allane mobility group

Annual Report 2023

The Allane Mobility Group in Figures

in EUR million	2023	2022	Change 2023 on 2022 in %
Revenue	619	571*	8.4
Thereof consolidated operating revenue	**343**	**301***	**13.9**
Thereof Leasing business unit	321	282*	13.7
Thereof Fleet Management business unit	22	19*	16.1
Thereof sales revenue	277	270*	2.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	221	185	19.4
Earnings before interest and taxes (EBIT)	29	17	68.0
Earnings before taxes (EBT)	**13**	**13**	**–1.4**
Operating return on revenue (in %)[1]	3.7	4.3*	–0.6 points
Operating return on revenue Leasing business unit (in %)[1]	3.7	4.3*	–0.6 points
Operating return on revenue Fleet Management business unit (in %)[1]	3.4	3.1*	+0.3 Points
Consolidated profit	9	9	–1.9
Earnings per share - basic and diluted (in Euro)	0.43	0.44	
Total assets	1,673	1,218	37.3
Lease assets	1,406	993	41.6
Equity	238	235	1.2
Equity ratio (in %)	14.2	19.3	–5.1 Points
Financial liabilities[2]	1,177	808	45.7
Dividend per share (in EUR)[3]	0.09	0.09	0.0
Total dividend, net	1.9	1.9	0.0
Contract portfolio (in thou.)	**126**	**116**	**8.6**
Leasing Business Unit	77	69	12.3
Thereof Fleet Leasing	34	34	0.3
Thereof Retail Leasing	44	35	23.7
Fleet Management Business Unit	49	47	3.1
Investments in lease assets[4]	812	372	118.3
Number of employees[5]	730	738	–1.1

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"
[1] Ratio of EBT to operating revenue
[2] Current and non-current financial liabilities, including finance lease liabilities
[3] Proposal by the Managing Board. The exact proposal is subject to the approval of the Supervisory Board and is included with the agenda of the Annual General Meeting 2024
[4] Value of vehicles added to the leasing fleet
[5] Annual average

About Allane Mobility Group

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

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

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To our shareholders

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A.1 – Interview with the Managing Board

The Allane Mobility Group grew in the 2023 financial year despite the persistently challenging economic environment. Both the Group contract portfolio and sales increased. In the following interview, Managing Board members Eckart Klumpp (CEO) and Álvaro Hernández (CFO) take a look back at the past year, explain the current status of the implementation of the growth strategy and provide an insight into expectations for the current 2024 financial year.

Álvaro Hernández, CFO, and Eckart Klumpp, CEO

You increased the Group contract portfolio in the 2023 financial year as planned. What were the main drivers behind this positive development?

The growth of our Group contract portfolio is primarily due to the strong development of our leasing business in the Captive Leasing business pillar. With our proprietary leasing portal "Allease", OEMs can market their vehicles to customers via their own dealer network. As part of our cooperation with Hyundai and Kia, our new offering has already been very well received. We plan to further establish this business by expanding our existing partnerships and our product portfolio.

Revenue has also developed positively compared to the previous year. Are you satisfied with this performance?

Our growing contract portfolio also had a positive effect on our sales development in the past financial year. The continued high proceeds from the sale of lease returns also had a positive effect on turnover, driven by the high demand for used vehicles, even though unit prices remained constant compared to the previous year. Against the backdrop of the overall economic situation, we are very satisfied with the sales trend for the financial year. We have achieved our forecast.

The macroeconomic environment was challenging in 2023! How did the rise in inflation rates and interest rates affect your business performance?

Among other factors, we were confronted with the lack of available vehicles combined with long waiting times and the financial impact of rising inflation rates and interest rates. This increased our refinancing costs on the one hand and leasing rates on the other, which in turn influenced customer demand. As a result of the rise in interest rates in 2023, we had a lower financial result and therefore also lower earnings before taxes (EBT). The positive effects from the decrease in other operating costs, in particular lower legal and consulting costs, were completely neutralized by the increase in refinancing costs. But we still reached our EBT guidance.

What progress did you make in the Leasing segment in 2023?

In the **Retail Leasing**, which consists of the two pillars of Captive Leasing and Online Retail, we continued to develop well in 2023. Having already started working successfully with almost all Hyundai dealers in Germany in 2022 in **Captive Leasing**, we also launched the pilot phase with Kia Leasing in 2023. Under the 'KIA Leasing' brand, Kia dealers have been able to work closely with Allane as a leasing partner since the beginning of 2024 and offer Kia customers tailor-made leasing products. As mentioned at the beginning, our collaboration with Hyundai and Kia is based on our self-developed dealer portal Allease.

In the **Online Retail,** we continued to pursue our strategic goal of expanding our range of services with the help of partnerships in 2023. For example, we have entered into partnerships with EnBW, ryd and ELEMENT.

We introduced a new brand identity in the **Fleet Leasing** in April 2023. Since then, fleet leasing has been managed under the "Allane Fleet" brand, formerly "Sixt Leasing", including a new corporate identity. This measure was part of our comprehensive rebranding process, which began in 2022 at Allane Mobility Group level.

We have also added another service component to our fleet leasing offering. As part of "Claims Management Plus", we accompany our customers through all process steps in the event of a claim: from keeping them mobile with replacement vehicles to settling the claim with the insurance company.

What developments can you look back on in the Fleet Management division?

We have also made great progress in the Fleet Management division and entered into new partnerships that we can be proud of. Thanks to the cooperation with our fintech partner Circula, we can offer our fleet customers even more flexibility when it comes to mobility. Customers can create fully customized digital mobility budgets; the use of all modes of transport, from cars to bicycles and trains, is billed via the Circula app. Thanks to our partnership with the ADAC, fleet customers have also been able to conveniently apply for their THG premium digitally since 2023. We are also proud of our EcoVadis certification, renewed in 2023, which reflects our drive towards more sustainable mobility. We also introduced a new brand identity in the Fleet Management division in April 2023. Since then, fleet management has been managed under the brand "Allane Mobility Consulting", formerly "Sixt Mobility Consulting", including a new corporate identity.

As the name suggests, you want to implement your "FAST LANE 27" growth strategy by 2027. You have already explained the progress made in the 2023 financial year in connection with the developments in the business divisions. Are you satisfied with the speed of implementation and the effectiveness of the measures?

Yes, overall we are very satisfied with the implementation of our strategy. Especially as we are now back on the profitable growth path.

An important driver of growth was captive leasing and the Allease leasing portal. What are the success factors here?

Thanks to our strategic cooperation with Hyundai and Kia, all sales partners of the two brands in Germany can offer their customers both pure vehicle leasing and a wide range of associated services via our self-developed Allease portal. The cooperation also includes the return and marketing of vehicles at the end of the leasing term. The dealers also have the option of purchasing the leased vehicles at the end of the contract term and can therefore also benefit from the partnership in their used car business. In the current year, we will continue to work on further improving the service for dealers.

What strategy are you pursuing regarding developments in the retail business pillar, i.e. autohaus24?

The expansion of the autohaus24 business is part of our growth strategy. We want to develop our retail locations into a Mobility Solution Center and thus into a contact point with a wide range of optimized mobility-related products and services. Among other things, we have already introduced the uncomplicated processing of trade-ins for used cars via autohaus24. In addition, in November 2023 we opened a strategic anchor location for autohaus24 in Wuppertal. We have thus added another location in an economically strong metropolitan area to our three existing branches in Berlin/Brandenburg, Bavaria and Hesse. This will enable us to gradually tap into the market potential of the Rhine-Ruhr region and the neighboring Benelux countries.

As a group of companies, you want to become more sustainable. What has happened in this area in 2023, what are your goals and in what timeframe do you want to achieve them?

On the one hand, we as a company want to become more sustainable ourselves, but on the other hand, our customers also have a growing need for sustainable mobility solutions. With a growing proportion of alternative drive systems in our fleet, we want to meet this need and further reduce the average CO2 emissions of our fleet. We also want to support companies in the transformation of their fleets through consulting services in our competence center for e-mobility and thus drive progress in the field of green mobility. These sustainability goals are also anchored in our "FAST LANE 27" strategy.

We also carried out a new materiality analysis in 2023 and are developing a sustainability strategy on this basis. The most important cornerstones of this strategy are supporting the transition to a low carbon economy, promoting an inclusive and appreciative cooperation across our employees, customers and along the entire value chain as well as strengthening the governance and culture across our organization.

In July 2023, Allane received the "VMF – DIE FAIRE FAHRZEUGBEWERTUNG" certification. What are the benefits for you as a company?

The certification, which applies to all Allane brands, is based on a comprehensive review of defined criteria and confirms that we not only have the necessary competence and expertise, but also offer our customers a fair, transparent and trustworthy returns process. As our vehicle valuation is carried out according to defined standards by a motor vehicle expert, we can guarantee a high level of professionalism. The certification therefore strengthens our competitive position and, among other things, opens up new opportunities for us when participating in tenders in the fleet sector.

What goals do you have for the current financial year? Which KPIs do you want to achieve and what measures do you plan to take?

We have once again set ourselves ambitious goals for 2024. For example, we want to further expand our existing collaborations and enter into new partnerships. We are also working flat out to significantly expand our expertise in the field of e-mobility so that we can advise customers even better and provide them with better support during the transformation phase. In 2024, we will also continue to strengthen and expand our brand presence – both within the company and, above all, externally – and further expand our product and service portfolio.

Our goal for the 2024 financial year is to achieve a contract portfolio of between 130,000 and 150,000 contracts (2023: 125,800 contracts) and to generate consolidated operating revenue of between EUR 350 million and EUR 400 million (2023: EUR 351.8 million (net basis)). We expect EBT to be in the high single-digit million-euro range (2023: EUR 12.6 million).

A.2 – Report of the Supervisory Board

Dear Shareholders,

In the 2023 financial year, the Supervisory Board of Allane SE performed the duties incumbent upon it by law, the Articles of Association and the Rules of Procedure. In particular, it regularly advised the Managing Board on the management of the company and monitored its activities. The Supervisory Board dealt in detail with the economic situation of the company and the Group and the strategic further development and was involved in all decisions of fundamental importance.

The Supervisory Board again held its meetings in 2023 mainly in the form of video conferences. Four ordinary meetings and one extraordinary meeting were held in the financial year. Of these, four meetings were held in the form of video/audio conferences and one meeting was held physically at the headquarters of Allane SE. Other resolutions were passed by written procedure. The statutory frequency of at least two meetings per calendar half-year was observed. Thomas Hanswillemenke and Hyung Seok Lee were unable to attend the ordinary meeting on 30 June 2023 in person. Mr. Ross Williams was unable to attend the meeting on 6 December 2023. However, they all took part in the resolutions by casting their votes in writing. Otherwise, all appointed members took part in the meetings and resolutions, in some cases also using electronic communication media in accordance with the provisions of the Articles of Association.

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

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

The Supervisory Board of Allane SE formed an Audit Committee in its meeting on 16 December 2021, which held four ordinary meetings in 2023 by way of video conferencing. All committee members participated in these meetings. It did not form any other committees with decision-making powers. In the reporting period, the Audit Committee discussed in particular the annual and consolidated financial statements of the Company and the combined management report for the 2022 financial year, as well as the dependent company report pursuant to § 312 AktG (German Stock Corporation Act). No objections were raised in the course of these reviews. The committee also dealt with the award of contract for the audit for the 2023 financial year.

Topics discussed in plenary sessions of the Supervisory Board

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

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

- **Business planning and strategy:** At the beginning of the reporting period, the Supervisory Board dealt with the Managing Board's business plan for the coming years and again with the realignment of the Group's strategy. The Managing Board and Supervisory Board have made their decision on the dividend proposal on the basis of the company's current business, investment and liquidity planning, which has already taken into account the economic and financial impact of the geopolitical situation on the markets and Allane SE.
- **Annual General Meeting:** In the run-up to the Annual General Meeting on 30 June 2023, the Supervisory Board dealt in all due detail with the items on the agenda. These included in particular the appropriation of net income, the election of the auditor, a resolution on the approval of the remuneration report, and elections to the Supervisory

Board. The Supervisory Board adopted its proposed resolutions on the individual agenda items and endorsed the Managing Board's proposal to the Annual General Meeting to pay a dividend of 0.09 per share. The Managing Board and Supervisory Board made their decision on the dividend proposal based on the Company's current business, investment and liquidity planning, which has already taken into account the economic and financial impact of the other geopolitical situation on the markets and the business of Allane SE.

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

Corporate Governance

In Februar 2024, the Managing Board and Supervisory Board issued the annual Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). This is permanently available to all shareholders on the company's website at ir.allane-mobility-group.com. Allane SE follows the recommendations of the Government Commission on the German Corporate Governance Code apart from some exceptions.

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

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

Changes to the Managing Board and Supervisory Board

There were no personnel changes on the Managing Board in the reporting year. At the end of 31 December 2023, Mr Donglim Shin left the Managing Board of Allane SE by mutual agreement and Mr Eckart Klumpp was appointed Chairman of the Managing Board of Allane SE as of 1 January 2024.

Mr. Su Ho Kim resigned from the Supervisory Board with effect from 13 April 2023. With effect from the end of the company's Annual General Meeting on 30 June 2023, Mr. Hyung Seok Lee also resigned from the Supervisory Board.

On 30 June 2023, Mr. Ross Williams and Mr. Keunbae Hong were then elected to the Supervisory Board by the company's Annual General Meeting.

Mr. Ross Williams was already a member of the company's Supervisory Board as a court-appointed member.

Audit of the annual financial statements and the consolidated financial statements 2023

The Managing Board prepared the annual financial statements of Allane SE as per 31 December 2023, in accordance with the provisions of the German Commercial Code (HGB), and the consolidated financial statements and the report on the position of the Group and the Company as per 31 December 2022, in accordance with Section 315e of the German Commercial Code (HGB), on the basis of the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of Allane SE and the consolidated financial statements as well as the management report of the Group and the Company and issued an unqualified audit opinion in each case. The auditing company had been commissioned by the Supervisory Board on the basis of the resolution of the Annual General Meeting on 30 June 2023.

The Audit Committee and the full Supervisory Board received the documents together with the dependent company report of the Management Board and the audit reports of the auditors as well as the Management Board's proposal on the appropriation of net retained profits. The discussion and review took place at the Supervisory Board meeting on 24 April 2024. The adoption took place on 29 April 2024. In preparation for the Supervisory Board meeting, the Audit Committee met on 22April 2024.

The auditors of the annual financial statements and consolidated financial statements who attended the meeting of the Audit Committee and the Supervisory Board plenary session provided comprehensive information on the main results of their work and the audit of the financial statements. The combined management report gives a true and fair view of the Group's position. In addition, the auditors informed the Audit Committee and the Supervisory Board about services provided over and above the audit of the financial statements. In the auditor's opinion, there were no circumstances that could give rise to doubts about the auditor's independence.

The Supervisory Board noted with approval the results of the audit and raised no objections after completing its own examination. The annual financial statements and consolidated financial statements prepared by the Managing Board and audited by the auditor, as well as the management report for the Group and the Company, were approved by the Supervisory Board. The 2023 annual financial statements of Allane SE were thus adopted in accordance with the provisions of the German Stock Corporation Act. The Supervisory Board concurred with the proposal submitted by the Managing Board for the appropriation of the 2023 unappropriated profit.

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

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

The review of the report on the relationships of Allane SE with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG) by the Audit Committee and the Supervisory Board did not lead to any objections. The Supervisory Board therefore concurred with the result of the audit by the auditor. Following the final results of its own review, the Supervisory Board raised no objections to the declaration of the Managing Board at the end of the report on relations with affiliated companies.“

Thanks to the Managing Board and all employees

As planned, the Allane Mobility Group's contract portfolio increased moderately at the end of the reporting year; Group operating sales also recorded moderate growth. Consolidated earnings before taxes (EBT) remained slightly below the previous year's level, mainly due to higher refinancing costs as a result of increased interest expenses. Against this background, the Supervisory Board would like to express its sincere thanks to the Managing Board, the management teams of Allane SE's subsidiaries and all employees in the Group for their dedicated work. The Allane Mobility Group expects that business development in 2024 will continue to be influenced by a weak overall economy, whereby the ongoing Russia-Ukraine war and the Middle East conflict may have an additional impact on the European economy and the automotive market. However, the company expects a positive trend in new contracts and usage-based sales thanks to the expansion of existing and the conclusion of additional cooperation agreements in the Leasing division, particularly in captive leasing. Overall, we are confident that the Allane Mobility Group will continue its successful development.

Pullach, April 2024

The Supervisory Board

Jochen Klöpper	Chairman
Thomas Hanswillemenke	Board Member
Norbert van den Eijnden	Board Member
Ross Williams	Board Member
Keunbae Hong	Board Member

A3 – Allane SE share

Volatile year on the stock market with a positive ending
The international stock markets were very volatile in 2023. At the end of the year, Germany's leading index, the DAX, closed at 16,752 points, which corresponds to a significant increase of 20.3% compared to the 2022 year-end closing price (13,924 points). The low for the year was reached on the first trading day of the year with a closing price of 14,069 points, before an upward trend followed. The high for the year was reached on 11 December 2023 at 16,794 points.

