able to optimise them and maintain a high level of revenue, which proves the strength of our platform. Therefore, compared to last year, we raised our estimate of the risk from “minor” to “moderate”.

AUTO1 operates its own risk system, which we believe offers a competitive advantage in terms of inventory management. Before we purchase used cars, our algorithms analyse the expected GPU, selling speed, inventories held and market trends. If these algorithms assess the relevant used car as particularly difficult to sell, we generally do not buy it immediately, but place it in an online auction. AUTO1 manages the risks relating to the management of its inventory of used cars in such a manner that negative developments impacting performance indicators are estimated as being low or sufficiently calculable.

## 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 is one of the largest sales markets in the world, and – in our opinion – the largest vertical industry sector that still has a limited online share.

Used cars are still sold almost exclusively offline today. We estimate that the current online share in the European used car market is very low. Given the fact that many consumers today already use online resources when looking for suitable used vehicles, we firmly believe that the online share will increase sharply.

Both consumers and professional dealers face specific challenges when buying and selling used cars. For consumers, there is only limited choice in local offerings, challenges due to a lack of fulfilment services and little transparency in pricing. Individual professional dealers try to take advantage of this situation, thus damaging the confidence in and the image of used car dealers. At the same time, professional dealers themselves cannot achieve economies of scale and are also limited to local markets, leading to a high degree of fragmentation in the used car market.

Given the challenges faced by both consumers and professional dealers, we believe that the European used car market needs a comprehensive online platform that enables seamless cross-border transactions. We firmly believe that we have unique technological solutions that respond to the challenges of purchasing and selling cars online, as we design and align our platform on the basis of what consumers and dealers need. As a result we are able to steadily improve our operating performance.

The ongoing challenges in the supply chain, which were caused by a combination of protracted upheavals that triggered a negative decline in supply and demand, continue to represent a significant disruptive factor that has reduced the liquidity of the European car markets. Despite the challenging market outlook, we are of the opinion that the European used-car market will return to the path of long-term growth as soon as the aforementioned challenges are overcome. Our robust platform, our efficient logistics network and our continuous concentration on creating an excellent customer experience are the main drivers behind our growth and profitability objectives.

### b. Customer Experience

Our aim is to offer our customers a unique customer experience. This includes making buying and selling used cars as convenient as possible. Our websites and apps offer a range of functions for this purpose and are improved on an ongoing basis. We already offer services that range from access to a huge stock of used cars to accompanying services such as logistics, registration and deregistration as well as financing and financing brokerage. We have invested in the design of our websites, apps and technological infrastructure in order to improve the customer experience. On this basis and as a result of our leading market position in buying and selling used cars in Europe, we see considerable opportunities for sustainable customer loyalty. By promoting a positive brand image and creating an attractive opportunity to buy and sell cars online, we are convinced that AUTO1 can improve and realign the image of used car dealers through our transparent and non-discriminatory online platform.

### c. Integrated Technology Platform

As a technology company, the establishment and continuous improvement of an integrated, comprehensive technology platform was a key priority at the outset. All stakeholders – whether consumers, retailers or partners – are connected with the same technology and data platform. AUTO1 Group’s mission is to simplify used-car trade through the use of technology. Our company has the vision to simplify and standardize the global used car business and transform it towards alternative mobility solutions.

AUTO1's business activities are supported by a vertically integrated, proprietary technology platform that was developed especially for the purchase, sale, portfolio management and delivery of used cars in Europe. Our consumer brands, including "wirkaufendeinauto.de", offer private persons across Europe a simple and trouble-free option for selling their used cars to AUTO1. Commercial dealers and fleet operators can market their vehicles using our remarketing solutions.

As Europe's largest wholesale platform for the sale of used cars, our "AUTO1" B2B brand provides a comprehensive solution for commercial buyers looking to buy vehicles. Furthermore, we created the "Autohero" brand, which uses our proprietary retail application to offer consumers an easy and transparent option for buying used cars online. Our algorithms and business logic work together to manage the inventory and match the right cars to the right customers. Our inventory is also broken down and optimised by our own data analysis in order to ensure customer satisfactions and efficient pricing.

AUTO1 regularly develops in-house software in order to optimise purchases and sales and launch new products. Our goal is to continuously improve our tech platform in order to make it as pleasant for dealers and private individuals as possible. The platform can be scaled as desired and is becoming ever more intelligent through the use of comparative data. The establishment of new purchasing centres, the expansion of the dealer network and the launch of new products, such as consumer financing, insurance and retail, require investments in the IT infrastructure in order to generate more sales revenue. This scalability will enable us to continue to tap existing and new markets in the future.

### d. Pan-European Logistics Network

AUTO1 with its staff was active in over 30 countries in 2022. Almost every second transaction takes place across borders. This is possible only thanks to a close-knit logistics network that ensures fast and reliable transport. AUTO1 operates over 400 delivery points in Europe and also works with logistics partners who provide transportation as well as storage of our inventory in up to 130 warehouses. In addition, our logistics partners are responsible for preparing vehicles for Autohero in line with our sales standards. We believe that this makes us the largest customer in European automotive logistics, excluding car manufacturers. The existing network holds significant opportunities in the coming shift from offline to online. By de-localising supply and demand on a European platform, the need for a correspondingly large logistics network is a market entry barrier for potential competitors and strengthens AUTO1's position.

### e. Network of Production Centres

AUTO1 continued to build up its own used-car production centres in 2022 in order to support the Autohero business and supplement the refurbishment capacities of the contractual partners. Seven production centres started operation in the meantime, which means AUTO1's annual refurbishment capacity has now risen to more than 143,000 vehicles. Internalisation of the production process has made our business more efficient. This enables us to control the entire process from start to finish in order to guarantee our customers the best quality. The internal production centres make it possible for us to repair cars faster, inexpensively and better than our external suppliers. In addition, we rolled out a fully digitalised logistics system in our production centres in order to make production processes quicker and scalable. This improved efficiency enables us to continually achieve our growth objectives and will make a major contribution to enhancing our customer experience and operating performance.

### 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 look at all material individual risks and opportunities. Overall, we did not identify any risks or risk clusters that could endanger AUTO1's ability to continue as a going concern. The risk management system in place, which is monitored and refined on an ongoing basis, allows the Group to take suitable countermeasures and avoid or mitigate potential risks and harness potential opportunities.

## Outlook

*Macroeconomy*

In its January 2023 economic outlook, the International Monetary Fund (IMF) assumes that global growth will weaken from 3.4% in 2022 to 2.9% in 2023. Growth in the eurozone is expected to reach its low point in 2023 at 0.7% before rising again in 2024 to 1.6%. The increase in the central bank's interest rates to combat inflation as well as Russia's war in Ukraine continue to put a strain on global economic activity. The rapid spread of COVID-19 in China suppressed growth in 2022, but the recent reopening has paved the way to a quicker-than-expected recovery. In advanced economies inflation is expected to average 4.6%; in emerging market and developing economies an average of 8.1% is expected.[3]

[3] IWF, World Economic Outlook January 2023.