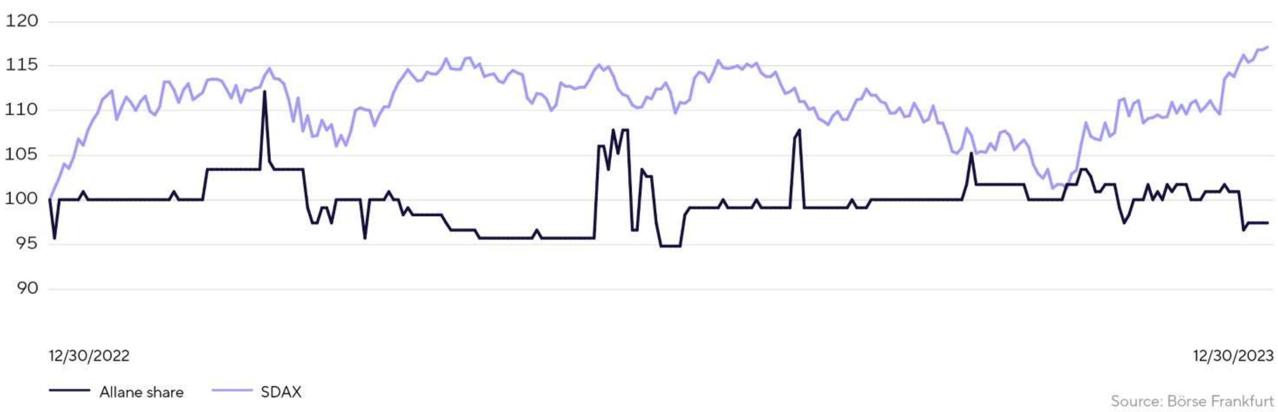
The positive development on the stock market in 2023 can essentially be attributed to a significantly more controlled and declining inflation trend. Prospects of interest rate cuts in 2024 even brought the DAX to a new all-time high at the end of the year.

The DAX opened trading in Germany on 2 January 2023 at 13,993 points. The DAX continued to perform well through the first half of the year, reaching over 16,000 points. Driven by a mixture of fears of recession and uncertainty about future inflation and interest rate trends, the DAX subsequently fell again significantly. Towards the end of the year, hopes of interest rate cuts on the stock markets increased and pushed the DAX to a new all-time high.

Allane share stable for the year as a whole
Allane's share price largely moved sideways in 2023, with significantly lower volumes than in the previous year, when the share was still partly traded via Xetra. Overall, the share price largely fluctuated between EUR 11.00 and EUR 12.00 without much momentum. The share closed at EUR 11.30 on the last trading day of the year. This was 2.6% below the previous year's closing price of EUR 11.60. The SDAX recorded an increase of 17.1% in 2023.

The Allane share opened the trading year at EUR 11.10 on 2 January 2023. It reached its high for the year on 3 March 2023 with a price of EUR 13.00. The low for the year was EUR 11.00 and was recorded on 3 July 2023.

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



Shareholder structure
At the end of the reporting year, Hyundai Capital Bank Europe GmbH, Frankfurt am Main, remained the largest single shareholder of Allane SE with 92.07% of the voting rights. The company did not receive any voting rights notifications in the reporting year.

Allane share information

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

[1] XETRA excluded

Dividend policy
Allane SE is committed to the principle of allowing its shareholders to participate in the company's success through an appropriate dividend. The dividend amount is based on the Group's earnings performance and the future requirements for the equity base, particularly with regard to the intended growth in Germany and abroad.

For the 2022 financial year, the Annual General Meeting on 30 June 2023 approved the dividend of EUR 0.09 per share, which was significantly higher than in the previous year, as proposed by the Managing Board and Supervisory Board. The payout ratio remained unchanged from the previous year at 21% of consolidated net profit. The dividend thus took into account the challenging and uncertain macroeconomic situation. Based on the share price at the end of 2022, this resulted in a dividend yield of around 0.8%.

For the 2023 financial year, the Managing Board of Allane SE is considering proposing to the Annual General Meeting on 27 June 2024 that a dividend of EUR 0.09 per share be distributed again. This amount would take into account the still challenging and still uncertain overall economic situation. The remaining undistributed profit is to be carried forward to new account. The exact proposal for the appropriation of profits is subject to the approval of the Supervisory Board and will be published with the agenda for the 2024 Annual General Meeting. The Managing Board's dividend proposal would result in a payout ratio of 21% of the consolidated net profit for the 2023 financial year.

	2023	2022
Earnings per share (in Euro) – basic and diluted	0.43	0.44
Dividend (in EUR)	0.09	0.09
Number of shares (as at 31 Dec.)	20,611,593	20,611,593
Total dividend (EUR million)	1.9	1.9
Pay-out ratio	21%	21%

[1] Proposal by administration

	2023	2022
High (in EUR)[2]	13.00	16.24
Low (in EUR)[2]	11.00	10.90
Year-end price (in EUR)[2]	11.30	11.60
Dividend yield (in %)[3]	1.14	0.78
Market capitalisation (in EUR million)[3] as at 31. Dec.	239.9	239.1

[2] All prices refer to the Stock exchange Frankfurt closing prices
[3] Based on Börse Frankfurt year-end price

Communication with the capital market
As a listed company in the Prime Standard of German Stock Exchange, Allane SE is subject to extensive transparency and disclosure requirements. Through continuous dialog with the capital market, Allane ensures open, timely and comprehensive financial communication.

In 2023, the company provided analysts, investors and the media with an overview of the Group's business situation and development through regular publications. Communication focused on the expansion of the product and service offering as well as new partnerships as part of the implementation of the *„FAST LANE 27"* growth strategy. The company used various channels to transparently explain the progress and milestones achieved in the 2023 financial year.

Allane has also set itself the goal of regularly communicating the Group's growth strategy and the progress of its implementation. The aim is to highlight key differentiators and strengths compared to relevant competitors as well as particular opportunities in the individual business areas.

A.4 - Sustainability

1. Sustainability at Allane

Sustainable thinking and action based on clearly defined values and principles anchored in the company - these are the key foundations of Allane's success. The company assumes responsibility towards its employees, the environment and society and follows the guiding principle of sustainable development. In this way, Allane contributes to creating stable economic, social and ecological conditions for future generations. When pursuing economic interests in day-to-day business, the international leasing provider and fleet manager also pays attention to ecological, social and ethical aspects.

Allane's management is focused on responsible and long-term value creation. Along the Group-wide value creation processes, from vehicle purchasing and leasing to vehicle marketing, sustainability aspects are taken into account alongside economic factors.

1.1 Materiality

An initial materiality analysis was carried out in 2017 as the basis for Allane SE's sustainability reporting. The aim was to identify the relevant fields of action in the area of sustainability for Allane SE. These are of particular importance for business development and show the areas in which Allane sees corresponding priorities. An interdisciplinary team was responsible for the analysis, which accompanied the entire process and summarized the results.

The initial materiality analysis was based on the already established management systems for quality and the environment with their corresponding areas of responsibility. Industry-relevant aspects and findings from the analysis of comparable companies were included in the subsequent process. The topics relevant to the Allane Mobility Group were then identified and discussed in workshops and targeted queries to the specialist departments. The results obtained were further elaborated in collaboration with an external partner and translated into key areas of action. Finally, the current Group-wide topics were validated again and approved by the Managing Board.

In order to meet future regulatory requirements, Allane initiated a new materiality analysis in the third quarter of the 2023 financial year in accordance with the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG) in July 2023. This standardized process aims to identify the material sustainability topics and create a sound basis for the future ESG strategy and reporting for the areas of environmental, social and corporate governance.

The targeted adaptation or supplementation of existing fields of action through the materiality analysis underlines Allane's continuous efforts to align its sustainability management with current challenges and stakeholder expectations. This strategic approach makes it possible to guarantee the effectiveness of the ESG strategy and ensure that the corresponding measures take into account the key environmental, social and governance-related aspects.

The process of preparing a materiality analysis in accordance with ESRS will be completed in the current 2024 financial year; the results will be presented in detail in the annual report for the 2024 financial year.

1.2 Management Approach

Allane has set itself the goal of permanently integrating the guiding principle of sustainable development into its corporate decision-making processes. The company uses its organizational structures and governance processes to promote and manage responsible corporate action - from strategy development to implementation. In this way, Allane systematically and consistently takes sustainability issues into account in all business activities and across all hierarchical levels.

Overall responsibility for sustainability management lies with the Managing Board, which aligns business policy with the requirements of socially responsible business and adopts corresponding strategies and programs. The implementation of sustainability measures and the collection of sustainability data is carried out in the various business and specialist divisions depending on the respective core business or area of responsibility.

A dedicated process for collecting, analyzing and implementing improvement measures based on customer feedback has been established in all two business units (segments) of the Allane Mobility Group. For the corporate customer business, Allane regularly collects customer feedback in the form of a standardized survey. The company uses special CSI tools

(Customer Satisfaction Index) for this purpose. This allows fleet managers and drivers to provide detailed feedback on service quality. Allane uses this data to continuously optimize its customer service and service portfolio.

Allane's sustainability management is supported by the company's own guidelines. Of overriding importance is the Group-wide Code of Conduct, which sets out the ethical framework for day-to-day business activities.

2. Material fields of action

Allane's sustainability management aims to harmonize the company's business activities with ecological, social and ethical aspects. It is operationalized through fields of action, targets and measures and integrated into the company's processes. Sustainability management is also based on the requirements and interests of the various stakeholders. Customers, employees, suppliers and investors are of particular importance here.

Sustainability management at Allane is currently divided into six key areas of action, which will be adapted or supplemented in future as a result of the new materiality analysis.

The current fields of action are described in more detail below.

2.1 Corporate Governance

Allane's success is based not only on business policy, but also on compliance with moral and ethical standards, on integrity and on the trust that customers, suppliers, shareholders, employees and business partners place in the company. This trust can only be gained and maintained if all employees comply with applicable laws and regulations and Allane's high standards of conduct. Cooperation partners also have a similar duty, as they are perceived by outsiders as representatives of the Allane Mobility Group. Allane has set itself the goal of sensitizing all employees and cooperation partners to the topic of compliance. The Code of Conduct, which applies throughout the Group and is regularly updated, plays a central role in this regard, and all employees and cooperation partners have undertaken to comply with it. Among other things, the Code regulates conduct towards business partners and third parties, the principles of the working environment and the handling of conflicts of interest, Allane's assets and facilities, third-party intellectual property and information.

The Code of Conduct codifies the institution of an external ombudsman, among other things. If employees wish to report compliance violations, the ombudsman is an additional contact person alongside their line manager and the Compliance Officer. The Compliance Officer is in regular contact with the Managing Board and supports it with regard to the adoption of preventive measures. Compliance with all laws and adherence to the Code of Conduct are regularly monitored in all Allane Mobility Group companies.

Conceptual chart: Corporate Governance and Compliance

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

Allane also formulates clear expectations regarding the correct behavior of its employees and ensures that business relationships are only maintained with those customers, consultants and business partners whose business activities are in accordance with legal regulations and whose financial resources are of legal origin. As part of the legal and regulatory obligations, the function of a money laundering officer with a clearly defined mandate has been established. At the same time, Allane has drawn up organizational guidelines to prevent money laundering, terrorist financing and other criminal acts. Every employee must sign the relevant guidelines and also take part in regular training sessions on this topic. Successful participation is recorded and tracked. Allane has initiated ongoing risk-oriented measures to assess reliability in accordance with Section 9 (1), (2) Nos. 1 to 4 of the German Money Laundering Act. For example, corresponding assessments are carried out when a service or employment relationship is established and in a risk-oriented manner during the existence of a service or employment relationship by the supervisor.

As an internationally active company, the Allane Mobility Group is fully committed to respecting human rights and complying with the relevant legal regulations at home and abroad. The Group is committed to respecting and promoting human rights and to reporting transparently on the results of its actions. In addition, Allane is guided by the ILO core labor standards (International Labor Organization) and is committed to the five basic principles contained therein. These are based on the right to freedom of association and collective bargaining, the elimination of forced labor, the abolition of child labor, the prohibition of discrimination in respect of employment and occupation, and occupational health and safety. Allane also expects suppliers with whom it does business to comply with the principles set out in the Supplier Code of Conduct. The Code contains the essential requirements for suppliers with regard to compliance with laws, the adoption of measures against corruption and bribery, fair business practices, requirements for social and working conditions as well as sustainability and environmental protection. Allane also obliges its cooperation partners to respect human rights and comply with high social standards. To ensure this, the corresponding expectations are set out in contracts and partners are encouraged to run their business in accordance with ethical principles and to act with integrity.

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

2.2 Climate Protection

As a provider of mobility solutions, Allane is aware of its responsibility for climate protection and has set itself the goal of continuously reducing the average CO_2 emissions of its customer fleet. This is achieved through a range of measures, such as the constant addition of vehicles with new drive technologies to the fleet and an increasing number of leasing offers for electric and hybrid vehicles.

Conceptual chart: Climate protection

Objective	Measures	Performance indicator
Reduction of the average CO_2 emissions of the fleet	Continuous renewal of vehicle fleet with cars equipped with state-of-the-art technology	Average CO_2 emissions of the fleet

For years, Allane has been assisting and following the developments in electric mobility and alternative vehicle powertrains as it promotes these by events for employees, fleet managers and media representatives, by cooperating with manufacturers, dealers and electric utility suppliers as well as by promotional offers for private customers. The Company has expertise in the selection and deployment of hybrid and electric vehicles and is therefore capable of giving interested customers competent advice and can optimise corporate fleets with regard to its sustainability aspects. This includes for example the use of e-car pools, improving pollutant emissions and introducing a CO_2 bonus-malus system.

In the 2023 financial year, Allane offered leasing agreements to private, commercial and corporate customers for new vehicles with terms anywhere between twelve and 72 months. As per 31 December 2023 the contracts had an average term of around 41 months. Regular and ongoing replacement of the lease fleet with more modern vehicles with more efficient technologies can reduce average CO_2 emissions per vehicle over time.

Another example of Allane's ecological commitment is the "You car – we tree" campaign, under which autohaus24 plants a tree for every used car sold. In 2023, over 6,000 trees were planted in this way.

Average CO_2-emissions of the Leasing business unit

in g/km	2023	2022
	119	120

2.3 Utilisation of Resources

The protection of the environment and responsible utilisation of resources are taken for granted by Allane Mobility Group. In its own sphere of influence, the Company keeps its energy and water consumption as low as possible. Through energy audits, Allane regularly monitors its resource consumption and strives for continuous efficiency improvements.

Conceptual chart: Utilisation of Resources

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

The Allane Mobility Group aims to continuously improve its energy efficiency and reduce its energy consumption, in particular by implementing and monitoring specific energy efficiency measures, conducting energy audits and raising employee awareness of the need to conserve energy resources. According to the last energy audit carried out in the 2021 financial year for the 2020 calendar year, the consumption values for the company headquarters are within the industry-standard parameters and the heat requirement is below average.

2.4 Employer attractiveness

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

Allane is a well-known employer with a good image. In order to remain an attractive employer, the company has set itself the goal, among other things, of constantly improving the work-life balance of its employees and promoting their health. Employees in central and administrative functions, as well as managers, work on the basis of trust-based working hours (as of December 2023: around 50% of all Allane Mobility Group employees in Germany). In addition, with flexible working models, the company enables its employees to conduct their work for up to 50% of their working hours irrespective of their place of work ("Mobile Work"). Allane also actively promotes the health of its employees by introducing a bicycle leasing offer.

Allane aims to keep employee satisfaction at a high level. To this end, the Company conducts regular employee surveys, from which it then deducts further measures. In addition, Allane maintains an active feedback culture and implements 360-degree feedback as well as customised development and promotion programes.

Conceptual chart: Employer attractiveness

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

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

2.5 Employee development and promotion

The success of the Allane Mobility Group depends to a large extent on the knowledge, skills and commitment of its employees. Qualified employees are the most important building block for the Group to be able to act as a premium provider on the market and generate "customer excitement". The company is therefore committed to a culture that focuses on the people who work for the Allane Mobility Group. Allane is committed to recognizing and consistently promoting the talents of its employees, adequately rewarding their commitment and applying uniform remuneration principles that are free of any form of discrimination.

Conceptual chart: Staff development and promotion

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

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

In order to foster the individual commitment of its employees to the Company's success and to honour it accordingly, Allane has introduced a performance-based remuneration system for certain groups of employees. At the end of 2023, 16.5% of all employees of the Allane Mobility Group in Germany received variable remuneration in addition to their fixed salary. In order to honour the individual performance of each employee even more than before, Allane has set itself the goal of further developing the existing performance-related compensation models. To this end, the existing variable remuneration models are regularly evaluated and the quota of employees is determined using performance-based remuneration components.

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

2.6 Social commitment

Allane considers it to be its duty to contribute towards society's well-being. Assuming social responsibility is a firm component in its entrepreneurial policy and corresponds with Allane's identity, principles and values. In the 2023 financial year, Allane Mobility Group participated in several fundraising activities to support social projects and organizations in order to contribute to society.

Conceptual chart: Social commitment

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

B

Management report on the situation of the group and the company

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B.1 – Group fundamentals

1. Business Model of the Group

1.1 Group structure and management

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

As a financial services company, Allane SE is supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) and must comply with the minimum risk management requirements for banks and financial services institutions set by BaFin and the applicable provisions of the German Banking Act (KWG).

The Company's shares have been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since its IPO on 7 May 2015. By approval of the Annual General Meeting on 1 June 2016 the Company was transformed by way of changing the legal form according to Art. 2 (4) in conjunction with Art. 37 SE-Reg to Sixt Leasing SE. On 16 July 2020, Sixt Leasing SE was acquired to approximately 92% by Hyundai Capital Bank Europe GmbH (HCBE), Frankfurt am Main, Germany, a joint venture of Santander Consumer Bank AG, Mönchengladbach, Germany, and Hyundai Capital Services Inc., Seoul, Koreak, as part of a voluntary public takeover offer. As part of the separation from Sixt SE, the Annual General Meeting of Sixt Leasing SE resolved on 29 June 2021 to change the Company's name to „Allane SE". The new company name „Allane SE" was entered in the commercial register on 5 August 2021.

The Managing Board of Allane SE is responsible for managing the company and consists of Mr. Eckart Klumpp, Chairman of the Managing Board (CEO) since 1 January 2024, and Mr. Álvaro Hernández, member of the Managing Board (CFO) since 1 December 2021. The office of CEO was previously held by Mr. Donglim Shin until 31 December 2023.

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

Allane SE acts as the operating leasing company and parent company of the Allane Mobility Group. It holds direct or indirect stakes of 100% in the subscribed capital of a total of twelve companies that are mainly active in the leasing or fleet management business. Five of these companies are based in Germany, while the remaining seven companies are based in France, Switzerland, Austria or the Netherlands.

There is a profit and loss transfer agreement between Allane SE and Allane Mobility Consulting GmbH and One Mobility Management GmbH.

As at the balance sheet date of 31 December 2023, the share capital of Allane SE amounted to EUR 20,611,593.00 and is divided into 20,611,593 ordinary bearer shares. The company's shares are no-par value shares with a pro rata amount of subscribed capital of EUR 1.00 per share. The shares are fully paid up.

The largest shareholder on the balance sheet date was Hyundai Capital Bank Europe GmbH, Frankfurt am Main ("HCBE"), which held 92.07% of the ordinary shares and voting rights.

As part of the sale of Allane SE to HCBE by Sixt SE, Allane SE and Sixt concluded various agreements in which the temporary continued use of the "Sixt" brand is legally regulated. Accordingly, the continued use of the "Sixt" brand is limited to a period of five years after the closing of the transaction. In April 2023, the Allane Mobility Group presented a new brand identity. Since then, fleet leasing has been managed under the brand "Allane Fleet", formerly "Sixt Leasing", and fleet management under the brand "Allane Mobility Consulting", formerly "Sixt Mobility Consulting", including a new corporate identity. It is expected that all business units will be fully managed under the new brand identity in 2024.

The contents of the other agreements concluded between Allane SE and HCBE or related parties are presented in the notes to the consolidated financial statements under "Related party disclosures".

1.2 Group activities and services portfolio

The Allane Mobility Group comprises the two business areas of Leasing and Fleet Management. The Leasing divi-sion conducts its operating business through retail leasing and fleet leasing. The Fleet Management business division is not further subdivided

Decisions on the allocation of resources were made by the Allane Mobility Group on the basis of the Leasing and Fleet Management business units. Consequently, a further subdivision of the business units was irrelevant for the Allane Mobility Group's decision-making in the 2023 financial year.

1.2.1 Leasing business unit

In the Leasing division, Allane SE operates as a leasing company with a multi-brand offering in Germany. The division is also represented by operating subsidiaries in France, Switzerland, Austria and the Netherlands.

The Leasing division is divided into fleet leasing (corporate customer leasing) and retail leasing (private and commercial customer leasing, as part of traditional online retail and captive leasing launched in the 2022 financial year).

In fleet leasing, the Group offers lease financing and related services (so-called ntes full-service leasing) for corporate customers. Target customers are companies with a fleet size of more than 100 vehicles, whose fleets are made up of vehicles from different manufacturers and exhibit a certain degree of complexity. Allane SE supports these medium-sized and large customers with individual fleet solutions. Smaller corporate customers with fleets of around 20 to 100 vehicles are also supported. The approach in this customer segment is to professionalize fleet purchasing using standardized products and processes.

In addition to traditional finance leasing, the range of services includes a variety of services such as cross-manufacturer online configuration, advice on vehicle selection, online approval procedures according to specific company guidelines, price-optimized vehicle procurement, vehicle maintenance over the entire term of the contract, tire changes, breakdown and claims assistance, claims management including insurance processing and the management of fuel cards, vehicle taxes and radio licence fees. Measured against the contract portfolio in fleet leasing, the proportion of contracts that combine finance leasing with service components of varying scope was around 93% of the contract portfolio in fleet leasing at the end of 2023.

In Retail Leasing, Allane SE operates the classic online retail business via the websites sixt-neuwagen.de and autohaus24.de, among others. The platforms offer private and commercial customers (with a fleet size of up to 20 vehicles) the opportunity to configure models from more than 30 car manufacturers, request an individual leasing offer and order vehicles online. You can also choose from a large number of immediately available stock vehicles. With vehicle leasing in online-supported direct sales, the company is addressing a market that, according to a study by the German Direct Sales Association (BDD), is growing strongly in Germany – measured in terms of total sales. In addition to online retail, retail leasing also includes captive leasing, which was added as part of the implementation of "*FAST LANE 27*" and within which both private and commercial customers are offered Hyundai and Kia vehicle models via the dealer network at the point of sale. The centerpiece here is the "Allease" dealer portal developed by Allane.

In addition to the leasing offer, retail leasing offers additional services such as maintenance and wear and tear, inspection, winter tire and insurance packages, which can be added to the leasing contract in online retail and are included in the leasing rate. In captive leasing, the same services are offered at the point of sale and included in the leasing rate. At the end of the 2023 financial year, around 43% of private and commercial customer contracts in retail leasing contained at least one service component.

Sources
BDD, Situation of the direct sales industry in Germany 2023.

1.2.2 Fleet Management business unit

The Allane Mobility Group operates the Fleet Management division via Allane Mobility Consulting GmbH, which was founded in 2011, and other direct and indirect subsidiaries of Allane SE. Its expertise in the management of larger vehicle fleets is also offered to customers who have pur-chased their vehicles or leased them from other providers. The target group ranges from medium-sized companies to large international corporations.

As a fleet manager, Allane Mobility Consulting's aim is to advise and support companies in the procurement and operation of leasing and purchased vehicle fleets. To this end – just as in fleet leasing – self-developed, online-based IT tools are used, including the Multibid Configurator and the FleetIntelligence analysis tool. The Multibid configura-tor offers functions such as freely configuring fleet vehicles, comparing them with possible alternative vehicles and carrying out tenders for desired vehicles from various leas-ing companies. Fleet customers and managers also have access to the digital analysis tool "FleetIntelligence" for internal analyses. The application is based on (cloud) tech-nology and enables the vehicle fleet to be analyzed with regard to important parameters such as inventory, costs, sustainability and damage. In addition, Allane Mobility Consulting supports the company car users of customers with all vehicle-related issues, from ordering and accident management to wheel changes. The self-service app "My-Allane" enables vehicle-related tasks such as booking work-shop appointments to be carried out via smartphone and supports digital communication between fleet managers and company car users.

1.3 Significant external influencing factors

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

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

2. Business management

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

The company is managed on the basis of the Leasing and Fleet Management business unit.

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

- Group contract portfolio (number of contracts),
- consolidated operating revenue[1] (leasing revenue (finance rate), other revenue from leasing business and fleet management revenue (without revenue from the sale of returned vehicles) as well as
- consolidated earnings before taxes (EBT).

[1] In the 2023 financial year, an adjustment was made to revenue recognition in accordance with IFRS 15 for some service components so that Allane no longer recognizes the corresponding revenue in the role of principal, i.e. on a gross basis, but in the role of agent, i.e. on a net basis. In the Leasing business unit (segment), the service component "Fuel", "Vehicle tax and contributions"and "Replacement vehicles" and in the Fleet Management business unit (segment) the service components "Fuel", "Claims management", "Maintenance and wear and tear", "Tires", "Vehicle tax and contributions", "Replacement vehicles" and "Logistics", which were previously presented as principal (gross basis) in the income statement, are now presented as agent (net basis). The service components that are invoiced as part of a flat-rate contract continue to be presented as principal (gross basis) in the income statement. The financial forecast for the 2024 financial year and the financial performance indicators from the 2024 financial year onwards are presented on a net basis.

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

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

3. Research and development

Allane SE did not pursue any significant research activities in the 2023 financial year. To drive forward the digitalization of its business model, Allane SE develops new products, applications and digital business processes itself. Depend-ing on project requirements, capacity needs and relevant expertise, Allane makes use of external services. In the 2023 financial year, production costs of EUR 8.6 million were incurred for development projects in progress. Scheduled amortization of EUR 4.5 million and impairment losses of EUR 0.9 million were incurred in the financial year for completed and commissioned in-house developments. In addition, an impairment loss of EUR 0.8 million was rec-ognized on unfinished software. The impairment losses were recognized for software no longer in use.

B.2 – Business report

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

1. Economic environment

The Allane Mobility Group and its subsidiaries operate in its home market of Germany as well as in France, Switzerland, Austria and the Netherlands. Various factors have a significant influence on the Group's business activities in these markets, in particular the investment activities of companies, the willingness of business and corporate customers to spend, the consumer behavior of private customers and the development of the used car market.

The global economy slowed again in 2023 in almost all key economic areas. According to the International Monetary Fund (IMF), global gross domestic product (GDP) rose by just 3.1% compared to the previous year; in the previous year, it had grown by 3.5%. According to the Kiel Institute for the World Economy (IfW), the global economy also grew by 3.1% in 2023 (2022: 3.3%).

The global economic recovery from the COVID-19 pandemic, the Russian invasion of Ukraine and the rise in the cost of living is proving resilient. Inflation, meanwhile, fell more quickly than expected from its peak in 2022, with the negative impact on employment and economic activity also lower than expected. This also reflected the favorable developments on the supply side and in interest rates, which had previously kept inflation expectations at a stable level. The global inflation rate fell to 6.8% in 2023 as a whole, compared to 8.7% in the previous year.

The German economy was weaker in 2023 than in the previous year. According to initial calculations by the Federal Statistical Office (Destatis), GDP fell by 0.3%. The recovery of the German economy from the pandemic-related slump in 2020 therefore did not continue. Strong inflation and unfavorable financing conditions due to higher interest rates in an economic environment still dominated by the crisis have caused the German economy to falter.

The sharp rise in consumer prices in 2023 also had a negative impact on private consumer spending. The latter fell by 0.8% compared to the previous year.

The German labor market remained stable in 2023, with the average number of people in employment rising by 0.7% to EUR 45.9 million. The government budget deficit was reduced by around EUR 14 billion to a deficit of EUR 82.7 billion. Measured against nominal GDP, the deficit ratio was 2.0% according to Destatis (2022: 2.5%).

Sources
IMF, World Economic Outlook Update, January 2024;
IfW Kiel, Economic Outlook World, No. 109 December 2023;
Destatis, Gross domestic product fell by 0.3% in 2023, 15 January 2024.

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

Overview of key performance indicators:

	31 December 2022	Outlook	31 December 2023
Group contract portfolio (number of contracts)	115,900	120,000 to 150,000 contracts	125,800
Operating consolidated revenue (in EUR million)[1]	385.4	Range of EUR 350 million to EUR 400 million	412.9
Earnings before taxes (EBT) (in EUR million)	12.8	Lower double-digit million euro amount	12.6

[1] Presentation of consolidated operating revenue for the 2023 financial year on a gross basis to ensure comparability with the annual forecast from the 2022 Annual Report and the previous year's figure. Outside of the section "2. Group business performance overview and comparison with forecast of the year", the presentation is on a net basis (342.7 EUR million). The financial forecast for the 2024 financial year and the financial performance indicators from the 2024 financial year onwards are presented on a net basis.

Based on the financial performance indicators, the business performance of the Allane Mobility Group met or exceeded the forecast for the 2023 financial year made on 31 December 2022.

The contract portfolio of the Allane Mobility Group as at 31 December 2023 amounted to 125,800 contracts by 8.5% above the level of the previous year (2022: 115,900 contracts) and therefore also within the forecast for the 2023 financial year. The contract portfolio as at 31 December 2023 is divided into 111,600 active contracts and 14,200 concluded but not yet active contracts. The main reason for this was the ongoing successful contract development in Retail Leasing.

Contract portfolio[2]

in thousands	2023	2022	Change in %
Leasing business unit	**77.3**	**68.9**	**12.3**
Thereof Fleet Leasing	33.7	33.6	0.3
Thereof Retail Leasing	43.6	35.3	23.7
Fleet Management business unit	**48.5**	**47.0**	**3.1**
Group total	**125.8**	**115.9**	**8.6**

[2] Incl. leasing contracts, fleet management contracts, service contracts and order book(contracts, for which the vehicle has not yet been delivered).

Consolidated operating sales (excluding sales revenue) increased on a gross basis by 7.1% to EUR 412.9 million (2022: EUR 385.4 million; on a net basis increase of 13.9% to EUR 342.7 million (2022: EUR 301.0* million)). This increase exceeded the forecast for the 2023 financial year. The main driver here was also the growth in the Group's contract portfolio in retail leasing, with a significant increase in lease installment income. This development is directly related to the rising acquisition costs as a result of increasing list prices for the procurement of new vehicles.

Consolidated earnings before taxes (EBT) remained at EUR 12.6 million (2022: EUR 12.8 million), slightly below the previous year's level. This development is mainly due to higher refinancing costs as a result of increased interest expenses. As a result, the operating return on sales (ratio of EBT to operating consolidated sales on a net basis) amounted to 3.7% (2022: 4.3*%).

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"

3. Contract and revenue performance of the business units

3.1 Leasing business unit

In the Leasing division, the contract portfolio at the end of the reporting year amounted to 77,300 contracts 12.3% above the figure as at 31 December 2022 (68,900 contracts). The contract portfolio in Retail Leasing increased by 23.7% to 43,600 contracts (2022: 35,300 contracts). The contract portfolio in fleet leasing increased by 0.3% and closed the reporting period at 33,700 contracts in the reporting period (2022: 33,600 contracts).

Total sales in the Leasing division increased in the reporting year by 8.0% to 594.2 million (2022: 550.0* million). Operating revenue (segment revenue excluding proceeds from the sale of lease returns) increased by 13.7% to 321.1 million (2022:

EUR 282.4* million). Income from the sale of used leased vehicles increased slightly by 2.0% to 273.0 million (2022:EUR 267.6 million).

3.2 Fleet Management business unit

In the Fleet Management division, the number of contracts as at the end of 2023 increased by 3.1% to 48,500 contracts (2022: 47,000 contracts).

The division's total sales amounted to EUR 25.1 million and thus increased in 2023 by 18.8% (2022: EUR 21.1* million). Operating segment sales increased by 16.1% to EUR 21.6 million (2022: EUR 18.6* million). Income from the brokerage / sale of customer vehicles increased significantly by 38.4% to EUR 3.5 million (2022: EUR 2.5* million).

4. Earnings development

Consolidated income statement (condensed)

in EUR million	2023	2022	Absolute Change	Change in %
Consolidated revenue	619.2	571.1*	48.1	8.4
Thereof consolidated operating revenue[1]	342.7	301.0*	41.7	13.9
Thereof sales revenue	276.5	270.1*	6.4	2.4
Fleet expenses and cost of lease assets	321.0	303.2*	17.8	5.9
Personnel expenses	52.9	52.8	0.1	0.1
Net losses arising from the derecognition of financial assets	1.5	2.7	–1.2	–43.7
Net impairment losses (-)/gains (+) from financial assets	-2.1	0.5	-2.6	–519.5
Net other operating income/expense	–20.8	–27.8	7.1	–25.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**221.0**	**185.1**	**35.9**	**19.4**
Depreciation and amortisation	192.4	168.1	24.3	14.5
Earnings before interest and taxes (EBIT)	**28.6**	**17.0**	**11.6**	**68.0**
Net finance costs	–16.0	–4.2	–11.8	279.3
Earnings before taxes (EBT)	**12.6**	**12.8**	**–0.2**	**–1.4**
Operating return on revenue (%)	3.7	4.3*	–0.6 points	
Income tax expense	3.8	3.8	0.0	–0.4
Consolidated profit	8.9	9.0	–0.2	–1.9
Earnings per share[2] (in Euro) - basic and diluted	0.43	0.44	–0.01	

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"
[1] Leasing revenue (finance rate), other revenue from leasing business and fleet management revenue (without revenue from the sale of returned vehicles).
[2] Based on EUR 20.6 million shares

Group sales increased compared to the previous year by 8.4%to EUR 619.2 million (2022: EUR 571.1* million). Consolidated operating revenue (net basis), which does not include revenue from vehicle sales, increased by 13.9% to EUR 342.7 million (2022: EUR 301.0* million). The main driver was the growth of the Group's contract portfolio in retail leasing, with a significant increase in lease installment income. Sales revenue from the brokerage / sale of lease returns and the marketing of customer vehicles from fleet management rose by 2.4% to EUR 276.5 million (2022: EUR 270.1* million). This development is mainly due to a slight increase in the volume of vehicles sold as a result of the continued high demand for used vehicles, with unit prices remaining almost constant compared to the previous year.

Expenses for the vehicle fleet and leased assets increased by 5.9% to EUR 321.0 million (2022: EUR 303.2* million). Adjusted for expenses in connection with the sale of leased assets, expenses for fleet and leasing assets increased by 12.4%, in line with the development of consolidated operating revenue.