According to the Organisation for Economic Co-operation and Development (OECD), global gross domestic product will increase by 2.2% in 2023, and inflation will persist at a slightly less but still high level of 6.6%. In the eurozone, GDP is forecast to increase slightly by 0.5% in 2023 and inflation is forecast to be 6.8%.[4]

### *Industry*

The prices on the European used-car market rose in 2022 until the end of Q3. This was due to the lack of available semiconductors for new cars as well as strained supply and logistics chains. However, a sharp drop in prices was reported in Q4, which continued in a somewhat weaker form also into 2023.[5]

### *AUTO1 Group's Expectations*

Actual revenue generated of EUR 6.5 billion meant that the Company achieved the upper end of the range of between EUR 5.7 billion and EUR 6.8 billion forecast for 2022 (raised to EUR 6.0 billion to EUR 7.0 billion in the 2022 half-year financial report). The adjusted EBITDA margin of -2.5% reported for financial year 2022 represents the middle of the forecast range of between -2.0% and -3.0%. Against the backdrop of the decline in the used-car market, the Company achieved its projected sales of a total of between 650,000 to 770,000 vehicles for financial year 2022, actually selling around 650,000 vehicles.

The Management Board of the AUTO1 Group will focus on profitability in financial year 2023 and therefore expects a lower level of growth compared to financial year 2022.

Between 625,000 and 690,000 vehicles are projected to be sold in total. In this regard, 590,000 vehicles and a corridor of plus/minus 5% is forecast for the Merchant segment and 65,000 to 70,000 vehicles for the Retail segment.

Gross profit is expected to rise overall. As a result, the Group's gross profit for 2023 is expected to be between EUR 500 million to EUR 550 million. In this regard, the gross profits of both segments should rise on account of higher GPUs in each segment.

Due to improved efficiency, the Group's adjusted EBITDA for 2023 is estimated to be between EUR -60 million and EUR -90 million.

We predict that average sales prices will decline slightly in the Merchant segment and remain stable in the Autohero segment. Thus, it can be assumed that total revenue in financial year 2023 will be on par with that of 2022.

Especially in light of the ongoing uncertainty about the length and impact of the war in the Ukraine, the resulting economic restrictions in many countries of Europe make it possible to provide only a limited reliable assessment of all effects on AUTO1's expected business performance. As a result, the actual results for performance indicators for financial year 2023 may deviate from the planned trend. The forecast is based on the composition of the Group in the forecast period as known at the time of planning.

With the exception of the war in Ukraine, the Management Board is currently not aware of any special circumstances beyond the forecast period of one year which can impact the Group's financial position.

[4] https://www.oecd.org/economic-outlook; downloaded on 10 January 2023.
[5] Indicata Market Watch, Edition 36, February 2023.

# Supplementary Business Situation Reporting on the Annual Financial Statements of AUTO1 Group SE, Munich, for Financial Year 2022

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 have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The annual financial statements and combined management report are published in the German Federal Gazette.

## Company Profile

AUTO1 Group SE is the Parent Company of the AUTO1 Group and operates from its corporate headquarters in Berlin, Germany. The Company's business activities mainly include management services for the Group provided by the Company's Management Board, which also represents the Company and determines the Group's strategy.

As the Company's annual statutory financial statements have been prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), there are differences in the accounting policies. These differences relate primarily to obligations for share-based payments and financial instruments. In addition, there could be differences in the presentation of income and expenses in the consolidated statement of profit or loss and other comprehensive income.

AUTO1 Group SE successfully conducted the 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 of AUTO1 Group SE is net income/loss for the year.

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

### 1. Financial Performance

The Company's financial performance is presented below in the consolidated statement of profit or loss and other comprehensive income.

| KEUR | 2022 | 2021 |
|---|---|---|
| Revenue | 2,355 | 1,554 |
| Other operating income | 1,962 | 33,400 |
| Personnel expenses | (1,032) | (1,259) |
| Other operating expenses | (18,117) | (221,234) |
| Interest and similar income | 3,984 | 89 |
| Write-downs on money market instruments | – | (621) |
| Interest and similar expenses | (2,299) | (29,151) |
| Income taxes | 12 | (18) |
| **Net loss for the year** | **(13,135)** | **(217,240)** |

Revenue in the current financial year increased by KEUR 801 to KEUR 2,355 (2021: KEUR 1,554) and relate primarily to management services for AUTO1 Group Operations SE.

Other operating income decreased by KEUR 31,438 to KEUR 1,962 (2021: KEUR 33,400). This includes primarily income relating to other periods and foreign currency translation gains. Other operating income was favourably affected in the prior year particularly due to reversal of the termination right obligation for the convertible bond, which was recognised profit or loss as part of converting and redeeming the convertible loan.

Other operating expenses amounted to KEUR 18,117 (2021: KEUR 221,234) and mainly include losses from the disposal of money market instruments in the amount of KEUR 7,422 (2021: KEUR 0) and expenses for the employee share ownership plan in the amount of KEUR 6,316 (2021: KEUR 85,328). The prior year included expenses of KEUR 104,326 relating to the conversion and repayment of the convertible bond.

Interest and similar income includes primarily interest on receivables from affiliated companies (KEUR 3,058; 2021: KEUR 0). Interest and similar expenses of KEUR 2,999 (2021: KEUR 29,151) concern mainly interest on liabilities to affiliated companies (KEUR 2,173; 2021: KEUR 0). The prior year's interest expenses included mainly interest on the convertible bonds.

Especially due to the aforementioned prior-year effects, the net loss for the year improved to KEUR -13,135 (2021: KEUR -217,240).

## 2. Assets and Liabilities of the Company

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

| KEUR | | |
|---|---|---|
| *Assets* | 31 Dec. 2022 | 31 Dec. 2021 |
| Financial assets | 934,508 | 934,508 |
| Receivables from affiliated companies | 517,689 | 169,230 |
| Other assets and prepaid expenses | 5,691 | 19,711 |
| Money market instruments | – | 534,432 |
| Cash at banks | 273,968 | 83,010 |
| **Total assets** | **1,731,856** | **1,740,891** |
| *Equity and liabilities* | 31 Dec. 2022 | 31 Dec. 2021 |
| Provisions | 41,146 | 69,198 |
| Trade payables | 592 | 222 |
| Liabilities to affiliated companies | 47,560 | 50,137 |
| Other liabilities | – | 40 |
| **Total liabilities** | **89,298** | **119,597** |
| **Net assets** | **1,642,558** | **1,621,294** |
| *Equity* | 31 Dec. 2022 | 31 Dec. 2021 |
| Subscribed capital | 214,803 | 212,335 |
| Capital reserve | 1,687,414 | 1,655,484 |
| Accumulated deficit | (259,659) | (246,525) |
| **Total equity** | **1,642,558** | **1,621,294** |

Financial assets include shares in affiliated companies and, unchanged year on year, amounted to KEUR 934,508 (2021: KEUR 934,508).

Receivables from affiliated companies rose by KEUR 348,459 to KEUR 517,689 and relate to the transfer of the proceeds from the IPO to subsidiaries to fund further growth.

Other assets and prepaid expenses (KEUR 5,691, 2021: KEUR 19,711) mainly include VAT receivables from the tax office of KEUR 4,912 (2021: KEUR 18,984).

All of the money market instruments, which concerned investments in money market funds, were sold in the year under review.