Personnel expenses increased slightly in the past financial year due to higher mandatory social security contributions by 0.1% to EUR 52.9 million (2022: EUR 52.8 million).

The balance of other operating income and other operating expenses fell significantly mainly due to a ruling by the European Court of Justice (ECJ) on the "revocation of kilometer leasing contracts", according to which provisions formed on this basis could be reversed through profit or loss. The balance therefore decreased by 25.5% to EUR – 20.8 million (2022: EUR –27.8 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 19.4% to EUR 221.0 million (2022: EUR 185.1 million).

Depreciation and amortization increased by 14.5% and EUR 24.3 million to 192.4 million (2022: EUR 168.1 million), mainly due to the increase in depreciation of lease assets.

Earnings before interest and taxes (EBIT) amounted to EUR 28.6 million by 68.0% and thus significantly above the previous year's level (2022: EUR 17.0 million).

The financial result deteriorated sharply in the reporting year by 279.3% to EUR –16.0 million (2022: EUR –4.2 million). The deterioration in the financial result is mainly due to the high refinancing costs as a result of rising interest expenses.

The Allane Mobility Group's earnings before taxes (EBT) in the 2023 financial year amounted to EUR 12.6 million, 1.4% below the previous year's figure of EUR 12.8 million. This is due in particular to the development of the financial result.

Accordingly, the operating return on sales (ratio of EBT to operating sales) reached 3.6% (2022: 4.2*%).

Taxes on income and earnings remained at the previous year's level at EUR 3.8 million (2022: EUR 3.8 million).

Overall, the 2023 financial year met the expectations set out in the previous year's management report.

5. Net assets

As at 31 December 2023, the Allane Mobility Group's total assets amounted to EUR 1,673.3 million and thus EUR 455.0 million or 37.3% above the figure as at December 31, 2022 (EUR 1,218.4 million).

Non-current assets, which increased by EUR 415.8 million to EUR 1,473.1 million compared to the previous year (2022: EUR 1,057.3 million; 39.3%) continued to be dominated by leased assets. Compared to the reporting date, leased assets increased by EUR 413.3 million or 41.6% to EUR 1,406.4 million (2022: EUR 993.2 million). The share of leased assets in total assets increased accordingly to 84.1% (2022: 81.5%).

Within non-current assets, property, plant and equipment and intangible assets increased. Property, plant and equipment increased by EUR 8.2 million or 28.1% to EUR 37.2 million, primarily due to the opening of the used car marketing location in Wuppertal and the associated rights of use from the underlying rental agreement. Intangible assets increased by EUR 1.1 million or 5.7% to EUR 20.6 million (2022: EUR 19.5 million) This was due to the capitalization of internally generated software products. Other receivables and assets decreased by 6.5million and 62.1% to EUR 4.0 million (2022: EUR 10.4 million). This effect is due in particular to the decline in the effective portion of old hedge relationships from previous years.

Current assets increased in comparison to the reporting date by EUR 39.1 million or 24.3% to EUR 200.2 million (2022: EUR 161.1 million). This was largely due to the increase in trade receivables and the rise in other receivables and assets. Trade receivables increased by EUR 15.7 million and 19.0% to EUR 98.4 million (2022: EUR 82.7 million). Other receivables and assets increased by EUR 16.0 million and 50.2% to EUR 47.8 million (2022: EUR 31.8 million). This is mainly due to the increase in receivables from sales taxes and other taxes by a total of EUR 20.4 million. In addition, receivables from affiliated companies increased by >100% to EUR 4.2 million (2022: EUR 0.6 million). Cash and cash equivalents remained at EUR 5.2 million (2022 EUR: 5.2 million) remained at the previous year's level.

Income tax receivables decreased by EUR 0.6 million or 74.8% to EUR 0.2 million (2022: EUR 0.8 million).

Consolidated balance sheet (condensed)

Assets

in EUR million	2023	2022
Non-current assets		
Intangible assets	20.6	19.5
Lease assets	1,406.4	993.2
Other	46.1	44.6
Current assets		
Inventories	44.5	39.9
Bank balances	5.2	5.2
Other	150.6	116.0
Assets	**1,673.3**	**1,218.4**

5.1 Equity

As at 31 December 2023, the equity of the Allane Mobility Group amounted to EUR 238.2 million. The increase of EUR

2.9 million or 1.2% compared to the value at the same reporting date in the previous year (2022: EUR 235.3 million) is mainly due to the consolidated net profit generated less the cash outflow from the dividend payment for the 2022 financial year in the amount of EUR 1.9 million. As a result, the equity ratio decreased from 19.3% to 14.2%.

The share capital of Allane SE as at the balance sheet date remained unchanged from the previous year at EUR 20.6 million.

Consolidated balance sheet (condensed)

Equity and liabilities

in EUR million	2023	2022
Equity	238.2	235.3
Non-current liabilities and provisions		
Financial liabilities	920.7	529.7
Liabilities to affiliated companies	-	-
Miscellaneous	72.8	51.0
Current liabilities and provisions		
Financial liabilities	256.2	278.1
Liabilities to affiliated companies	0.1	0.1
Vertragsverbindlichkeiten	20.8	15.2
Miscellaneous	164.5	109.0
Equity and liabilities	**1,673.3**	**1,218.4**

5.2 Liabilities

As at December 31, 2023, the Group reported non-current liabilities and provisions in the amount of 993.5 million (2022: 580.7 million), which corresponds to an increase of 71.1% compared to the previous year's figure. This development resulted in particular from an increase in non-current financial liabilities bind labilities by 391.0 million or 73.8% to 920.7 million (2022: 529.7 million). This is mainly due to long-term loans taken out with Santander Consumer Bank AG, Mönchengladbach, and borrowing as part of an asset-backed securities (ABS) program. The revolving loan taken out from Santander Consumer Bank AG is based on a credit facility agreement concluded for an indefinite period in the 2020 financial year. The agreement includes a "change of control" clause, which gives the lender the right to call in the loans and interest liabilities immediately in the event of a change of control. The ABS program has a total volume of EUR 700 million and its term was extended until the end of 2023 until the 2029 financial year.

Current liabilities and provisions as at December 31, 2023 amounted to EUR 441.6 million (2022: EUR 402.4 million). The increase of EUR 39.2 million or 9.7% was due in particular to the increase in trade payables of EUR 46.9 million or 67.5% to 116.3 million (2022: EUR 69.4 million) due to supplier and service provider invoices not paid on the reporting date and the increase in other liabilities by EUR 10.2 million or 34.0% to 40.4 million (2022: EUR 30.1 million) due to an increase in the portion of the special rental payment recognized as a liability. In contrast, current financial liabilities decreased by EUR 21.9 million or 7.9% to EUR 256.2 million (2022: EUR 278.1 million), which was mainly due to the extension of the ABS program and the associated reclassification from current to non-current financial liabilities. Other current provisions fell from EUR 6.9 million by EUR 3.1 million or 44.7% to EUR 3.8 million. The decline is attributable to the ECJ ruling, which enabled the provisions recognized in relation to legal disputes against Allane SE arising from revocation actions in connection with leasing contracts to be reversed in full.

6. Financial position

6.1 Financial management and financial instruments

The Allane Mobility Group's financial management is carried out centrally by the Finance department on the basis of internal guidelines and risk specifications as well as monthly Group financial planning. The main tasks include securing liquidity, the cost-oriented, permanent coverage of the Group companies' financial requirements, the management of interest rate risks, creditworthiness management and refinancing with matching maturities. Operational liquidity management and cash management are performed centrally for all Group companies by the Finance division.

The financing instruments mainly consist of loans from Santander Consumer Bank AG, an ABS program and bilateral credit lines with other banks.

As at the end of 2023 the Allane Mobility Group was primarily financed by the following instruments:

- Current and non-current drawings from the ABS programme with variable market interest rates, maturing up to 2029 as well as
- Current and non-current drawings from bank loans with market interest rates. Of these bank credit lines, EUR 31.4 million have not been drawn down as of 31 December 2023.

6.2 Liquidity position

Consolidated cash flow statement (condensed)

in EUR million	2023	2022
Gross cash flow	167.6	135.7
Net cash flows used in/from operating activities	-338.1	14.1
Net cash flows used in investing activities	-13.8	-6.7
Net cash flows from/used from financing activities	351.8	-1.9
Net change in cash and cash equivalents	-0.0	5.5

For 2023, the Allane Mobility Group reports a gross cash flow of EUR 167.6 million, which is EUR 31.9 million over the previous year's figure (2022: EUR 135.7 million). After changes in leased assets and net working capital, the cash outflow from operating activities amounted to EUR 338.1 million (2022: cash inflow of EUR 14.1 million). The change is mainly due to higher expenses for investments in leased assets.

Investing activities resulted in a cash outflow of EUR 13.8 million (2022: cash outflow of EUR 6.7 million), mainly due to investments in intangible assets.

Financing activities resulted in a cash inflow of EUR 351.8 million (2022: cash outflow of EUR 1.9 million). Cash inflows of EUR 696.7 million were offset by the dividend payment and, in particular, repayments of financial liabilities including interest payments totaling EUR 344.9 million.

In the total cash flows, cash and cash equivalents as at 31 December 2023 remained unchanged due to exchange rate changes at EUR 0.0 million at the level of the previous year's reporting date (2022: increase of EUR 5.5 million).

6.3 Investments

In 2023, the Allane Mobility Group drove vehicles with a total value of EUR 812.0 million (2022: 371.9 million ; 118.3%) in the leasing fleet. This is mainly due to the increase in the contract portfolio in the Leasing division (cooperation with Hyundai and Kia).

7. Segment reports

7.1 Leasing segment

7.1.1 Industry development

As the second largest leasing market in Europe, the German leasing industry has continued to develop positively. According to the Bundesverband Deutscher Leasing-Unternehmen e.V. (BDL - Federal Association of German Leasing Companies), new business in terms of acquisition values rose by 15.0%. This increase is made up of growth of 17.8% in new leasing business and an increase of 1.8% in the installment plan segment.

Sources
BDL, Forecast on the development of the leasing industry in the 2023 financial year, January 5, 2024.

7.1.2 Business development

The Leasing division comprises retail leasing (private and commercial customer leasing, as part of traditional online retail, as well as captive leasing) and fleet leasing (corporate customer leasing).

In the 2023 financial year, the division generated total sales of EUR 594.2 million, an increase of 8.0% (2022: EUR 550.0* million). Operating segment revenue (excluding sales revenue) rose by 13.7% to EUR 321.1 million (2022: EUR 282.4* million). Lease income (finance installment) increased by 14.4% to EUR 215.3 million (2022: EUR 188.3 million). Other income from the leasing business, which mainly consists of service revenue, increased by 12.4% to EUR 105.8 million (2022: EUR 94.2* million). Revenue from vehicle sales increased by 2.0% to EUR 273.0 million (2022: EUR 267.6 million).

As at 31 December 2023, the segment's contract portfolio amounted to 77,300 contracts, which represents an increase of 12.3% compared to the previous year's reporting date (2022: 68,900 contracts).

In Retail Leasing, the contract portfolio increased significantly by 23.7% to 43,600 contracts (2022: 35,300 contracts). This was due in particular to the cooperation in captive leasing, which was further established in the past financial year.

In fleet leasing, the number of contracts rose slightly by 0.3% to 33,700 contracts (2022: 33,600 contracts). This increase is mainly due to the growing contract portfolio in fleet leasing, which was generated with existing customers.

With a value of EUR 306.1 million (2022: EUR 292.1* million), expenses for the vehicle fleet and leased assets represent the main expense item.

The division's earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 19.3% to EUR 220.0 million (2022: EUR 184.4 million). However, earnings before taxes (EBT) fell slightly by 2.9% to EUR 11.9 million (2022: EUR 12.3 million). This is due in particular to rising depreciation and amortization and a deterioration in the financial result. The segment's operating return on sales (EBT/operating segment sales) therefore amounted to 3.7% (2022: 4.3*%).

Key figures
Leasing business unit

in EUR million	2023	2022	Change in %
Leasing revenue (finance rate)	215.3	188.3	14.4
Other revenue from leasing business[1]	105.8	94.2*	12.4
Sales revenue	273.0	267.6	2.0
Total revenue	**594.2**	**550.0***	**8.0**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	220.0	184.4	19.3
Earnings before interest and taxes (EBIT)	27.8	16.4	69.4
Earnings before taxes (EBT)	11.9	12.3	–2.9
Operating return on revenue (%)	3.7	4.3*	–0.6 points

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"

[1] In the 2023 financial year, revenue from selected service components in the Leasing business unit will be recognized on a net basis. Due to the adjustment, the previous year's figure of EUR 140.2 million changed by EUR 46.0 million to EUR 94.2 million. As a result, the expenses for the vehicle fleet and leased assets in the previous year were also presented on a net basis.

Retail Leasing

Online Retail

Marketing and sales campaigns: In the 2023 financial year, Allane carried out several marketing and sales campaigns in Online Retail. These included, for example, the "Frühlingskracher" and "Black Leasing Friday" promotions, in which the company made a limited number of new car models available to private and commercial customers at discounted prices. The special campaigns focused on moderately priced vehicle models with predictable delivery times.

Increasing sales efficiency: According to the German Association of the Automotive Industry (VDA), new car orders in Germany fell by 18% year-on-year due to a significant deterioration in the already weak market situation in the previous year. This was compounded in the second half of the year by an accelerating discount campaign by manufacturers and their manufacturer banks. Despite this difficult situation, Allane was able to maintain its market share in the new car leasing segment at the previous year's level. The company has also started to sell new car leasing products at the autohaus24 locations. These activities will be successively continued in the 2024 financial year.

Increase in customer satisfaction: The Allane Mobility Group regularly asks its private and commercial customers about their satisfaction with the company's products and services at various touch points - from configuration on the website to returning the vehicle. For 2023, the results of the survey yielded a Trustpilot rating of around 4.3, with a maximum value of 5.0. This corresponds to an increase of 0.2 points compared to the previous year and can be attributed to the initiatives to increase customer satisfaction within online retail.

Expansion of the product and service portfolio: In the 2023 financial year, the Allane Mobility Group added various new products to its range of services. Since May 2023, leasing customers have been able to charge their electric vehicles at favorable conditions via Allane's partner EnBW, while customers with combustion vehicles have been able to refuel at a lower price via partner ryd since June 2023. Allane has also been offering return insurance via its partner ELEMENT since September 2023. Over the course of the year, the Allane Mobility Group also increased the number of leasing offers for immediately available new cars from 2,000 at the beginning of the year to around 6,000 by the end of the year.

Increased profitability: In the 2023 financial year, against the backdrop of rising interest rates, the focus was particularly on optimizing the product range from a profitability perspective. Allane has also made progress here. For example, models were deliberately advertised which, due to their attractiveness, led to high demand and a high number of contracts concluded and generated sufficiently high profitability. The corresponding optimization ungs projects will be continued in the 2024 financial year.

Sources
VDA, Production and market in December 2023, 4 January 2024.

Captive Leasing

"Allease" dealer portal: After signing a cooperation agreement with Hyundai in 2022, Allane has also been working with Kia since the 2023 financial year and offers leasing products to the relevant dealers on this basis. Allane regularly requests feedback from dealers and customers in order to continuously develop the "Allease" dealer system introduced specifically for this purpose.

Market launch with Hyundai and Kia: Allane has further intensified its leasing business with almost all Hyundai dealers in Germany in the 2023 financial year. Since the start of the collaboration, the dealers have been marketing leased vehicles under the "HYUNDAI Leasing" brand.

In addition, the Allane Mobility Group began business activities with almost all Kia dealers in Germany as part of a pilot phase in the first half of 2023. Cooperation with Kia dealers was gradually expanded through a comprehensive training program for the captive leasing sales force. The aim of this gradual approach is to build a lasting relationship with the dealers with the help of intensive support from Allane. Following the extensive pilot phase in the 2023 financial year, almost all German Kia dealers had started working with Allane at the time of reporting. This enables dealers to market their Kia vehicles with leasing offers and optional service modules under the "Kia Leasing" brand.

Fleet Leasing

Expansion of the product portfolio in claims management: The Allane Mobility Group offers its fleet customers comprehensive claims management as a supplementary service component to the leasing contract.

Since the 2023 financial year, the Allane Mobility Group has been offering its fleet customers the opportunity to expand the scope of services by selecting the "Claims Management+" product as a service module. Compared to the existing "Claims Management" product, business customers will be able to access an online claims file in a portal created individually for them. Each individual claim is documented here in detail and stored with images. This gives customers a detailed overview of all damage to their fleet at all times.

Certification of the return process: In the 2023 financial year, Allane SE received the "VMF® - THE FAIR VEHICLE EVALUATION" certification, which applies to all Allane brands. It represents an important step towards greater transparency, customer friendliness and acceptance.

7.2 Fleet Management segment

7.2.1 Industry development

The Allane Mobility Group estimates that demand for fleet management services remains high - also in light of the fact that many companies are increasingly outsourcing the management of their vehicle fleets to external specialists. This allows fleet managers to focus on their core business, achieve cost and planning security and gain access to specialized expertise.