Provisions decreased by KEUR 28,052 to KEUR 41,146 (2021: KEUR 69,198) in particular due to fulfilling a portion of the obligations under the employee share ownership plans using shares. Accordingly, subscribed capital rose due to issuing new shares as well as the capital reserve due to reclassification of the residual value of the expenses previously recognised under provisions.

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

**3. Financial Position of the Company**

AUTO1 Group SE had current liquid assets of KEUR 273,968 at year-end (2021: KEUR 617,442), which mainly included KEUR 18,651 (2021: KEUR 2,990) in cash at bank and KEUR 255,000 (2021: KEUR 80,000) in short-term investments in money market instruments. Liquid funds included KEUR 534,432 in money market funds in the prior year, all of which were sold in the year under review.

***I. Opportunities and Risks***

The Company's business operations are subject in all material respects to the same opportunities and risks as the Group. As AUTO1 Group SE is directly and indirectly the majority shareholder of all group companies, it participates in the risks that arise in connection with the business activities of these companies. Management's overall risk assessment is therefore consistent with that of the Group and has an impact on the impairment testing of financial assets and receivables from affiliated companies in the annual financial statements.

***II. Outlook***

As forecast in the prior year for financial year 2022, the significant decrease in the net loss for the year was achieved. Due to the nature of the Company's business, its future development is closely linked to the development of the Group. For this reason, we refer to the Group's outlook, which also presents management's expectations with regard to the Parent Company. We expect the Company's net loss for financial year 2023 to improve slightly over financial year 2022.

# Takeover-related Disclosures

### Composition of subscribed capital

As at 31 December 2022, the subscribed capital of AUTO1 Group SE amounted to EUR 215,695,838, consisting of 215,695,838 no-par value bearer shares pursuant to Clause 4 of the Articles of Association. The shares are fully paid. Each share has the same legal rights and obligations and one vote.

### Restrictions relating to voting rights or the acquisition of shares

As at 31 December 2022, the Company held treasury shares with a nominal value of EUR 892,467, from which the Company derives no rights in line with Section 71b AktG.

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

As at 31 December 2022, BM Digital GmbH, Schönefeld (Germany), HKVV GmbH, Schönefeld (Germany), and SVF Midgard (Cayman) Ltd, George Town (Cayman Islands), each directly held a holding in the capital of AUTO1 Group SE exceeding 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

Clause 7 (1) of the Articles of Association states that the Management Board consists of one or more persons. The Supervisory Board determines the number of members of the Management Board. AUTO1 Group SE's Management Board currently has two members. On the basis of Article 9 (1), Article 39 (2) and Article 46 SE Regulation, Sections 84, 85 AktG and Clause 7 (3) of the Articles of Association, the Supervisory Board appoints the members of the Management Board for a term of office not exceeding six years. Reappointments are permitted.

When making amendments to the Articles of Association, Sections 179 et seqq. AktG are to be observed. The shareholders' meeting decides on amendments to the Articles of Association (Sections 119 (1) no. 6, 179 (1) AktG). The Supervisory Board is authorised to adopt resolutions on amending the Articles of Association which relate only to wording (Clause 11 of the Articles of Association).

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

The Management Board is authorised, subject to the consent of the Supervisory Board, to increase the share capital of AUTO1 Group SE on one or more occasions on or before 7 February 2026 in return for contributions in cash and/or kind by a total of up to EUR 95,544,063 by issuing new bearer shares (Authorised Capital 2021).

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 (Contingent Capital 2020) in order to service the subscription rights granted up to 31 January 2021. Furthermore, the share capital is conditionally increased by up to EUR 79,934,175 by issuing up to 79,934,175 new no-par value bearer shares (Contingent Capital 2021). The Contingent Capital 2021 serves to grant shares to holders or creditors of convertible bonds as well as to the holders of option rights attached to option bonds that are issued by AUTO1 Group SE until 13 January 2026.

# Non-Financial Statement

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

# Corporate Governance Statement (unaudited)

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

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

The Management Board and the Audit Committee are informed on a regular basis about the audits conducted by Internal Audit, the results of the ICS audits and the opportunity and risk inventory as well as their further development. In the context of its supervisory activities, the Management Board is not aware of any information that would suggest that the implemented internal control and risk management system is not appropriate and effective during the period from 1 January to 31 December 2022.

Berlin, 27 March 2023
AUTO1 Group SE

**Christian Bertermann**
CEO

**Markus Boser**
CFO

02

# Balance Sheet

as at

**31 DECEMBER 2022**

*in EUR*

| *Assets* | 31 DEC. 2022 | | 31 DEC. 2021 | |
|---|---|---|---|---|
| **A. Fixed assets** | | | | |
| Fixed assets | | | | |
| Shares in affiliated companies | | **934,508,594.00** | | **934,508,594.00** |
| | | | | |
| **B. Current assets** | | | | |
| I. Receivables and other assets | | | | |
| 1. Receivables from affiliated companies | 517,688,509.39 | | 169,229,862.18 | |
| 2. Other assets | 5,238,063.67 | 522,926,573.06 | 19,283,155.63 | 188,513,017.81 |
| II. Money market instruments | | 0.00 | | 534,432,233.97 |
| III. Cash and cash equivalents | | 273,967,723.78 | | 83,009,495.95 |
| | | **796,894,296.84** | | **805,954,747.73** |
| | | | | 617,441,729.92 |
| **C. Prepaid expenses** | | **453,472.07** | | **427,969.91** |
| | | | | |
| | | **1,731,856,362.91** | | **1,740,891,311.64** |

as at

## 31 DECEMBER 2022

*In EUR*

| *Equity and liabilities* | 31 DEC. 2022 | | 31 DEC. 2021 | |
|---|---|---|---|---|
| **A. Equity** | | | | |
| **I. Subscribed capital** | | | | |
| Subscribed capital | 215,695,838.00 | | 213,138,000.00 | |
| Par value of own shares | (892,467.00) | 214,803,371.00 | (802,854.00) | 212.335.146,00 |
| **II. Capital reserve** | | 1,687,414,088.76 | | 1.655.483.797,76 |
| **III. Accumulated deficit** | | (259,659,290.13) | | (246,524,535.36) |
| | | **1,642,558,169.63** | | **1,621,294,408.40** |
| **B. Provisions** | | | | |
| Other provisions | | 41,146,040.38 | | 69,198,449.96 |
| | | **41,146,040.38** | | **69,198,449.96** |
| **C. Liabilities** | | | | |
| 1. Trade payables | | 591,722.93 | | 221,541.68 |
| 2. Liabilities to affiliated companies | | 47,560,429.97 | | 50,137,249.79 |
| 3. Other liabilities | | 0.00 | | 39,661.81 |
| – thereof for taxes: | | | | |
| EUR 0.00 (PY: EUR 39,661.81) – | | **48,152,152.90** | | **50,398,453.28** |
| | | **1,731,856,362.91** | | **1,740,891,311.64** |

# 03

# Income Statement

for the period
**1 JANUARY - 31 DECEMBER 2022**

*In EUR*

| | 2022 | | 2021 | |
|---|---|---|---|---|
| 1. Revenue | | 2,355,374.50 | | 1,554,372.601. |
| 2. Other operating income | | 1,961,825.52 | | 33,400,102.64 |
| 3. Personnel expenses | | | | |
| a. Wages and salaries | (1,020,740.10) | | (1,247,343.54) | |
| b. Social security | (11,047.24) | (1,031,787.34) | (11,909.04) | (1,259,252.58) |
| 4. Other operating expenses | | (18,116,877.74) | | (221,234,334.54) |
| 5. Other interest and similar income | | 3,984,074.50 | | 88,728.35 |
| 6. Write-downs on money market instruments | | 0.00 | | (621,369.03) |
| 7. Interest and similar expenses | | (2,299,602.71) | | (29,150,577.50) |
| 8. Income taxes | | 12,238.50 | | (17,980.41) |
| **9. Earnings after taxes** | | **(13,134,754.77)** | | **(217,240,310.47)** |
| **10.Net loss for the year** | | **(13,134,754.77)** | | **(217,240,310.47)** |
| 11. Accumulated deficit brought forward from prior year | | (246,524,535.36) | | (29,284,224.89) |
| **12. Accumulated deficit** | | **(259,659,290.13)** | | **(246,524,535.36)** |

04

# Notes to the Financial Statements

for the period
**1 JANUARY - 31 DECEMBER 2022**

## a.General information

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

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

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

The AUTO1 Group SE, as ultimate parent company, prepares consolidated financial statements of AUTO1 Group as at 31 December 2022 according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The annual financial statements and the combined management report in application of Section 315 (5) HGB are published together with the independent auditor's report in the company register for financial year 2022.

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

## b. Accounting policies

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

Under **financial assets**, shares in affiliated companies are measured at cost or at the lower of fair value in the event of permanent impairment.

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

**Money market instruments** are measured at the lower of cost plus incidental acquisition costs and fair value.

**Cash at bank** is stated at nominal value.

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

The **subscribed capital** is reported at nominal value. KEUR 892 is attributable to treasury shares that were transferred back to the Company free of charge.

The **capital reserves** include premiums as defined by Section 272 (2) no. 1 HGB in the amount of KEUR 1,685,548 (PY: KEUR 1,653,618) as well as premiums as defined by Section 272 (2) no. 2 HGB in the amount of KEUR 1,865 (PY: KEUR 1,865).

In the prior year, KEUR 1,727 was transferred to the capital reserves when subscribing for new shares to be issued in return for the contribution of receivables arising from existing share-based payment programmes. The transfer was carried out in the prior year without taking into account the Discount of Lack for Marketability (DLOM). In the year under review, this amount was reclassified to other provisions.

**Other provisions** are recognised for all onerous contracts and contingent liabilities. They are recognised at the settlement amount (i.e. including future cost and price increases) deemed necessary based on prudent commercial judgement.

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

**Liabilities** are recognised at their settlement amounts.

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

## c. Explanatory notes to the balance sheet

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

### Disclosures on shareholdings

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

| Name, registered office | Share (%) | Equity (KEUR) | Profit/loss for the year (KEUR) | Reporting date |
|---|---|---|---|---|
| **Direct holdings** | | | | |
| AUTO1 Group Operations SE, Berlin | 100.00 | 279,795 | (70,476) | 31 Dec. 2021 |
| **Indirect holdings** | | | | |
| A1 Engineering, Kiev (Ukraine) [2] | 100.00 | 100 | 63 | 31 Dec. 2021 |
| Agenzia1 S.r.l., Milan (Italy) | 100.00 | (94) | (105) | 31 Dec. 2021 |
| AUTO1 Albania SPHK, Tirana (Albania) [3] | 100.00 | 124 | 78 | 31 Dec. 2021 |
| Auto1 Car Export S.r.l., Verona (Italy) [1] | 100.00 | 200 | n/a | |
| Auto1 Car Trade S.r.l., Verona (Italy) [1] | 100.00 | 200 | n/a | |
| AUTO1 Danmark ApS, Copenhagen (Denmark) [4] | 100.00 | 0 | n/a | |
| AUTO1 European Auctions GmbH & Co. KG, Berlin | 100.00 | 2,221 | 2,185 | 31 Dec. 2021 |
| AUTO1 European Auctions Verwaltungs GmbH, Berlin | 100.00 | (6) | (18) | 31 Dec. 2021 |
| AUTO1 European Cars B.V., Amsterdam (The Netherlands) | 100.00 | 491,809 | 69 | 31 Dec. 2021 |
| AUTO1 Finance B.V., Amsterdam (The Netherlands) [1] | 100.00 | 0 | n/a | |
| AUTO1 FT Investment GmbH & Co. KG, Berlin | 100.00 | (9) | (3) | 31 Dec. 2021 |
| AUTO1 FT MI GmbH & Co. KG, Berlin | 80.00 | 0 | (1) | 31 Dec. 2021 |
| AUTO1 FT PANAS GmbH Co. KG, Berlin | 80.00 | 14 | (1) | 31 Dec. 2021 |
| AUTO1 FT Partners Verwaltungs GmbH, Berlin | 100.00 | 30 | 1 | 31 Dec. 2021 |
| AUTO1 Funding B.V., Amsterdam (The Netherlands) | 0.00 | 0 | 5 | 31 Dec. 2021 |
| AUTO1 Global Services SE & Co.KG, Berlin | 100.00 | 900 | 226 | 31 Dec. 2021 |
| AUTO1 IT Services SE & Co.KG, Berlin | 100.00 | 1,473 | 398 | 31 Dec. 2021 |
| AUTO1 Italia Commercio S.R.L., Milan (Italy) | 100.00 | 859 | 677 | 31 Dec. 2021 |
| AUTO1 Marketing Services SE & Co.KG, Berlin | 100.00 | 589 | 179 | 31 Dec. 2021 |
| AUTO1 Operation Services SE & Co.KG, Berlin | 100.00 | 641 | 308 | 31 Dec. 2021 |
| AUTO1 Polska Sp.z o.o., Warsaw (Poland) [5] | 100.00 | 75 | (129) | 31 Dec. 2020 |
| AUTO1 Production SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| AUTO1 Remarketing GmbH, Berlin | 100.00 | 32 | 3 | 31 Dec. 2021 |
| AUTO1 RS D.O.O., Belgrade (Serbia) [6] | 100.00 | 28 | 16 | 31 Dec. 2021 |
| AUTO1 Sales Services SE & Co.KG, Berlin | 100.00 | 583 | 191 | 31 Dec. 2021 |