According to Dataforce, around 977,000 new passenger cars were registered in the "relevant fleet market" (new commercial registrations excluding vehicle construction, dealerships and car rental companies) in 2023. This corresponds to an increase of 12% compared to the previous year and represents a new record figure, significantly exceeding the previous high of around 938,000 units in 2019. This means that for the first time in a calendar year, more company cars were registered than private vehicles in 2023. Dataforce recorded the highest percentage growth in new registrations of vehicles with hybrid or combustion engines, while new registrations of BEVs (battery electric vehicles) and PHEVs (plug-in hybrid electric vehicles) declined in 2023.

According to Allane's estimates, a growing fleet market is leading to greater complexity in fleet management and higher customer expectations. This means that tailored mobility solutions and individual advice are becoming increasingly important for fleet managers. Against the backdrop of digitalization, it is also necessary to install interfaces for the increasing exchange of data.

Sources
Dataforce, German fleet market reaches new all-time high in 2023, January 09, 2024.

7.2.2 Business development

The Fleet Management division is operated within the Allane Mobility Group by Allane Mobility Consulting GmbH and other direct and indirect subsidiaries of Allane SE.

The division's total sales in the reporting year amounted to EUR 25.1 million and was thus 19.4% above the previous year's level of EUR 21.1* million . Operating segment sales (excluding sales revenue) increased by 16.1% to 21.6 million (2022: 18.6* million). Income from the brokerage / resale of customer vehicles increased in the reporting year by 38.4% to EUR 3.5 million (2022: EUR 2.5* million).

As at 31 December 2023, the segment's contract portfolio amounted to 48,500 contracts by 3.1% above the figure on the previous year's reporting date (2022: 47,000 contracts). The increase is mainly due to the growing contract portfolio with existing customers.

The main expense item is the cost of the vehicle fleet and leased assets in the amount of EUR 24.4 million (2022: EUR 22.2* million).

The division's earnings before interest, taxes, depreciation and amortization (EBITDA) increased significantly in the reporting year by 54.5% to EUR 1.1 million (2022: EUR 0.7 million). Earnings before taxes (EBT) increased by 29.5% to EUR 0.7 million (2022: EUR 0.6 million). The development of earnings in the 2023 financial year was characterized in particular by the positive development of sales revenue and other operating income, with expenses remaining at the same high level as in the previous year. The operating return on sales (EBT/operating segment sales) thus reached 3.4% after 3.1*% in the previous year.

Key figures
Fleet Management business unit

in EUR million	2023	2022	Change in %
Fleet management revenue	21.6	18.6*	16.1
Sales revenue	3.5	2.5*	38.4
Total revenue	**25.1**	**21.0***	**19.4**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1.1	0.7	54.5
Earnings before interest and taxes (EBIT)	0.8	0.6	31.4
Earnings before taxes (EBT)	0.7	0.6	29.5
Operating return on revenue (%)	3.4	3.1*	+0.3 Points

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"
[1] In the 2023 financial year, revenue from selected service components in the Fleet Management division will be recognized on a net basis. Due to the adjustment, the previous year's figure of EUR 57.0 million changed by EUR 38.4 million to EUR 18.6 million.
[2] In the 2023 financial year, revenue recognition will also be adjusted on a net basis for sales revenue from the marketing of customer vehicles in the Fleet Management division. As a result of the adjustment, the previous year's figure of EUR 64.1 million changed by EUR 61.5 million to EUR 2.5 million.

Expansion of the product and service portfolio: In the 2023 financial year, Allane launched a partnership with the Berlin-based fintech company Circula. With its "Mobility as a Service" offering, Allane provides its fleet customers with solutions for digital mobility budgets that their employees can tailor to their individual needs: All modes of transportation can be used, from private cars to bicycles and trains.

Since the 2022 financial year, fleet customers have also had the opportunity to apply for the greenhouse gas reduction premium (GHG premium) for e-vehicles via Allane Mobility Consulting. The service package also includes the sale of the GHG quota and is implemented in cooperation with ADAC. All owners of a purely battery-powered electric vehicle are eligible to receive the GHG bonus.

Renewal of the EcoVadis certificate: Environmental, social and corporate governance frameworks are an important basis for the business decisions of Allane Mobility Consulting GmbH. The renewal of the EcoVadis certificate in May 2023 was an important step in documenting Allane Mobility Consulting's sustainability performance. The certification is based on an assessment by EcoVadis, which includes 21 sustainability criteria on the four core topics of environment, labor and human rights, ethics and sustainable procuremen

B.3 – Human resources report

1. Strategic human resource work

As a service company, the Allane Mobility Group attaches great importance to the satisfaction of its employees. For this reason, Allane attaches strategic importance to human resources work. The holistic approach ranges from selection procedures to assess the suitability of potential candidates to training and further education for professional and personal development.

When a new employee starts at Allane, an individually prepared onboarding process begins. This includes both a professional and personal introduction to the respective department and the company as a whole.

During the employment relationship, the Allane Mobility Group fosters an active feedback culture and ensures that employees are regularly evaluated by their managers and vice versa. Feedback tools such as regular employee satisfaction surveys and supporting 360-degree feedback (management assessments that compare self-assessment with the assessment of superiors, colleagues and employees) serve both employees and Allane as an indicator and basis for future development and support programs tailored to the individual employee. In addition, all employees have access to a wide range of training seminars via a digital training platform, from which they can select and attend suitable courses in consultation with their manager.

The aim is to achieve continuous personnel development that is tailored to the respective needs and requirements. The aim of human resources work is for employees to take responsibility for adapting Allane's products and services to the changing (mobility) needs of its customers and to be empowered to play an active role in improving the range of products and services.

The promotion of young talent, employee development and management training at Allane are integrated into the central HR management of the Allane Mobility Group.

Promotional programs

Allane offers its employees a variety of national and international career paths. Employees can also take advantage of a wide range of opportunities for professional and personal development. Important components include the "Team Leader" and "Supervisor" development programs as part of management development. Among other things, these serve to identify employees with particular development potential, promote them in a structured manner and thus train future top performers and managers.

2. Number of employees

Number of employees by business unit (average)

	2023	2022
Leasing	664	657
Fleet Management	66	81
Total	**730**	**738**

The Allane Mobility Group employed an average of 730 people in 2023 (2022: 738 employees), which corresponds to a decrease of around 1% compared to the previous year.

3. Key features of the remuneration system

3.1 General remuneration policy of the Allane Mobility Group

The Managing Board of Allane SE is responsible for the appropriate design of the remuneration systems for employees and regularly informs the Supervisory Board of Allane SE about the specific structure of the remuneration systems, voluntarily taking into account the requirements of the Remuneration Ordinance for Institutions (InstitutsVergV). In turn, the Supervisory Board of Allane SE is responsible for structuring the remuneration system for the Managing Board. The control units (in particular Internal Audit, Compliance, Human Resources and Risk Management) are involved in the structuring and monitoring of the remuneration systems in accordance with the requirements of the InstitutsVergV.

The remuneration policy is an important component of the Allane Mobility Group's corporate policy. Its primary purpose is to attract new employees to the company and to motivate and retain existing employees in the long term by providing suitable incentives. In addition, compliance with the relevant legal requirements is an important component of the remuneration policy. The following framework conditions apply to the remuneration policy:

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

3.2 Remuneration system of employees

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

The components of the remuneration system outlined in the following do not essentially differ between the different business units and are therefore presented as a whole. In case of deviations in individual cases, these will be explicitly referenced. For the employees, the total remuneration consists of a non-performance-related basic remuneration, a variable salary component (bonus or commission) and so-called benefits (fringe benefits), whereby not all employees receive a variable salary component.

Non-performance-related basic remuneration
All employees receive a fixed annual salary to be paid out in twelve-equal instalments monthly after each month (basic remuneration). Key parameters determining the remuneration unrelated to performance are the function as well as the scope of assignments and responsibilities held and the associated decision-making powers.

Variable salary component
In addition to the basic remuneration, some employees receive variable remuneration calculated on an annual basis depending on the success of the company and/or the achievement of personal targets. The variable portion of the remuneration depends on the function, the hierarchy level and the personal degree of target achievement and ranges from a ratio of basic remuneration to variable remuneration of around 60:40 to around 95:5, assuming full target achievement. The personal targets are derived from the company's overarching objectives across the various functional levels. The personal target therefore always takes into account the target of the organizational unit of the respective employee. Payment is then made after the end of the financial year, at the latest as part of the salary payment for the third month after the end of the financial year.

In contrast to this, the variable remuneration (commission) in sales is calculated monthly (retail leasing) or quarterly (fleet leasing) and paid in arrears. In Retail Leasing, the ratio of basic remuneration to variable remuneration can be up to 1:2 depending on the degree to which personal targets are achieved. This group of employees in question perform their sales activities within a very narrowly defined framework. They do not decide independently on the conclusion of a contract; approval is given or refused by Operational Credit Management within the framework of the authority regulations. This is intended to ensure that the actions of the sales team meet the requirements of the risk strategy.

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

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

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

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

3.3 Remuneration system of the Managing Board

The Supervisory Board has determined the remuneration for 2022 and 2023 on an individual basis as follows. The remuneration of former members of the Managing Board is presented in the notes to the consolidated financial statements under "Other information".

Remuneration

in Euro	Donglim Shin 2023 actual	Donglim Shin 2022 actual	Álvaro Hernández 2023 actual	Álvaro Hernández 2022 actual
Basic remuneration	360,576	387,715	300,000	300,000
Taxable pecuniary benefits and other fringe benefits	117,627	101,202	104,220	107,465
Total fixed remuneration	**478,203**	**488,917**	**404,220**	**407,465**
Multi-year variable remuneration	58,548	71,755	109,890	99,600
Total remuneration	**536,751**	**560,671**	**514,110**	**507,065**

The remuneration system for the Managing Board of Allane SE is determined by the Supervisory Board. The statutory requirements and the recommendations and suggestions of the German Corporate Governance Code (GCGC) are taken into account, which are essentially followed (deviations can be viewed in the declaration of conformity on the website ir.allane-mobility-group.com). The structure of the remuneration system is regularly reviewed for appropriateness. This is to ensure that the remuneration is commensurate with the tasks and performance of the Managing Board.

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

As a result of the acquisition of the majority of shares and voting rights in Allane SE by Hyundai Capital Bank Europe GmbH, the company must comply with special banking supervisory regulations.

The so-called risk takers apply to the variable remuneration of the Managing Board in particular in accordance with Sections 19 to 22 in conjunction with Section 27 InstitutsVergV. In particular, this means that the payment of 40% of the variable remuneration must be extended over a deferral period of up to five years under certain circumstances. This relates to any deferral components of the variable remuneration.Under certain circumstances, the payment of 70% of the variable remuneration must be deferred over a retention period of up to four years.

In addition, the members of the Managing Board, like other managers of the Allane Mobility Group, receive benefits such as a company car, fuel card, cell phone and contributions to accident insurance. Furthermore, D&O insurance has been taken out for the members of the Managing Board. There are no pension commitments for the members of the Managing Board.

3.4 Remuneration system of the Supervisory Board

The remuneration of the Supervisory Board is governed by the Articles of Association of Allane SE. These only provide for a non-performance-related remuneration component and therefore no performance-related variable remuneration components. In accordance with the Articles of Association, the members of the Supervisory Board are entitled to fixed remuneration of EUR 40,000 in each financial year, while the Chairperson is entitled to EUR 50,000. If the office of member and/or chairperson of the Supervisory Board is not exercised for the entire duration of a financial year, the aforementioned remuneration is granted pro rata temporis in accordance with the actual duration of membership of the Supervisory Board or the exercise of the office of chairperson. The remuneration is due for payment at the end of each financial year. The members of the Supervisory Board are also reimbursed for their expenses and the value added tax payable on their remuneration and expenses. D&O insurance has also been taken out for members of the Supervisory Board. There are no pension commitments for the members of the Supervisory Board. In addition, the members of the company's Supervisory Board who are affiliated with the current majority shareholder have waived their claims to remuneration.

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

Composition of subscribed capital, share categories

As of 31 December 2023, the share capital of Allane SE amounted to EUR 20,611,593.00 in total and was composed of 20,611,593 ordinary bearer shares. The Company's shares are no-par value shares with a notional interest in the share capital of EUR 1.00 per share. All shares have been fully paid up. The shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Act (Aktiengesetz – AktG), in particular by sections 12, 53a et seq., 118 et seq. and 186 of the AktG.

Restrictions on voting rights or the transfer of shares

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

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

Shareholdings in Allane SE

Hyundai Capital Bank Europe GmbH, with its registered office in Frankfurt am Main, Federal Republic of Germany, continues to hold 18,976,123 ordinary voting shares in the share capital of the Company pursuant to the latest voting rights announcement published in connection with the acquisition as of 16 July 2020, accounting for 92.07% of the voting rights. The Company has not received any information about, and the Managing Board is not aware of, any further direct or indirect interests in the share capital exceeding 10% of the voting rights as at 31 December 2023.

Shares with special rights

As of 31 December 2023, there are no shares conveying special control rights. Employee participation and their control rights.

Employee participation and their control rights

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

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

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

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

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

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

Allane SE has made use of the option of specifying different majority requirements by means of a provision in the Articles of Association that is common among listed companies. According to section 20 (2) of the Articles of Association, decisions of the Annual General Meeting can be adopted by a simple majority of votes cast, insofar as this does not conflict with any mandatory statutory provisions or the Articles of

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

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

Conditional capital

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

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

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

Agreements with Sixt SE and subsidiaries

As part of the sale of Sixt SE's stake in Allane SE to Hyundai Capital Bank Europe GmbH ("HCBE") agreed on 21 February 2020, Allane SE and Sixt SE have concluded an agreement on the continued use of the existing trademark rights ("trademark agreement") for a period of five years from the date of closing of the transaction.

The lease agreement concluded as part of the sale of Sixt SE's stake in the company to HCBE for the properties used by the company at its registered office, which are owned by a subsidiary of Sixt SE, provides for a special right of termination.

The trademark agreement as well as the concluded lease agreements can be extraordinarily terminated by the contractual partner Sixt SE if the shareholding of HCBE (or that of a company affiliated with it) falls below a threshold value equal to the shareholding of around 41.9% acquired by Sixt SE or if a third party acquires a shareholding in Allane SE that is larger than the shareholding of HCBE and companies affiliated with it. They can also be terminated for cause if shares in the company are transferred directly or indirectly to competitors of Sixt SE by HCBE or its shareholders.

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

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

B.5 – Report on outlook

1. Economic environment

In its January 2024 outlook, the International Monetary Fund (IMF) expects the global economy to grow by 3.1% for the year as a whole. This would correspond to the pace of growth in 2023, when the global economy also grew by 3.1%. The IMF experts have thus raised their estimates for 2024 by 0.2 percentage points compared to October 2023. The correction is due in particular to the fact that both the USA and some emerging and developing countries are proving more resilient than expected in October and is also attributable to the fiscal support measures in China.

The IMF expects marginal GDP growth of 0.9% for the eurozone in 2024 (2023: 0.5%). The autumn forecast has thus been revised downwards by 0.3 percentage points. The reasons for this are weak consumer sentiment, the ongoing impact of high energy prices and the weakness of the interest rate-sensitive manufacturing sector and corporate investment. The IMF also anticipates marginal economic growth (of 0.5%) for Germany (2023: -0.3%). In their fall forecast, the IMF experts had still expected an increase of 0.9%.

In its December 2023 outlook, the Kiel Institute for the World Economy (IfW) expects global GDP to grow by 2.9% in 2024, leaving the forecast from September 2023, in which the IfW experts had expected an increase of 2.8%, virtually unchanged. Against the backdrop of the inflation shock and the massive tightening of monetary policy, the global economy held up better than expected in 2023; however, economic expansion was moderate. According to the IfW experts, inflation is now falling rapidly. They also expect interest rate cuts motivated by monetary policy as early as the first half of 2024. However, there are currently no signs of an economic upturn. According to the IfW, the advanced economies are being held back by a high level of uncertainty about the economic environment and fiscal policy stimuli are disappearing. For China, the IfW continues to expect subdued economic momentum as a result of structural problems.

In its December 2023 outlook, the IfW expects economic growth of 0.8% for the eurozone in 2024, lowering its forecast from September 2023 by 0.6 percentage points. According to the IfW, the eurozone will be in a transitional year in 2024 in which the paralyzed growth is to be overcome. Now that financing conditions have deteriorated, private consumption is restrained and there is currently no external stimulus, economic momentum in the eurozone will initially remain weak. Over the course of the year, however, the economic environment should be revitalized by rising real wages and expected interest rate cuts. According to the IfW, the inflation rate will normalize to 2.2% in 2024.

For Germany, the IfW expects GDP to increase by 0.9% in 2024. The forecast from September 2023 has thus been lowered by 0.4 percentage points. The reason for the IfW's subdued expectations is the expected budget cuts for 2024, which could have a negative impact on economic activity. The construction industry in particular has come under pressure due to the rise in interest rates. The cooling inflation in the eurozone and the expected easing of interest rate policy should also provide more positive incentives in Germany over the course of the year, but should not yet lead to a return to major economic momentum overall. The stable labor market in particular remains a support for the weakening German economy.

Sources
IWF, World Economic Outlook Update, January 2024;
IfW, Kiel economic reports No. 109 and 110, December 2023.

2. Projected industry development

According to the Federal Association of German Leasing Companies (BDL), the outlook for the German leasing industry in 2024 is subdued. These expectations are based on stagnating economic growth, global geopolitical risks, increasing uncertainty due to the rise of right-wing populist parties in the western world and planning uncertainty for investments in Germany. In addition, the German government's austerity measures as a result of the ruling by the Federal Constitutional Court are slowing down the progress of transformation in Germany. According to the BDL, investment in equipment will stagnate at most in 2024, which will also severely limit growth in the leasing industry, which finances a significant proportion of this investment.