| Name, registered office | Share (%) | Equity (KEUR) | Profit/loss for the year (KEUR) | Reporting date |
|---|---|---|---|---|
| AUTO1 Czechia s.r.o., Prague (Czech Republic) [7] | 100.00 | (138) | 7 | 31 Dec. 2021 |
| AUTO1 Slovakia s.r.o, Bratislava (Slovakia) [1] | 100.00 | 5 | n/a | |
| AUTO1.com GmbH, Berlin | 100.00 | (295) | (339) | 31 Dec. 2021 |
| Autohero AB, Stockholm (Sweden) [8] | 100.00 | 4,928 | (3,709) | 31 Dec. 2021 |
| Autohero Belgium BV, Antwerp (Belgium) | 100.00 | (1,697) | (5,183) | 31 Dec. 2021 |
| Autohero France SAS, Neuilly-sur-Seine (France) | 100.00 | 2,967 | (10,694) | 31 Dec. 2021 |
| Autohero Funding 1 B.V., Amsterdam (The Netherlands) [1] | 0.00 | 0 | n/a | |
| Autohero GmbH, Berlin | 100.00 | 33,751 | (54,327) | 31 Dec. 2021 |
| Autohero Inc., Delaware (USA) [9] | 100.00 | 554 | 0 | 31 Dec. 2021 |
| Autohero Italia S.r.l., Milan (Italy) | 100.00 | (2,666) | (4,913) | 31 Dec. 2021 |
| Autohero NL B.V., Amsterdam (The Netherlands) | 100.00 | (1,147) | (10,292) | 31 Dec. 2021 |
| Autohero Österreich GmbH, Vienna (Austria) | 100.00 | 2,066 | (3,644) | 31 Dec. 2021 |
| Autohero Plus Spain S.L., Madrid (Spain) | 100.00 | 1,569 | (7,095) | 31 Dec. 2021 |
| Autohero Poland Sp. z o.o., Warsaw (Poland) [5] | 100.00 | (638) | (459) | 31 Dec. 2020 |
| Autohero Services GmbH & Co. KG., Berlin | 100.00 | 111 | 80 | 31 Dec. 2021 |
| Autowholesale Automotive Finland Oy, Tampere (Finland) | 100.00 | 150 | 31 | 31 Dec. 2021 |
| GAB Service UG (limited liability), Berlin | 100.00 | 10 | 1 | 31 Dec. 2021 |
| L&L Auto Info GmbH, Berlin | 100.00 | 386 | 77 | 31 Dec. 2021 |
| NOI COMPRIAMO AUTO.IT S.R.L., Milan (Italy) | 100.00 | 1,473 | 705 | 31 Dec. 2021 |
| VAMANCIA S.L., Madrid (Spain) | 100.00 | 2,678 | 946 | 31 Dec. 2021 |
| VKDA Sverige AB, Stockholm (Sweden) [8] | 100.00 | 1,993 | 539 | 31 Dec. 2021 |
| WijKopenAutos B.V., Amsterdam (The Netherlands) | 100.00 | 1,628 | 514 | 31 Dec. 2021 |
| WKA BENL Holding B.V., Amsterdam (The Netherlands) | 100.00 | 0 | n/a | |
| WKA BV, Antwerp (Belgium) | 100.00 | 933 | 301 | 31 Dec. 2021 |
| WKDA Automobile DE SE & Co.KG, Berlin | 100.00 | 2,076 | 277 | 31 Dec. 2021 |
| WKDA Automotive SRL, Bucharest (Romania) [10] | 100.00 | 582 | 124 | 31 Dec. 2021 |
| WKDA Booking Services SE & Co.KG, Berlin | 100.00 | 187 | 37 | 31 Dec. 2021 |
| WKDA France S.A.S, Issy-les-Moulinaux (France) | 100.00 | 4,292 | 790 | 31 Dec. 2021 |
| WKDA FRSM UG (limited liability), Berlin | 100.00 | (1) | (1) | 31 Dec. 2021 |
| WKDA GmbH (formerly: AUTO1 FT Investment Verwaltungs GmbH), Berlin | 100.00 | 30 | 2 | 31 Dec. 2021 |
| WKDA Mitte SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Mobil Ost SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Mobil Süd SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Mobil West SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Mobil. Mitte SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Ost SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Österreich GmbH, Vienna (Austria) | 100.00 | 1,000 | 204 | 31 Dec. 2021 |

| Name, registered office | Share (%) | Equity (KEUR) | Profit/loss for the year (KEUR) | Reporting date |
|---|---|---|---|---|
| WKDA Portugal, Unipessoal Lda., Carnaxide (Portugal) | 100.00 | (141) | 2 | 31 Dec. 2021 |
| WKDA Purchasing SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA Süd SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |
| WKDA West SE & Co. KG, Berlin [1] | 100.00 | 10 | n/a | |

[1] The company was newly established in the course of financial year 2022. The information on equity corresponds to the values at the time of establishment. Prepared annual financial statements have not been provided to date.

[2] The conversion rate as at 31 December 2021 was 30.92 UAH/EUR. In financial year 2021, the average exchange rate was 30.78 UAH/EUR.

[3] The conversion rate as at 31 December 2021 was 120.77 ALL/EUR. In financial year 2021, the average exchange rate was 120.77 ALL/EUR.

[4] Approved annual financial statements have not been provided to date.

[5] The conversion rate as at 31 December 2020 was 4.56 PLN/EUR. In financial year 2020, the average exchange rate was 4.44 PLN/EUR.

[6] The conversion rate as at 31 December 2021 was 117.93 RSD/EUR. In financial year 2021, the average exchange rate was 117.93 RSD/EUR

[7] The conversion rate as at 31 December 2021 was 24.86 CZK/EUR. In financial year 2021, the average exchange rate was 25.24 CZK/EUR.

[8] The conversion rate as at 31 December 2021 was 10.25 SEK/EUR. In financial year 2021, the average exchange rate was 10.14 SEK/EUR.

[9] The conversion rate as at 31 December 2021 was 1.13 USD/EUR. In financial year 2021, the average exchange rate was 1.13 USD/EUR.

[10] The conversion rate as at 31 December 2021 was 4.95 RON/EUR. In financial year 2021, the average exchange rate was 4.95 RON/EUR.

2. **Receivables from affiliated companies** include intercompany receivables from subsidiaries, of which KEUR 512,239 (PY: KEUR 165,434) relates to other receivables and KEUR 5,449 (PY: KEUR 3,796) relates to trade receivables. As in the prior year, receivables have an expected remaining term of more than one year.

3. **Other assets** mainly relate to receivables from the tax authorities arising from VAT in the amount of KEUR 4,912 (PY: KEUR 18,984). As in the prior year, the remaining term is up to one year.

4. **Cash and cash equivalents** includes short-term time deposits of KEUR 255,317 (PY: KEUR 80,019) including pro rata interest with a remaining term of less than 3 months.

5. **Prepaid expenses** mainly include expenses of KEUR 426 (PY: KEUR 415) for D&O liability insurance and expenses of KEUR 27 (PY: KEUR 13) for license fees relating to the following year.

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

| KEUR | Subscribed-capital | Treasury shares | Capital reserves | Accumulated deficit | Equity |
|---|---|---|---|---|---|
| As at 1 Jan. 2022 | 213,138 | (803)* | 1,655,484 | (246,525) | 1,621,294 |
| Net loss for the period | - | - | - | (13,134) | (13,134) |
| Capital increases | 2,558 | - | 33,567 | - | 36,125 |
| Reclassification DLOM | - | - | (1,727) | - | (1,727) |
| Acquisition of treasury shares | - | (89) | 89 | - | - |
| As at 31 Dec. 2022 | 215,696 | (892) | 1,687,413 | (259,659) | 1,642,558 |

* not reported separately in the prior year

The paid-in share capital of the Company amounts to KEUR 215,696 as at 31 December 2022 (PY: KEUR 213,138) and is divided into 215,695,838 no-par shares (PY: 213,138,000 no-par shares) with a notional par value of EUR 1.00 per share. Of this, the Company holds shares in the nominal amount of KEUR 892 as treasury shares (PY: KEUR 803). The Management Board is authorised, subject to the consent of the Supervisory Board, to increase the share capital up to 7 February 2026 by issuing new no-par value bearer shares up to a total amount of KEUR 103,746 (Authorised Capital 2021/I). The Company's share capital is conditionally increased up to the amount of KEUR 6,625 by issuing up to 6,624,900 new no-par value bearer shares (Conditional Capital 2020/I) in order to service the subscription rights granted up to 31 January 2021. Furthermore, the Company's share capital is conditionally increased by up to KEUR 79,934 by issuing up to 79,934,175 new no-par value bearer shares (Conditional Capital 2021/I). The Conditional Capital 2021/I serves to grant shares to holders or creditors of convertible bonds as well as to the holders of option rights attached to option bonds that are issued by the Company until 13 January 2026.

All issued and outstanding shares are fully paid as at 31 December 2022. The shares have no nominal value.

In financial year 2022, employees of the AUTO1 Group subscribed for new shares to be issued against contribution of receivables from existing share-based payment programmes as presented in the table below. In order to satisfy the purchase rights in the commensurate amount, the share capital was increased by making use of Authorised Capital 2021/I. The difference between the notional par value of the shares and the value of the purchase rights was allocated to the capital reserve.

| | Number of shares | Utilisation of authorised capital in KEUR | Increase in share capital in KEUR | Allocation to capital reserve in KEUR |
|---|---|---|---|---|
| January 2022 | 2,013,521 | (2,014) | 2,014 | 25,978 |
| March 2022 | 277,929 | (278) | 278 | 3,844 |
| August 2022 | 193,102 | (193) | 193 | 2,619 |
| November 2022 | 73,286 | (73) | 73 | 1,126 |
| **Total in 2022** | **2,557,838** | **(2,558)** | **2,558** | **33,567** |

As at 31 December 2022, the issued and approved share capital inclusive of conditional capital amounted to KEUR 396,907 (PY: KEUR 396,996).

| KEUR | Subscribed capital | Treasury shares | Conditional capital | Authorised capital | Share capital total |
|---|---|---|---|---|---|
| As at 1 Jan. 2022 | 213,138 | (803)* | 86,559 | 98,102 | **396,996** |
| Capital increase or raising | 2,558 | - | - | - | **2,558** |
| Utilisation | - | - | - | (2,558) | **(2,558)** |
| Acquisition of treasury shares | - | (89) | - | - | **(89)** |
| As at 31 Dec. 2022 | 215,696 | (892) | 86,559 | 95,544 | **396,907** |

* not reported separately in the prior year

The accumulated deficit in the amount of KEUR 259,659 (PY: KEUR 246,525) results from the net loss for the year under report and the accumulated deficit brought forward from the prior financial year.

7. **Other provisions** mainly relate to provisions for virtual, share-based payment programmes (KEUR 39,979; PY: KEUR 68,062), provisions for outstanding invoices and Supervisory Board compensation (KEUR 609, PY: KEUR 652), as well as provisions for audit fees (KEUR 557; PY: KEUR 484).

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

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

10. There were **no other financial liabilities** as at the reporting date.

## d. Explanatory notes on individual income statement items

1. **Revenue** (KEUR 2,355; PY: KEUR 1,554) relates primarily to management services for AUTO1 Group Operations SE.

2. **Other operating income** (KEUR 1,962; PY: KEUR 33,400) mainly consists of prior-period income from a correction made pursuant to Section 14c of the German Value Added Tax Act [UStG] (KEUR 1,302) and foreign currency translation gains (KEUR 573).

3. **Other operating expenses** (KEUR 18,117; PY: KEUR 221,234) mainly include realised losses from the sale of money market funds (KEUR 7,422), expenses for virtual share-based payment programmes (KEUR 6,316), expenses for financial statement audits (KEUR 946), and expenses for Supervisory Board remuneration (KEUR 473).

4. **Other interest and similar income** in the amount of KEUR 3,984 (PY: KEUR 89) mainly results from interest on intercompany receivables (KEUR 3,058, PY: KEUR 0) and short-term money market transactions (KEUR 926, PY: KEUR 89).

5. **Interest and similar expenses** amount to KEUR 2,299 (PY: KEUR 29,151), of which KEUR 2,173 (PY: KEUR 0) relates to expenses for interest on intercompany liabilities and KEUR 126 (PY: KEUR 439) to custody fees for bank balances.

## e. Contingent liabilities

1. In a declaration pursuant to Section 264 (3) no. 2 HGB dated 18 January 2023, AUTO1 Group SE has agreed with AUTO1 Group Operations SE, Berlin, to be liable for all obligations of AUTO1 Group Operations SE existing as at 31 December 2022 in financial year 2023. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

2. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 30 January 2023, AUTO1 Group SE has agreed with AUTO1 European Cars B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

3. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 30 January 2023, AUTO1 Group SE has agreed with WijKopenAutos B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

4. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 30 January 2023, AUTO1 Group SE has agreed with Autohero NL B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

5. In a declaration pursuant to Section 403 (1) (f) Book 2 of the Dutch Civil Code dated 15 March 2023, AUTO1 Group SE has agreed with WKA BENL Holding B.V., Amsterdam, the Netherlands, to be responsible for the liabilities arising from the company's legal acts. AUTO1 Group SE considers the risk of a possible claim to be unlikely due to the financial resources available to the company and the fact that the company has fulfilled all its obligations to date.

## f. Other disclosures

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

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

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

   The disclosed shares or voting rights generally correspond to the investments reported by the shareholders pursuant to Sections 33 and 34 of the German Securities Trading Act [WpHG]. It should be noted that the amount of the investment may have since changed within the respective thresholds without this triggering a reporting requirement from the shareholders to AUTO1 Group SE. The percentages given in the table below each relate to the share capital of the Company as at 31 December 2022.

| Shareholder | Number of shares | Share |
|---|---|---|
| SVF Midgard (Cayman) Limited | 37,706,524 | 17.48% |
| HKVV GmbH | 27,163,300 | 12.59% |
| BM Digital GmbH | 27,162,300 | 12.59% |
| OUR993 S.à r.l. | 17,475,313 | 8.10% |
| Morgan Stanley & Co. LLC | 16,801,795 | 7.79% |
| Baillie Gifford & Co. | 13,029,768 | 6.04% |
| FMR LLC | 10,905,305 | 5.06% |
| Cadian Capital Management GP, LLC | 10,788,578 | 5.00% |
| Piton Capital Investments Coöperatief B.A. | 9,135,430 | 4.24% |
| Fidelity Advisor Series | 6,805,640 | 3.16% |
| Coronation Fund Managers | 6,502,250 | 3.01% |
| Union Investment Privatfonds GmbH | 6,500,048 | 3.01% |
| Other shareholders/free float | 25,719,587 | 11.92% |

With three exceptions, the shares within the meaning of Section 34 WpHG are fully assigned to the abovementioned shareholders:

The shares of SVF Midgard (Cayman) Limited amounting to 34,613,900 shares are assigned to this entity in accordance with Section 34 WpHG. The remaining 3,092,624 voting rights involve instruments according to Section 38 (1) no. 2 WpHG.