The German Association of the Automotive Industry (VDA) expects the global passenger car market to grow moderately by 2.0% in 2024, following growth of 10.0% last year. This would mean that the pre-crisis level of 2019 would almost be reached again in 2024; the total volume would increase to 77.4 million units. According to the VDA forecast, the US light vehicle market is also expected to grow by 2.0% in 2024. For China, the VDA is forecasting growth of just 1%. Europe, meanwhile, is expected to grow at an above-average rate of 4%, while the German market is expected to shrink by 1.0% to

2.8 million cars. This figure would be a quarter below that of the pre-crisis year 2019. The market for e-mobility in particular will continue to slow down. The VDA expects sales of electric cars to fall by 9.0%. The discontinuation of the purchase premium for electric cars from 18 December 2023 will also have a negative impact here. While car production in Germany is expected to stagnate at 4.1 million cars, production by German manufacturers abroad is set to increase by 4.0%. As production increases, supply restrictions are currently also easing. The production of electric cars in particular is developing strongly in Germany, so that by 2024 almost every third car produced will have an electric drive, with growth of 19%.

According to Allane, providers of fleet management services could see good demand even in a tense macroeconomic environment, as companies are particularly reliant on reducing their internal expenditure and total cost of ownership of their fleet in these situations. By outsourcing fleet management, they benefit from the expertise of service providers in purchasing and vehicle marketing as well as their maintenance and repair networks, while they can save on personnel resources and concentrate on their core business.

Sources
BDL, Forecast on the development of the leasing industry in the 2023 financial year, January 25, 2024.
VDA, Press release, VDA annual kick-off press conference 2024, January 30, 2024.

3. Expected general development

The Allane Mobility Group intends to further expand its position in online direct sales of new vehicles and as a specialist in the management and full-service leasing of company fleets in the 2024 financial year.

To this end, the previous strategy was adjusted in the 2022 financial year. The new strategic direction of the Allane Mobility Group *„FAST LANE 27"* forms the foundation for becoming the leading cross-brand provider of comprehensive mobility solutions in Europe in the long term. The overarching goal is to meet changing customer needs and grow profitably.

After the company had already implemented initial strategic measures in the 2022 and 2023 financial years, further steps are planned for the current financial year.

For example, the Allane Mobility Group is planning to further expand its offering, taking into account trends such as car-as-a-service, used car leasing, electromobility and modular services. At the same time, innovation and cooperation will become even more important. Thanks to the strong growth in the captive leasing business based on the partnerships with Kia and Hyundai, the share of the Kia and Hyundai brands in the Group's contract portfolio is expected to increase further.

In addition, measures to optimize processes and costs should have a positive impact on the Group's productivity and earnings performance. The aim is to make internal processes even more efficient through the further digitalization and automation of business processes. In addition, further measures will be implemented to optimize the cost structure by making even better use of synergies between the divisions.

Further growth and synergy opportunities could arise from the cooperation with HCBE, the majority shareholder of Allane SE.

The Allane Mobility Group expects prices for petrol and diesel vehicles on the used vehicle market and therefore their residual values to remain stable in 2024. In the area of electric vehicles (EVs), Allane expects demand for new vehicles to decline as a result of the discontinuation of the BAFA premium. In combination with an increase in manufacturers' production capacity, this could lead to an oversupply of EVs in the short term, price adjustments on the used car market and therefore also changes in residual values if production volumes are not adjusted.

3.1 Retail leasing business field

3.1.1 Online Retail

The Allane Mobility Group expects that new car sales will increasingly shift to online channels. This development is also reflected in numerous studies (see "Opportunities report" in this management report).

The Allane Mobility Group has set itself the goal of further developing the online leasing market for private and commercial customers . Further market share is to be gained in particular through suitable marketing activities as well as campaigns and cooperations.

The Allane Mobility Group is constantly working to further develop the Online Retail product and service offering in order to appeal to new customer groups and generate additional growth. In particular, sales and purchasing cooperations for the marketing of new vehicles are intended to support contract growth.

In addition to expanding the range of products and services, Allane attaches great importance to the further development of IT systems and the optimization of customer processes. To continuously improve the customer experience and customer satisfaction, the websites and the ordering, delivery and returns processes are to be made even more user-friendly. Allane also intends to promote the conclusion of new and follow-up contracts.

The online retail business is supported by the now four autohaus24 locations. Among other things, the strategy envisages developing autohaus24 into a Mobility Solution Center that offers optimized products and services over and above the existing range.

Allane's aim is to counteract the dampening effects of the subdued industry development on the company's business performance by exploiting the growth opportunities presented.

3.1.2 Captive Leasing

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

In the 2024 financial year, Allane intends to further expand its new business as part of the partnerships with Hyundai and Kia launched in 2022 and 2023 respectively.

The Allane Mobility Group is continuously working on optimizing the quality of the leasing portal. To this end, the company will continue to maintain an intensive dialog with dealers in the 2024 financial year.

3.1.3 Fleet Leasing

In fleet leasing, Allane operates in a highly competitive market that is dominated in Germany by the large manufacturer-dependent leasing companies. In the fleet customer segment, the company therefore focuses in particular on strengthening long-standing customer relationships and winning over existing customers with individual solutions and consistently high service quality.

Allane intends to continue proactive contract monitoring in the 2024 financial year and to optimize and flexibilize term and mileage changes for fleet customers.

Fleet leasing, which has been operating under the "Allane Fleet" brand since 2023, will increasingly focus on the area of e-mobility in the medium term, despite a decline in the market due to the loss of purchase premiums. Allane Mobility Group is gradually establishing a competence center for e-mobility in fleet leasing, which will offer customers products and consulting services at a later date.

3.2 Fleet Management business unit

In the Fleet Management division, the Allane Mobility Group intends to continue to exploit the trend towards outsourcing fleet management for larger companies in order to acquire new customers. Business in existing markets is also to be further strengthened in the coming years, particularly through the expansion of customer relationships.

Allane will also continue to focus on intelligent IT solutions in the future and invest continuously in the further development of its digital infrastructure and the digitalization of its business model. The aim is to further improve the level of service for corporate customers and the user experience for company car drivers through digital solutions. By expanding self-service options and automating processes, personnel costs for user support can be reduced and shifted to other activities such as advisory services. The company expects positive effects on productivity and customer satisfaction.

In the long term, the Fleet Management division is to develop into a full-service provider of corporate mobility. The mobility needs of employees have changed significantly in recent years, particularly in large cities. Although the company car is likely to remain a central component of corporate mobility, the demand from employees for flexible and individual mobility options that integrate all modes of transportation is steadily increasing. Allane's Fleet Management division is therefore preparing to manage the entire spectrum of corporate mobility across all suppliers and providers: from classic company cars to other mobility solutions in the B2B business sector. For example, Allane develops customer-specific mobility concepts that enable companies to increase their attractiveness on the job market and better meet the mobility needs of their employees.

4. Financial outlook 2024

For the 2024 financial year, the Executive Board expects a contract portfolio in the range of 130,000 to 150,000 contracts (2023: 125,800 contracts) and consolidated operating revenue of EUR 350 to 400 million (2023: EUR 351.8 million)[1]. The Executive Board expects EBT to be in the high single-digit million-euro range (2023: EUR 12.6 million).

This forecast is based on the expectation that the number of new registrations will increase slightly in 2024 and that the inflation rate will decrease. In addition, the above-mentioned financial targets also take into account current interest rate trends. In the event of significant fluctuations in interest rates, the Allane Mobility Group plans to adjust the offer prices in order to ensure the attractiveness and competitiveness of the offers and thus also the profitability of the company in the long term.

The financial planning does not take into account the discontinuation of the BAFA government subsidy for electric cars at the end of 2023, which the Executive Board does not believe will have a significant impact on the Allane Mobility Group's business development as it is assumed that the discontinuation will be compensated for by the OEMs.

As a multi-brand provider, Allane assumes that the market entry of new OEMs will not have a significant impact on the Group's business development. This scenario was therefore also not taken into account in the financial planning.

In addition to the operating business performance in the financial year to date, the forecast for the 2024 financial year also takes into account the weak overall economy. In addition, neither the Russia-Ukraine war nor the Middle East conflict have been resolved, which could have an additional impact on the European economies and the automotive market (see B.6 - Risk and opportunity report).

Overall statement on future development

Overall, the 2024 financial year will also be subject to major uncertainties The potential residual value risks, which may arise in particular as a result of the growing captive leasing business with the Hyundai and Kia brands, could have a negative impact on the 2024 financial year. In order to return to the growth path despite the uncertain exogenous factors, the Allane Mobility Group is systematically pursuing the *„FAST LANE 27"* growth strategy presented in 2022. Among other things, the strategy includes the further establishment of partnerships with Hyundai and Kia as one of the key drivers of future growth.

Based on its solid net assets, financial position and results of operations as well as the aforementioned developments, the Allane Mobility Group is confident about 2024.

[1] As part of the change in accordance with IFRS 15, consolidated operating revenue will be presented on a net basis from the 2023 financial year. Accordingly, planning in the course of the financial forecast for the performance indicator "consolidated operating revenue" will be on a net basis henceforth.

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B.6 – Report on risks and opportunities

1. Risk situation

As a group of companies operating throughout Europe, the Allane Mobility Group is exposed to a variety of risks that can have a significant impact on the Group's business, net assets, financial position and results of operations.

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

Economic and social risks:

The Allane Mobility Group operates in two business areas, Leasing and Fleet Management, both of which will focus their business activities on Germany in 2023.

Both divisions are highly dependent on the macroeconomic environment, which has a significant impact on customers' propensity to invest and spend and therefore on demand for leasing and fleet management services.

In periods of economic weakness, demand for leasing and fleet management services may decline due to cost-cutting measures by companies and private households. In addition, higher default risks, e.g. sector risks and counterparty default risks, can generally be expected during these phases. A weakening of the overall economy could therefore have negative consequences for the demand and profitability of leasing and fleet management products.

The automotive industry is currently undergoing a transformation process that focuses on the transition from vehicles with combustion engines to electric drives. In the second half of 2023 to the first quarter of 2024, it will become clear that electric drive technology is at a turning point, marking the transition from a niche product to the mass market. This transition is associated with specific transformation risks such as market acceptance, customer preferences, etc. These risks can materialize in the form of volatility in demand and marketing losses. This was particularly evident at the end of 2023, when government subsidies were canceled ad hoc and in January 2024 the registration of electric vehicles fell from 23% to around 11%. However, an initial upward correction in the number of electric car registrations was already observed in February 2024. It can be assumed that the transformation risks in 2024 will have a significant impact on the used car price dynamics for electric vehicles.

The Allane Mobility Group's business development may also be affected by unforeseeable external influences, such as natural and environmental disasters, terrorist attacks, epidemics or pandemics. Such events could have a negative impact both directly on operations and on general demand and the supply situation.

As a result of these external events, customers in the existing portfolio, dealers or manufacturers may default on vehicle sales - in particular via buy-back agreements - and service providers may default.

Regulatory risks:

The Allane Mobility Group's business is subject to a large number of laws and regulations. There is a risk that Allane may fail to comply with all legal or regulatory requirements or to respond in a timely manner to changes in the legal or regulatory environment. In addition to the Group's existing requirements under the German Stock Corporation Act (AktG) and the German Banking Act (KWG), Allane Mobility Consulting GmbH has applied for permission to obtain a license to conduct payment transactions under the German Payment Services Supervision Act (ZAG). At the time of reporting, the ZAG license application process is still ongoing. Allane Mobility Group has set up a project team and entrusted it with this task in order to ensure that open information requested by the Federal Financial Supervisory Authority (BaFin)/Bundesbank for the ZAG license is submitted promptly. Queries and requests for information from BaFin/Bundesbank are possible before the licensing procedure is completed. Therefore, the date of approval of the ZAG license is expected in 2024.

1.2 Specific risks in the Leasing and Fleet Management business units

In both divisions, the focus of business activities is on corporate client business. The development of the divisions is therefore dependent, among other things, on the investment behavior of companies. Apart from general economic influences, this investment behavior can be influenced in particular by the economic, accounting and tax framework conditions, especially for commercial vehicle leasing. Higher tax burdens on leasing transactions and company cars or the possibility of disadvantageous changes to international accounting regulations for leasing contracts for lessees can reduce the attractiveness of leasing-based vehicle fleet solutions.

The Allane Mobility Group is focusing its fleet leasing offering on full-service leasing, which includes a wide range of supplementary services for business customers in addition to conventional finance leasing. By consistently positioning itself as a full-service leasing provider, the Allane Mobility Group aims to reduce the dependency of its business success on pure finance leasing, which is subject to price pressure. In addition, the continuous development of new, mostly internet-based products offers the opportunity to differentiate itself from the competition. In addition, the Allane Mobility Group offers attractive vehicle leasing solutions for private and commercial customers in retail leasing, particularly via its websites sixt-neuwagen.de and autohaus24.de at.

The leasing market in Germany remains characterized by various manufacturer- or bank-dependent leasing companies. These benefit from their proximity to manufacturers by participating in special campaigns, receiving profitable purchasing conditions and exclusive and extended utilization options (e.g. closed auctions). Leasing companies belonging to banks also benefit from advantageous refinancing conditions. In this context, the Allane Mobility Group has entered into a strategic cooperation with Hyundai Motor Deutschland GmbH and Kia Deutschland GmbH.

The aforementioned opportunities are offset by risks. On the one hand, captive leasing contributes to the diversification of the customer portfolio, which reduces the customer concentration risk from a credit risk perspective. On the other hand, it leads to increased portfolio concentration with regard to the Hyundai and KIA brands and greater coordination with OEM sales strategy, targets and planning. Looking ahead, the Allane Mobility Group expects a growing number of vehicles from the Hyundai and KIA brands as well as an increasing proportion of vehicles with electric drives. These concentration risks are an integral part of the business strategy and are accepted as part of the risk strategy.

The Allane Mobility Group uses various instruments such as reporting, sensitivity analyses, etc. to make the concentrations from captive leasing transparent, monitor them and take appropriate precautions. The risk is managed using conservative assumptions, including in the planning of marketing results, and by continuously expanding the risk appetite metrics. The tools are continuously developed to reflect new findings and avert damage to the Group's business, net assets, financial position and results of operations.

In general, the Allane Mobility Group obtains the vehicles it leases to corporate, commercial and private customers from car manufacturers and dealers. As a result, the company is dependent on a sufficient supply of popular vehicle models, their purchase at competitive conditions and an attractive and high-quality product range. There is also a similar dependency on third-party service providers from whom, for example, tires, insurance and services as well as repair work are purchased. In order to limit the risk arising from the aforementioned dependencies, Allane negotiates long-term framework agreements and discount agreements with the relevant suppliers.

2. Internal control and risk management organisation

2.1 Risk management system

Risk Management supports the management of the Allane Mobility Group in implementing the business and risk strategy and is responsible for monitoring all relevant risks in Germany and abroad.

The processes established at Allane SE for identifying, assessing, managing, monitoring and communicating risks, as well as the rules governing the structural and procedural organization, are based on the minimum requirements for the risk management of banks and financial services institutions (MaRisk) established by the German Federal Financial Supervisory Authority (BaFin).

Allane SE has taken into account the requirements specified in Section 25a of the German Banking Act (KWG) and in MaRisk regarding the appropriateness of risk management and the regularity of the business organization, taking into account the complexity of the business model and the extent of the risks assumed by the company in the reporting period.

Allane SE has established the following committees - with no changes in the 2023 financial year - which are responsible for risk management, control and supervision, among other things:

- The **Risk Approval Committee (RAC)** is the collegial committee that supports and advises the Managing Board on all risk management matters at Allane. For approvals granted by the Managing Board or Supervisory Board, the RAC provides support by reviewing and assessing the approval. The RAC, which meets monthly, is chaired by the

Chief Financial Officer (CFO).

- The **Risk Control Committee (RCC)** is a collegial committee responsible for monitoring and controlling Allane's risks. The RCC's tasks are to ensure effective control of risks and to ensure that risks are managed in accordance with the risk appetite approved by the Supervisory Board, always taking a holistic view of all risks identified in the risk map of the risk framework. The RCC, which meets monthly, is chaired by the Chief Risk Officer (CRO).

- The **Residual Value & Pricing Committee (RVPC)** is a committee responsible for the appropriateness and efficiency of Allane's residual value determination. The RVPC, which meets quarterly, is chaired by the CRO.

Allane SE only takes risks if it considers them to be calculable and if they are in line with the objectives set out in the corporate and Group strategy and the previously defined risk appetite.

Based on the risk strategy defined by the Executive Board, the identification, systematic recording and analysis, assessment and prioritization as well as the analysis of the influences and effects of risks on the company are key components of the risk management system. The components of the risk management system are embedded in the organizational structure, which follows the "Three Lines of Defence" model and provides for a clear separation of tasks between the business and operating units, risk management, control and monitoring functions and the process-independent audit department . Based on this, measures can be initiated to avoid, reduce or shift risks.