The shares of Morgan Stanley & Co. LLC amounting to 11,429,703 shares are assigned to this entity in accordance with Section 34 WpHG. The remaining 5,372,092 voting rights involve instruments according to Section 38 (1) no. 1 WpHG (1,686,871) and Section 38 (1) no. 2 WpHG (3,685,221).

The shares of Cadian Capital Management GP, LLC amounting to 2,319,995 shares are assigned to this entity in accordance with Section 34 WpHG. The remaining 8,468,583 voting rights involve instruments according to Section 38 (1) no. 2 WpHG.

Other shareholders/free floats relate to investments in AUTO1 Group SE of less than 3%.

The content of the voting rights notifications received by AUTO1 Group SE in financial year 2022 and up to the preparation date pursuant to Section 33 (1) WpHG and published in accordance with Section 40 (1) WpHG is presented in Appendix 2 to the notes.

4. Company bodies

*Management Board*

**Christian Bertermann**

- CEO of AUTO1 Group SE
- Chairperson of the Management Board

**Markus Boser**

- CFO of AUTO1 Group SE

*Supervisory Board*

**Dr. Gerhard Cromme**

- active on several supervisory boards
- Chairman and Chairman of the Presidential and Nomination Committee

**Hakan Koç**

- Director TP Global UK Holding Ltd. and TP Global UK Finance Ltd.
- Deputy Chairman

**Gerd Häusler**

- active on several supervisory boards
- Chairman of the Audit and Risk Committee

**Sylvie Mutschler von Specht**

- President of the Governing Board of MIAG Mutschler Immobilien AG and of Mutschler Ventures AG

**Lars Santelmann**

- Member of the Supervisory Board
- Chairman of the ESG Committee (member since 20 July 2022)

**Vassilia Kennedy**

- Chief Marketing Officer (CMO) at Volkswagen Pkw
- Chairwoman of the Marketing and Branding Committee (member from 9 June 2022 to 13 January 2023)

**Andrin Bachmann**

- Partner at Piton Capital LLP (member until 9 June 2022)

*Supervisory Board memberships within the meaning of Section 125 (1) sentence 5 clause 1 and/or clause 2 AktG:*

**Dr. Gerhard Cromme**

- AUTO1 Group Operations SE, Member of the Supervisory Board
- eClear AG, Member of the Supervisory Board
- Highview Enterprises Ltd., Member of the Supervisory Board

**Hakan Koç**

- AUTO1 Group Operations SE, Member of the Supervisory Board

**Gerd Häusler**

- AUTO1 Group Operations SE, Member of the Supervisory Board
- Münchner Rückversicherungs-Gesellschaft, Member of the Supervisory Board

**Sylvie Mutschler von Specht**

- AUTO1 Group Operations SE, Member of the Supervisory Board
- A & S Beteiligungen AG, President of the Governing Board
- Bergos AG, Member of the Governing Board
- C+H Development Holding AG, President of the Governing Board
- MIAG Mutschler Immobilien AG, President of the Governing Board
- Pan American Finance, LLLP, Member of the Governing Board
- Mutschler Outlet Holding AG, CEO and member of the Governing Board
- Mutschler Ventures AG, CEO and member of the Governing Board
- Premium Property AG, Member of the Governing Board

**Vassilia Kennedy**

- AUTO1 Group Operations SE, Member of the Supervisory Board (member from 9 June 2022 until 13 January 2023)

**Lars Santelmann**

- AUTO1 Group Operations SE, Member of the Supervisory Board (member since 20 July 2022)

**Andrin Bachmann**

- AUTO1 Group Operations SE, Member of the Supervisory Board (member until 9 June 2022)

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

For financial year 2022, the total remuneration of members of the Management Board of AUTO1 Group SE amounted to KEUR 1,020 (PY: KEUR 1,022).

| *Member of the Board* | **Fixed remuneration (cash) in KEUR** | **Variable remuneration in KEUR** |
|---|---|---|
| Christian Bertermann | 510 | 0 |
| Markus Boser | 510 | 0 |

The compensation of the Supervisory Board amounted to KEUR 473 (PY: KEUR 400).

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

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

7. Auditor's fees and services

At the General Meeting on 9 June 2022, the shareholders of AUTO1 Group SE elected KPMG AG Wirtschaftsprüfungsgesellschaft as statutory auditor and group auditor of AUTO1 Group SE for financial year 2022.

The fee for audit services of KPMG AG Wirtschaftsprüfungsgesellschaft, Germany, related primarily to the audit of the consolidated financial statements and the annual financial statements of AUTO1 Group SE. Other assurance services relate, among other things, to the review of interim financial statements and the issuance of comfort letters. The other services are attributable to advisory services relating to non-financial reporting.

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

8. Events after the reporting date

By resolution of the Management Board dated 14 March 2023 and the approval of the Supervisory Board dated 14 March 2023, by means of utilising authorised capital the share capital of the Company was increased by KEUR 202 to KEUR 215,898. Following this utilisation, the authorised share capital now amounts to KEUR 95,342.

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

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

10. Appropriation of earnings

The Management Board proposes, with the consent of the Supervisory Board, to carry forward the accumulated loss of KEUR 259,659 reported as at 31 December 2022, which consists of the loss carried forward of KEUR 246,525 and the net loss for the year of KEUR 13,134.

Berlin, 27 March 2023
AUTO1 Group SE

**Christian Bertermann**
CEO

**Markus Boser**
CFO

# 05

# Movements in Fixed Assets

during the

**2022 FINANCIAL YEAR**

| *In EUR* *Cost* | 1 JAN. 2022 | Additions | 31 DEC. 2022 |
|---|---|---|---|
| **Financial assets** | | | |
| Shares in affiliated companies | 934,508,594.00 | | 934,508,594.00 |

| *In EUR* *Accumulated amortisation, depreciation and write-downs* | 1 JAN. 2022 | Amortisation, depreciation and write-downs during the financial year | 31 DEC. 2022 |
|---|---|---|---|
| **Financial assets** | | | |
| Shares in affiliated companies | 0.00 | 0.00 | 0.00 |

| *In EUR* *Book value* | 31 DEC. 2022 | 31 DEC. 2021 |
|---|---|---|
| **Financial assets** | | |
| Shares in affiliated companies | 934,508,594.00 | 934,508,594.00 |