The materiality of risks is determined annually or as required (e.g. when introducing new products or business areas) as part of the risk inventory. The results form the basis for risk management, which is prepared quarterly for risk reporting - as part of the risk-bearing capacity calculation - and contains all of the company's material risks. Taking into account any outsourced processes, Allane SE has a risk management system for monitoring all relevant risk items, which it continuously develops further based on its own business needs and in line with the requirements of a listed company.

Allane SE has made appropriate risk provisions for default risks and other risks arising from its business activities. A risk provision is recognized for current receivables from leasing and full-service services as well as fleet management services as at the reporting date. This takes the form of value adjustments based on historical default rates and applied value adjustment rates.

A risk provision is recognized for risks arising from residual values of leased assets in the form of a value adjustment on the leased assets as at the reporting date. The risk provision is calculated as the difference between the residual value from the initial lease calculation and the residual values expected at the end of the lease on the respective reporting date, which the Allane Mobility Group receives from an external market provider. The residual value forecasts of the external market provider are adjusted if necessary on the basis of internal expertise - e.g. in the event of previously realized increases or decreases in revenue.

As part of the ongoing development of its early warning systems, the Allane Mobility Group revised the *Internal Contingency Framework* - a multi-stage risk early warning system based on internal and external indicators - in the 2023 financial year, focusing more closely on the used car market. A new external early warning indicator (used car price development index) and threshold values were developed for this purpose.

At the time of reporting, a slight overall recession was served.

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

The internal control and risk management system for the accounting of the Group and the company includes organizational regulations and technical specifications for risk mapping in accounting. With regard to financial matters, general rules of conduct for employees are also set out in the company's internal Code of Conduct .

Key elements of the internal control and risk management system are the clear and appropriate separation of functions in the Managing Board and management responsibilities, including management control processes. management responsibility, including management control processes, the central accounting and reporting organization for all companies included in the Group, specialist specifications in guidelines, manuals, process descriptions and Group guidelines, the recording of business transactions in accordance with the "dual control principle", the implementation of quality assurance processes through dedicated regular audit and control processes, which are tracked by the ICS officer using tools, system-based security measures, manual control processes and regular comparisons with planning and controlling processes in the form of target/actual comparisons, deviation analyses and effectiveness checks by Internal Audit.

To ensure data security, access restrictions and functional access rules are always defined in the accounting-related systems used. Employees are informed and regularly trained on information security and data protection regulations.

The Supervisory Board examines the annual financial statements and the consolidated financial statements, including the report on the situation of the Group and the company as well as the dependent company report, and discusses these with the Managing Board and the auditor.

3. Risk management and controlling process

In addition to taking risks into account in the installed planning, reporting, control and early warning systems, the risk managers of the individual organizational units are responsible for ensuring that all business-relevant and material risks are reviewed throughout the Group by means of a regular risk inventory as part of risk controlling. For this purpose, the assessments of those responsible and other relevant information are analyzed and aggregated. Significant changes in the risk assessment and new risks must be communicated to the management of Allane SE immediately as part of the presentation of the risk inventory results.

The individual risks identified are assigned to different loss classes on the basis of an assessment of the probability of occurrence and the potential amount of loss in the event of occurrence and categorized according to risk type. The individual risks recorded in this decentralized manner are consolidated into a risk inventory by the central risk controlling department at Group level, which also assesses the materiality of the individual risks identified. The risk inventory result determined on this basis forms part of the reporting to the Managing Board and the Supervisory Board of Allane SE.

The main types of risk are presented in aggregated form below.

3.1 Counterparty default risk

The counterparty default risk consists of lessees and fleet management customers not fulfilling their payment obligations during the term of the contract, or only partially fulfilling them, or vehicle suppliers not fulfilling the repurchase agreements made with Allane SE, resulting in payment defaults. This counterparty default risk in the customer business generally increases if the economic situation deteriorates, meaning that leasing and fleet management customers or vehicle suppliers obliged to repurchase vehicles may default more frequently.

The established credit management system identifies the counterparty default risks of all individual exposures upon receipt of the leasing or fleet management contract. When setting up an overall framework for leasing agreements with customers and vehicle buy-back agreements with manufacturers and dealers, the approval or information of certain bodies or committees (including the Risk Approval Committee) is required in accordance with the prescribed authority regulations if certain thresholds are exceeded, which are generally based on the present value of the outstanding payments from the leasing agreements or, in the case of vehicle buy-back agreements, on the total buy-back price agreed with the respective credit rating association. In addition, before fleet management and leasing contracts are concluded, the resulting risks and margins are worked out and prepared for the relevant decision-makers before they approve the conclusion of the contract. In the case of larger commitments, the Managing Board also informs the Supervisory Board if certain thresholds for leasing and vehicle buyback agreements are exceeded.

Counterparty default risks are monitored and actively managed on an ongoing basis. In addition, customer creditworthiness in the fleet customer business is regularly reviewed during the term of the leasing and fleet management contracts. The overall credit lines granted are subject to regular renewal and credit assessment processes in accordance with the authority regulations.

The Allane Mobility Group also pays great attention to the economic stability of the vehicle suppliers it selects to provide repurchase commitments to the Allane Mobility Group. The vehicle suppliers, like the leasing and fleet management ment customers, are subject to regular credit checks.

Any negative changes in leasing or fleet management customers or vehicle suppliers can therefore be identified immediately and at an early stage, and appropriate countermeasures can be initiated promptly. Exposures with increased risk potential or items at risk of default are monitored particularly closely as part of receivables management.

Counterparty default risk can give rise to further risks that can have a negative impact on Allane SE's risk profile due to concentrations of similar and different risk factors. This may result in portfolio-specific concentrations both in individual customers and in individual sectors. In order to avoid risk concentrations, the company has set up suitable risk monitoring measures to identify any concentrations in relation to individual customers or sectors at an early stage.

3.2 Market price risk

The price risk describes the risk of loss due to changes in market prices. At Allane SE, the residual values of leased vehicles and refinancing interest rates in particular are subject to market price risk.

3.2.1 Residual value risk

Residual residual value risks of the Allane Mobility Group result from the marketing of vehicles at the end of the leasing contract if the achievable sales proceeds at this time are below the residual value calculated at the beginning of the contract. The main drivers of this risk include the type of vehicle - for example, exotic brands. Market conditions also play a decisive role; fluctuations in supply and demand have a significant impact on the sales price. In addition, technological developments can make certain engine types quickly obsolete, which significantly reduces their market value. Last but not least, regulatory adjustments, such as the introduction of stricter environmental standards or subsidies for new technologies, have a direct impact on the market value of vehicles.

Another significant factor is the concentration of certain vehicle types or models in the leasing portfolio, which can further increase the residual value risk. A high concentration in specific segments can lead to changes in market conditions, technological developments or regulatory changes having a greater impact on the overall value of the portfolio.

With the strategic cooperation with OEMs, the new captive leasing sales channel and the growing portfolio of vehicles with electric drive technologies, the long-term requirements for residual value risk management and in the marketing process are also increasing. The Allane Mobility Group is working together with the Santander Group to continuously develop the tools within the framework of method adequacy. The focus is primarily on the following:

- Residual value:
- Development of own approaches for projecting future used car prices, coordination of sales channel differentiation to recognize the special position of strategic cooperation with OEMs.
- Impairment:
- Harmonization of standards and data-based parameterization.
- Equity requirement:
- Standardization of the capital model between companies in the Santander Group.
- Scenario analysis:
- Sales channel and marketing channel differentiated scenarios.

Planning, control and reporting are continuously monitored by numerous committees.

In order to prevent the risks of vehicle utilization, the residual values of the vehicles on which the calculation of the leasing contracts is based are partially covered by buy-back agreements with dealers or manufacturers in the Leasing division - in line with market opportunities. However, there has been a decreasing trend in this instrument over the years.

In addition, the Allane Mobility Group interprets vehicle marketing channels as a key instrument for reducing residual value risks. An established, multi-stage process is currently used for this purpose. Vehicles that are not sold to a manufacturer, dealer or lessee under a buy-back agreement at the end of the lease are generally offered to dealers across Europe via self-operated used vehicle locations or via an online auction platform. With the increasing volume of vehicles from captive leasing, the marketing process is being expanded to include the connection to the Hyundai/KIA dealer network and is preparing for the main returns in 2026/27.

In addition, the Allane Mobility Group is working on expanding the autohaus24 sales locations, further increasing the sales capacity of this channel in 2023 and adding a fourth location in Wuppertal. At these four locations spread across Germany, dedicated sales specialists are responsible for marketing the vehicles to end customers. By arrangement, lease returns can also be handed in directly at one of the autohaus24 locations.

The Allane Mobility Group is dependent on the development of the used car market, particularly in Germany, especially in the case of the free marketing of used leased vehicles. The Managing Board is monitoring current price trends on the used car market very closely and in a differentiated manner. The situation for conventional drive types is considered stable in the medium term and is in line with the current marketing results. As the vehicle stock with electric drive technologies only accounts for 15% as at the reporting date and has only been built up since 2022 as part of captive leasing, the price normalizations observed on the market for electric drive technologies will not materialize in marketing for the time being. However, an increase in depreciation is being observed, particularly in captive leasing.

3.2.2 Interest rate risk

Interest rate risks relate to potential losses due to changes in market interest rates. They can arise if fixed-interest periods on the assets and liabilities side of the balance sheet are not congruent. Variable interest rates on financing instruments can also lead to an interest rate risk in the event of market changes.

The Allane Mobility Group aims to raise refinancing funds with largely matching maturities in order to avoid maturity mismatches and concludes derivative contracts to hedge against interest rate risks. However, no guarantee can be given that such hedging will be fully effective or that losses will be completely avoided.

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

With regard to interest rate risk, Allane SE considers the present value loss resulting from a change in the yield curve. In addition to the scenario of a parallel shift in the yield curve by up to 200 basis points, a number of other interest rate scenarios are calculated and reported to the management - broken down into scenarios relevant to management and other scenarios. In doing so, the Allane Mobility Group is guided by the regulatory banking requirements. The company also regularly examines the extent to which parallel shifts in the yield curve affect the interest result (income statement-oriented approach).

3.3 Liquidity risk

The risk describes the risk that existing financial reserves are not sufficient to service the Group's financial liabilities when they fall due. Through its financial planning, the Allane Mobility Group attempts to ensure that sufficient liquidity is available to pay the liabilities due under both normal and stress conditions.

Since the change in the ownership structure in the 2020 financial year, the aim has increasingly been to achieve refinancing with matching maturities within the Group.

Furthermore, the Allane Mobility Group has access to a range of asset-based financing options (e.g. forfaiting or securitization of lease receivables). Allane made use of this for the first time in 2016 and set up an asset-backed securities (ABS) program. The ABS program was revitalized and increased at the end of 2023.

3.4 Business strategy risk

Allane SE considers business strategy risk to be the risk of potential losses and reduced profits due to adverse strategic business developments, decisions or business segment-specific targets or a negative change in the economic environment. In addition to this, the failure to achieve sales targets, for example due to changing customer preferences or the market entry of new market participants as well as changing regulatory conditions, is also considered a strategic business risk.

The management manages the strategic risks using suitable instruments, e.g. through activities in various sales channels and suitable marketing measures, whereby monitoring is carried out by (risk) controlling.

3.5 Operational risks

Operational risk is defined as the risk of loss caused in particular by human behavior, technological failure, inappropriate or faulty processes or external events. Regulatory, legal and tax risks are also included.

The Allane Mobility Group pursues a decentralized approach to managing operational risks, for the implementation of which specially trained coordinators from the individual departments have been nominated. The Risk Controlling department is responsible for measuring and monitoring operational risks .

Legal disputes may result in operational risks for the Allane Mobility Group. In particular, this includes legal disputes arising from contradictions in leasing contracts. In order to prevent disputes, the standard lease agreements and the General Terms and Conditions are reviewed on an ongoing basis and amended if necessary. Allane has set up a department within the Legal department to process, handle and monitor disputes.

The business success of the Allane Mobility Group depends to a large extent on the recognition value and reputation of the Sixt trademarks and domain usage rights owned by Sixt SE. Despite the completed change of ownership, Allane Mobility Group is still entitled to use the Sixt trademarks and domain usage rights for a limited period of time. In order to counteract potential reputational and strategic business risks, Allane SE has established an internal project team to implement the brand change within a reasonable timeframe and to increase awareness of the newly introduced brand through appropriate marketing measures.

Process risk refers to the risk of losses resulting from inappropriate processes. Proper process execution must be ensured by the respective process owner. Process risk is monitored by means of organizational safeguards and controls. Measures designed to prevent errors are integrated into both the organizational structure and the process organization of the Allane Mobility Group and are intended to ensure a specified level of safety. As a process-independent institution, Internal Audit regularly reviews the processes and methods used. To this end, it uses a risk-oriented audit approach - both with regard to conformity with statutory and regulatory provisions and compliance with Group requirements.

Allane Mobility Group uses an IT system developed in-house to handle its leasing and fleet management business. Hardware and software-related system malfunctions or failures can lead to a considerable impairment of operational processes and even bring them to a standstill in an emergency. The high complexity of the IT system results in increased requirements in terms of compatibility with existing systems when implementing new, replacement or supplementary software, which must be met in order to ensure the smooth continuation of business operations.

In addition to internal operational risks, there is also the risk of targeted external attacks by criminals on the company's IT infrastructure and data, e.g. hacking, DDoS attacks, etc. Increasing digitization efforts may further increase this risk. To counter this risk, the Allane Mobility Group maintains its own IT resources, capacities and infrastructure. Its task is to permanently monitor, maintain, develop and protect the Group's IT systems.

The personal skills and knowledge of employees are an important success factor for the Allane Mobility Group. For example, increased fluctuation and the resulting loss of expertise could impair the quality of service in the leasing or fleet management business. The Allane Mobility Group counteracts this risk by increasing its commitment to training and development, anchoring personnel development in the corporate culture and using incentive systems.

The Allane Mobility Group's business activities involve a large number of different contracts. For the most part, standardized agreements are used, which must be mapped accordingly in the operational processing systems. Even minor formulation inaccuracies or changes in the legal or contractual framework can have a significant impact on business activities. The Allane Mobility Group counteracts the resulting risks through contract management involving legal experts and a wide range of system controls.

Other regulatory, legal and tax risks associated with business activities as a financial services institution are mitigated by a MaRisk-oriented compliance structure and the associated control and prevention mechanisms. Any regulatory, legal and tax law innovations or changes that arise are continuously monitored by the respective specialist departments of Allane SE, communicated to the management and implemented promptly and on time as part of projects.

Outsourcing risk was identified as a relevant risk for the first time in the 2023 financial year and mainly relates to outsourced IT services. Allane has provided additional resources for the management of outsourcing risk, including by appointing an outsourcing officer, and has established a comprehensive framework. In addition, based on the corresponding outsourcing agreements, the envisaged audit and control rights are exercised continuously vis-à-vis the respective service providers.

The IT administration that was outsourced in the past was integrated into the Allane Mobility Group as part of the IT carve-out project .

Sustainability risks are events or conditions in the environmental, social or corporate governance areas, the occurrence of which could have an actual or potential negative impact on Allane's net assets, financial position and results of operations as well as its reputation. Allane already considers sustainability risks as potential risk drivers in the identified risk types (including transformation risk with a long-term impact on combustion engines or legal changes). Taking current social, economic and regulatory developments into account, Allane Mobility Group is stepping up its efforts to further integrate sustainability risks into its risk management and risk controlling processes in line with the requirements of the Standard Group.

3.6 Investment Risk

Due to the investment structure of the Allane Mobility Group, no investment risk is identified at Group level.

Allane SE defines investment risk as the risk of unexpected losses resulting from the market value of investments falling be-low their carrying amount. In addition, Allane SE's 100% shareholding in Allane Mobility Consulting GmbH poses a direct earnings impact risk, as a profit and loss transfer agreement has been in place between Allane SE and Allane Mobility Consulting GmbH since the 2015 financial year. Since 2023 there is also a profit and loss transfer agreement with One Mobility Management GmbH. Losses incurred by Allane Mobility Consulting GmbH would therefore have a direct impact on the earnings situation of Allane SE.

The risk management and risk controlling system of Allane Mobility Consulting GmbH has been outsourced to Allane SE on the basis of the existing outsourcing agreement. The risk methods and procedures to be applied at Allane SE are also used for Allane Mobility Consulting GmbH. In this respect, Allane Mobility Consulting GmbH is closely integrated into the risk management and monitoring processes of Allane SE. This is intended to identify negative risk and earnings developments at Allane Mobility Consulting GmbH at an early stage and initiate suitable countermeasures.

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

Allane SE has installed a Group-wide internal control and risk management system designed to identify and actively manage developments at an early stage that could lead to significant losses or jeopardize the continued existence of Allane SE or the Group. The assessment of the overall risk profile was further expanded in the 2023 financial year. All listed risks are regularly analyzed, documented and assessed in terms of their probability of occurrence and potential impact as part of the established risk management system. The Executive Board and Supervisory Board are informed of the results so that any necessary countermeasures can be initiated if required.

The Allane Mobility Group's internal control and risk management system is based on the requirements of the Santander Group and strives for methodological adequacy in line with the principle of proportionality.

The Allane Mobility Group must ensure that it has sufficient funds at all times to be able to bear the risks incurred (risk-bearing capacity principle). As part of the risk-bearing capacity calculation, which is a key component of the Allane Mobility Group's quarterly risk reporting system, the unexpected loss from the risks classified as material is compared with the available risk cover at a confidence level of 99.95%. The risk-bearing capacity is given if the material risks can be covered on an ongoing basis by a corresponding risk cover amount. As at the reporting date of 31 December 2023, Allane reported risk potential for counterparty default risk, market price risk (residual value and interest rate risk) and liquidity risk, business strategy and operational risk as well as investment risk in the amount of EUR 207.1 million.