06

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

in

**2022 FINANCIAL YEAR**

and published pursuant to Section 40 (1) WpHG

| Reportable domicile, country or date of birth | Date on which thres-hold was reached | Total voting rights when threshold was reached | Voting rights pursuant to Section 33 WpHG (direct) | | Voting rights pursuant to Section 34 WpHG (attributed) | | Instruments pursuant to Section 38 (1) no. 1 WpHG | | Instruments pursuant to Section 38 (1) no. 2 WpHG | | Subsidiaries with voting rights >3% |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | Per-cent | Number | Per-cent | Number | Per-cent | Number | Per-cent | |
| Baillie Gifford & Co, Edinburgh, United Kingdom | 2/10/2022 | 215,151,521 | | 0.00% | 6,506,157 | 3.02% | | 0.00% | | 0.00% | |
| Baillie Gifford & Co, Edinburgh, United Kingdom | 3/1/2022 | 215,151,521 | | 0.00% | 10,872,449 | 5.05% | | 0.00% | | 0.00% | |
| Baillie Gifford & Co, Edinburgh, United Kingdom | 3/15/2022 | 215,151,521 | | 0.00% | 10,730,903 | 4.99% | | 0.00% | | 0.00% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 3/16/2022 | 215,151,521 | | 0.00% | 10,721,367 | 4.98% | 537,929 | 0.25% | 2,570,712 | 1.19% | Morgan Stanley & Co. LLC: 4.76% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 3/25/2022 | 215,151,521 | | 0.00% | 11,038,797 | 5.13% | 459,826 | 0.21% | 3,288,803 | 1.53% | Morgan Stanley & Co. LLC: 4.76% |
| Fidelity Advisor Series, Boston, United States of America | 3/29/2022 | 215,151,521 | 6,805,640 | 3.16% | | 0.00% | | 0.00% | | 0.00% | |
| Baillie Gifford & Co, Edinburgh, United Kingdom | 4/5/2022 | 215,151,521 | | 0.00% | 10,780,674 | 5.01% | | 0.00% | | 0.00% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 4/6/2022 | 215,429,450 | | 0.00% | 10,513,642 | 4.88% | 419,397 | 0.19% | 3,653,884 | 1.70% | Morgan Stanley & Co. LLC: 4.72% |
| Union Investment Privatfonds GmbH, Frankfurt am Main, Germany | 4/12/2022 | 215,429,450 | | 0.00% | 6,500,048 | 3.02% | | 0.00% | | 0.00% | |
| FMR LLC, Wilmington, Delawa-re, United States of America | 4/21/2022 | 215,429,450 | | 0.00% | 10,905,305 | 5.06% | | 0.00% | | 0.00% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 5/4/2022 | 215,429,450 | | 0.00% | 6,304,382 | 2.93% | 386,763 | 0.18% | 3,815,894 | 1.77% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 5/19/2022 | 215,429,450 | | 0.00% | 9,315,902 | 4.32% | 1,343,700 | 0.62% | 3,322,626 | 1.54% | Morgan Stanley & Co. LLC: 4.42% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 9/28/2022 | 215,622,552 | | 0.00% | 11,252,822 | 5.22% | 1,309,475 | 0.61% | 2,665,009 | 1.24% | Morgan Stanley & Co. LLC: 4.18% |

| Reportable domicile, country or date of birth | Date on which threshold was reached | Total voting rights when threshold was reached | Voting rights pursuant to Section 33 WpHG (direct) | | Voting rights pursuant to Section 34 WpHG (attributed) | | Instruments pursuant to Section 38 (1) no. 1 WpHG | | Instruments pursuant to Section 38 (1) no. 2 WpHG | | Subsidiaries with voting rights >3% |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | Percent | Number | Percent | Number | Percent | Number | Percent | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 9/29/2022 | 215,622,552 | | 0.00% | 10,620,369 | 4.93% | 1,318,879 | 0.61% | 961 | 0.00% | Morgan Stanley & Co. LLC: 4.24% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 10/3/2022 | 215,622,552 | | 0.00% | 10,840,175 | 5.03% | 1,291,440 | 0.60% | 9,121 | 0.00% | Morgan Stanley & Co. LLC: 4.32% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 10/4/2022 | 215,622,552 | | 0.00% | 10,744,065 | 4.98% | 1,230,747 | 0.57% | 9,392 | 0.00% | Morgan Stanley & Co. LLC: 4.34% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 10/5/2022 | 215,622,552 | | 0.00% | 10,785,685 | 5.00% | 1,195,193 | 0.55% | 9,270 | 0.00% | Morgan Stanley & Co. LLC: 4.34% |
| Morgan Stanley, Wilmington, Delaware, United States of America | 10/10/2022 | 215,622,552 | | 0.00% | 10,139,902 | 4.70% | 1,176,839 | 0.55% | 10,969 | 0.01% | Morgan Stanley & Co. LLC: 4.41% |
| Cadian Capital Management GP, LLC, Wilmington, Delaware, United States of America | 10/12/2022 | 215,622,552 | | 0.00% | 2,544,414 | 1.18% | | 0.00% | 8,318,583 | 3.86% | |
| Eric Bannasch 30 July 1974 | 10/12/2022 | 215,622,552 | | 0.00% | 2,544,414 | 1.18% | | 0.00% | 8,318,583 | 3.86% | |
| Cadian GP, LLC, Wilmington, Delaware, United States of America | 10/13/2022 | 215,622,552 | | 0.00% | 2,319,995 | 1.08% | | 0.00% | 8,468,583 | 3.93% | Cadian Master Fund LP: 5.00% |
| Cadian Offshore Fund Ltd, Grand Cayman, Cayman Islands | 10/13/2022 | 215,622,552 | | 0.00% | 2,319,995 | 1.08% | | 0.00% | 8,468,583 | 3.93% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 10/31/2022 | 215,622,552 | | 0.00% | 10,734,862 | 4.98% | 1,798,680 | 0.83% | 15,883 | 0.01% | Morgan Stanley & Co. LLC: 4.87% |
| Coronation Fund Managers, Cape Town, South Africa | 11/2/2022 | 215,695,838 | 6,502,250 | 3.01% | | 0.00% | | 0.00% | | 0.00% | |
| Morgan Stanley, Wilmington, Delaware, United States of America | 11/8/2022 | 215,622,552 | | 0.00% | 11,429,703 | 5.30% | 1,686,871 | 0.78% | 3,685,221 | 1.71% | Morgan Stanley & Co. LLC: 4.32% |
| Baillie Gifford & Co, Edinburgh, United Kingdom | 12/15/2022 | 215,695,838 | | 0.00% | 13,029,768 | 6.04% | 1,309,475 | 0.00% | | 0.00% | |

# Responsibility Statement

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

Berlin, 27 March 2023
AUTO1 Group SE

**Christian Bertermann**
CEO

**Markus Boser**
CFO

# Independent Auditor's Report

to

**AUTO1 GROUP SE, MUNICH**

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

### Opinions

We have audited the annual financial statements of AUTO1 Group SE, Munich, which comprise the balance sheet as at 31 December 2022 and the income statement for the financial year from 1 January to 31 December 2022 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of AUTO1 Group SE and the Group (combined management report) for the financial year from 1 January to 31 December 2022.

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

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022, in compliance with German legally required accounting principles, and

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

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

### Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

### Key Audit Matters in the Audit of the Annual Financial Statements

We have determined that there are no key audit matters which need to be reported in our independent auditor's report.

### *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 non-financial report, expected to be provided to us after the date of this auditor's report, which is referred to in the combined management report, and
- the corporate governance statement referred to in the combined management report.

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

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

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

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

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

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

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

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

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

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

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "JA.xhtml" (SHA256 hash value: 15cb7ea789308b81326011dbc0f67fde6e1a9d152ad78f79e2f2f0fb0a80f908)" 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 only extends to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

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

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

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

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

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

**Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as auditor at the Annual General Meeting on 9 June 2022. We were engaged by the Chairperson of the Supervisory Board on 8 February 2023. We have been the auditor of AUTO1 Group SE without interruption since financial year 2021.

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

### Other Matter – Use of the Auditor's Report

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

## German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Björn Knorr.

*Berlin, 28 March 2023*

**KPMG AG**
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

| | |
|---|---|
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