The main risks are distributed as follows as at 31 December 2023:

Risk type

in EUR million	Risk share in the total risk 2023	2022
Residual value risk	109.8	76.9
Counterparty default risk	49.0	34.9
Interest rate risk	16.3	20.5
Operational risk	11.5	10.5
Investment risk	4.6	9.1
Liquidity risk	0.0	0.1
Business strategic risk	15.8	20.2
Total risk	**207.1**	**172.2**

The main changes compared to the previous year's reporting date relate to the risk types of counterparty default risk, interest rate risk and business strategy risks. The counterparty default risk has changed mainly due to a change in methodology to a present value exposure approach without residual values. The increase in interest rate risk is a reflection of the current interest rate volatility.

The residual value risk model was converted to Santander Group standards as part of the further development of the risk controlling approaches. The new model generates a loss distribution using a Monte Carlo simulation based on the losses realized in the past in the remarketing process for returned vehicles.

Counterparty default risks are quantified using a credit value at risk (CVaR) approach based on the Gordy model. Operational risk is calculated on the basis of both an economic approach and the regulatory basic indicator approach. The higher value of these two approaches is decisive for inclusion in the risk-bearing capacity calculation.

Interest rate risks are simulated using a historical loss distribution based on interest rate changes since the 2008 financial year. Investment risk is quantified on the basis of the look-through method. Liquidity risks are calculated on the basis of a historical loss distribution using the liquidity value-at-risk, which quantifies the monetary impact of changes in refinancing costs. A lump sum is reserved from the available internal capital for unidentified risks.

The internal capital (risk coverage potential) in accordance with the net asset value approach amounts to EUR 360.3 million (essentially comprising EUR 195.3 million in balance sheet equity and EUR 161.7 million in assets (incl. provision book)). This results in coverage of the material risks of around 156.6% (incl. management buffer). Risk-bearing capacity was ensured at all times during the entire reporting period, both at overall risk and risk type level. No limit overruns were identified.

Allane SE carries out quarterly stress tests based on the material risks. The main objective of a stress test is to measure the capital erosion in a stress scenario and thereby quantify the risk. To this end, stress tests are used to model unusual and extreme but plausible events. Due to their forward-looking nature, the results of stress tests are also used as early warning indicators and for proactive risk management.

The following types of stress tests were taken into account in the risk-bearing capacity calculation as at 31 December 2023:

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

The individual scenarios are derived from hypothetical and historical events and are adapted to current economic developments. The stress tests carried out in the 2023 financial year showed that the risk-bearing capacity was ensured at all times during the reporting period.

In addition to the presentation of the risk-bearing capacity calculation, we calculate various metrics to show the risk appetite in the areas of solvency, earnings volatility, concentrations, liquidity and non-financial risks. These risk appetite metrics are important for the early identification of risks. They are also continuously monitored by various risk committees.

Thanks to the internal control and risk management organization described above, the Allane Mobility Group believes it is appropriately positioned to monitor and manage the Group, particularly with regard to the current geopolitical risks. The company's risk situation has remained stable and has grown in proportion to the volume of business.

To ensure liquidity, the Allane Mobility Group draws on existing credit lines and refinancing options from within the Group. Based on the short and medium-term liquidity forecast - including in stress situations - the Allane Mobility Group continuously monitors the utilization of financing instruments and derives any necessary measures. In addition, a liquidity contingency plan was drawn up in the 2023 financial year.

Due in particular to the long-term contracts and customer diversification - especially in terms of sector and size, from large corporations to private customers - as well as the market opportunities, especially against the backdrop of digitalization and innovation, and thanks to two strong partners within the ownership structure, the company sees its overall risk and risk profile at a comparable level to the previous year. At present, no risks have been identified that could individually or collectively jeopardize the continued existence of the company.

5. Opportunities report

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

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

5.1 Market opportunities

Opportunities from general economic developments
The Allane Mobility Group is highly dependent on the macroeconomic environment in Europe, particularly in Germany. An improved economic situation may lead to increased investment by companies in fleet vehicles and fleet management services as well as by private and commercial customers in new and used vehicles. This could have a positive impact on demand for Allane's products and services.

In its planning for the 2024 financial year, the Allane Mobility Group takes into account economists' assessments of economic trends and presents these in the forecast report. If the economy performs better than forecast, this could increase demand for the Allane Mobility Group's products and services.

Sources
Destatis, press release no. 019, 15 January 2024;
Destatis, press release no. 20, 16 January 2024;
Federal Motor Transport Authority, Press Release No. 01/2024, 4 January 2024;
German Council of Economic Experts, Annual Report23/24, December 2023;
IfW, Kiel Economic Reports No. 97, December 2023.

Positive leasing situation

The German leasing market is the second largest leasing market in Europe after the UK and was characterized by a stable growth trend from 2013 to 2019, which was interrupted for the first time in 2020: In the first year of the COVID-19 pandemic, the Bundesverband Deutscher Leasing-Unternehmen e. V. (BDL) recorded a decline in new leasing investments of around 9% compared to the previous year. The leasing market has since recovered and recorded significant growth of 15% again in 2023.

According to Allane, a recovery in the economy could have a positive effect on investment sentiment and therefore also on the leasing sector.

Sources
German Council of Economic Experts, Annual Report 23/24, December 2023;
BDL, The German leasing market 2020, 18 June 2021;
BDL, Leasing in Deutschland und Europa, bdl.leasingverband.de, as of 12 February 2024;
BDL, Prognose über die Entwicklung der Leasing-Branche im Geschäftsjahr 2023, 25 January 2024.

Industry trends

According to experts, the market for mobility and the needs of customers will continue to change significantly in the coming years. This change is often driven by industry trends such as using instead of owning, flexibilization, individualization, car subscriptions, new mobility, urbanization, digitalization, connectivity, sustainability, alternative drive systems, electromobility and customer focus. According to experts, some of these trends, particularly flexibilization, digitalization and electromobility, could be further accelerated by the after-effects of the COVID-19 pandemic. Leasing is becoming increasingly important, particularly in view of Germany's goal of achieving climate neutrality by 2045. The transport and energy transition is a central pillar of climate policy. In addition, the energy crisis triggered by the Russia-Ukraine war has once again highlighted the need for energy independence for Germany as an industrial location. It is therefore more necessary than ever to switch to renewable energy generation, increase energy efficiency and save energy. In the opinion of the BDL, the leasing industry can support and drive forward the energy transition.

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

According to Dataforce, leasing remains the preferred form of procurement for fleet vehicles: In 2023, 74% of new cars in German fleets were leased. Dataforce forecasts that the leasing share will increase to 78% by 2028. This is due in particular to the fact that electric vehicles will primarily be procured via leasing due to as yet unclear residual values. In addition, the use of car subscriptions will continue to increase in the future. According to the BDL, there are numerous reasons for leasing for companies, but also for the self-employed and freelancers. These include, in particular, planning security, the protection of liquidity, tax advantages and favorable conditions as well as modern technology and the associated greater environmental friendliness.

Leasing has also further established itself in the private sector. According to LeasingMarkt.de, the share of private leasing was at a record high of around 60% in 2023, up 5 percentage points on the previous year.

The Allane Mobility Group can benefit from the market transformation described above, particularly with its leasing offering on sixt-neuwagen.de, as the online platform enables private customers to configure and digitally order leased vehicles - both with combustion engines and alternative drive systems. In addition, the "Allease" platform developed by Allane offers opportunities in the captive leasing business. The tool enables manufacturers to market leasing offers for vehicles to customers via their own dealer network. Allane can thus continue to benefit from the expansion of the two trading partners Hyundai and Kia in the European market. In addition, Allane can exploit further growth potential in the leasing business through cooperation with other OEMs.

Sources
Leasing Markt.de, Leasing Review 2023;
Dataforce, Satisfaction with leasing providers decreases, 25 July 2023; BDL ‚Per Leasing immer das neueste Modell fahren, bdl.leasingverband.de, as of 19 January 2024.
BDL, Leasing enables the transformation of the German economy, jahresbericht.leasingverband.de, as of 19 January 2024.

5.2 Competitive opportunities

Growth through cross-brand offering

As a leasing company with a multi-brand offering, the Allane Mobility Group has competitive advantages over brand-based providers. The company also has extensive expertise in estimating the useful life of vehicles and marketing used vehicles. Allane Mobility Group operates business models that are already geared towards future customer requirements, for example through cross-brand full-service leasing and direct sales.

In a study, Deloitte assumes that car manufacturers will change their current brand strategy and integrate cross-brand solutions into their offering by 2035 in order to appeal to a larger customer target group and better satisfy changing mobility needs. This underlines the increasing importance of the cross-brand offering in automotive sales.

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

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

Internationalization oppertunities

The Allane Mobility Group is continuously examining the expansion of its international presence in order to tap into further growth potential.

As part of its *„FAST LANE 27"* strategy, the company plans to grow increasingly through internationalization in the future. To this end, Allane plans to further expand its cooperation with Hyundai and Kia in captive leasing in the future and benefit from their expansion in the European market.

High relevance of supplementary services

The trend for customers to make use of supplementary services in addition to leasing financing for a vehicle has continued in recent years. According to Dataforce, the growth potential in the leasing market lies "very clearly" in services. In 2023, 47% of companies in the fleet market have decided to conclude all leasing contracts with service components. A further 14% have included individual services in their leasing contracts. The number of fleet customers who opted for pure finance leasing was only 39% in 2023. According to the BDL, the trend towards full-service leasing opens up "great opportunities" for leasing companies to differentiate themselves from traditional financing, as the latter leaves the labor-intensive areas of fleet management within the company. In addition, companies want to continue working with partners who offer services and packages as a "one-stop store" alongside financing.

The Allane Mobility Group offers its fleet customers a complete package as part of full-service leasing and takes over all administrative activities associated with the fleet. In addition, Allane Mobility Group develops motivation models with which companies can increase their attractiveness on the employer market and reward committed employees.

The Allane Mobility Group is striving to gradually increase the proportion of supplementary services in the fleet business in individual contracts and thus increase the profitability of the contract portfolio. The scope and quality of the services also represent an important competitive differentiator. Thanks to the expertise it has built up over decades and its close network of cooperation partners, Allane Mobility Group believes it is in a good position to benefit from the general increase in demand for services.

In retail leasing, the provision of additional services for customers is also becoming increasingly important. According to Dataforce, around every second private leasing contract includes service components. Allane assumes that services will become increasingly relevant in the future, both for private and fleet customers.

The Allane Mobility Group currently offers its private and commercial customers service packages for damage management, inspection, maintenance and wear and tear on its online platform sixt-neuwagen.de.

The Allane Mobility Group aims to continuously develop its service portfolio. Above all, increasing the service ratio offers the opportunity to increase the profitability of the contract portfolio.

Sources
Dataforce, Dataforce Leasing Study 2023: Stagnating leasing shares in the fleet portfolio, 6 December 2023.
BDL, Per Leasing immer das neueste Modell fahren, bdl.leasingverband.de, as of 7 December 2021.

Growth through marketing campaigns and cooperations

In retail leasing, Allane uses various marketing campaigns to raise awareness of the online platforms and thus increase the number of contracts concluded. Marketing campaigns can be carried out both in cooperation with a marketing partner and completely independently via the company's own brands.

Growth through remarketing

The remarketing remarketing of vehicles offers leasing providers the opportunity to gain a leading position in the used car market. In Germany, this market grew continuously until the pre-crisis year of 2019, but recorded declines of 1.1% and 3.4% in 2020 and 2021 respectively. According to the German Association of the Motor Trade (ZDK), the number of new registrations of ownership rose by an estimated 7.1% to 6.0 million units in 2023. For 2024, the ZDK assumes that the number of new registrations of ownership will probably not reach the level of previous years for the third year in a row, but will nevertheless grow slightly again, "as used cars offer affordable mobility for many people". The experts at the ZDK expect new registrations of 6.2 million units in 2024.

Although used car prices, which had risen sharply in the previous year, fell again in 2023 due to the increasing availability of used vehicles, the purchase price for a used car remained at a relatively high level. According to DAT, a used car cost €18,620 in 2023. This corresponds to a decrease of 1% compared to the previous year.

Fleet leasing and fleet management providers can benefit from a positive development in the used vehicle market, as they are already among the largest resellers in Europe and therefore enjoy a high level of customer confidence. In addition, they are able to offer their customers not only purchase, leasing and rental, but also a broad repair and maintenance network. They also have the opportunity to maximize the resale value of their vehicles through cross-border marketing.

The remarketing of vehicles is an integral part of Allane Mobility Group's business model and takes place in particular via an online B2B auction platform and the Group's own local used car locations. As part of the Group strategy, more international dealers have also been connected to the platform since the 2018 financial year in order to intensify the marketing of lease returns abroad and reduce dependence on the German used car market. The overarching aim of this measure is to contribute to improving the risk/return profile of the Allane Mobility Group through active risk management. Allane Mobility Group currently operates four of its own locations in Germany for the remarketing of vehicles.

Sources

Statista, Turnover on the used car market in Germany in the years 2000 to 2020, statista.de, as of 8 February 2023
ZDK, ZDK forecast 2024: Decline in new car registrations expected, 11 December 2023;
DAT, DAT Report 2024, short report, January 2024.

5.3 Opportunities through megatrends

Customized online and mobile solutions

According to Allane Mobility Group, digitalization is leading to the expansion of customer solutions in all business areas. In fleet leasing and fleet management, aspects such as automation, efficiency and process reliability are becoming increasingly important for companies in addition to personal support

The Allane Mobility Group attaches great importance to the development of modern online and mobile solutions. In business with corporate customers, leasing and administrative processes are to be increasingly optimized with the help of reporting and apps. In business with private and commercial customers, the leasing process will be facilitated by an online configurator and digital ordering steps, among other things. Allane Mobility Group continues to develop the existing tools at regular intervals and is constantly examining opportunities to introduce further online and mobile solutions.

Electromobility as a growth market

Electromobility continues to gain in importance. The main reasons for this are accelerated climate change and the associated climate targets as well as greater environmental awareness, new mobility needs, better charging infrastructures and higher performance and ranges. In Europe, factors such as regulations and CO_2 targets also play a particularly important role.

According to a study by Deloitte, 11% of respondents in Europe currently own an e-vehicle, while 48% said they would prefer an e-vehicle when buying their next car.

Experts agree that the global market for electromobility will grow in the medium term and that Europe will play a pioneering role in the electrification of drive systems. The non-profit organization RMI assumes that China will lead the change in 2030 with a market share of 90% for e-cars, closely followed by Europe, which is expected to have a market share of 80%. For the e-car market in the USA, the RMI experts expect a market share of just under 50%.

Acceptance of electromobility is high in Germany, although the vehicle population does not yet reflect this to the same extent. However, vehicles with electric drives are recording significant growth in 2023 in new registrations. According to the Federal Motor Transport Authority (KBA), the proportion of new passenger car registrations with electric drive systems measured against all new passenger car registrations in 2023 was 48.5 %. This corresponds to an increase of 17.1 percentage points compared to the previous year.

According to LeasingMarkt.de, interest in electric vehicles also remains high in the leasing sector. As in the previous year, the share of purely electric cars in leasing was around 29% - despite the reduction or elimination of electric subsidies for private and commercial customers.

Allane promotes electromobility through cooperation with manufacturers and energy suppliers as well as consulting services, e.g. with a view to improving the emissions balance. Technological advances in electric vehicles, initiatives by vehicle manufacturers to promote this type of drive - such as the development of a nationwide infrastructure of charging stations - and the growing interest of companies in fleets that are optimized from an ecological perspective are opening up additional opportunities for the Allane Mobility Group.

Flexibility through new mobility
Although the private car is still the most popular means of transportation, management consultants McKinsey believe that the mobility ecosystem will change more by 2035 than at any time since the early days of the automobile. According to a study by the McKinsey Center for Future Mobility, 30% of respondents plan to make greater use of micromobility (e.g. e-bikes and e-scooters) or shared mobility in the next decade. According to McKinsey, many changes in the mobility ecosystem are based on the desire for a more pleasant mobility experience. Sustainability aspects are also becoming increasingly relevant. McKinsey's survey results show that 46% of respondents have already switched to more sustainable brands or products, and a further 16% are planning significant changes to promote sustainability.

The Allane Mobility Group offers holistic mobility concepts that include other means of transportation in addition to the leased vehicle. In cooperation with partner companies, Allane enables its fleet customers to offer digital mobility budgets, for example, which their employees can flexibly adapt to their individual needs. This means that all modes of transport can be used, from private cars to bicycles and trains.

Sources
McKinsey, The future of mobility, 19 April 2023;
RMI, X-change: Cars, The end of the ICE age, September 2023.
Leasingmarkt.de, Leasing Review 2023;
KBA, press release no. 03/2024, 16 January 2024;
Deloitte, Elektromobilität in Deutschland, Marktentwicklung bis 2030 und Handlungsempfehlungen, November 2020;
Autovista24, Monthly Market Update: Residual values set to decline in 2024, 10 January 2024;
Deloitte, The future of automotive mobility to 2035, February 2023.

5.4 Assessment of the overall opportunities profile by the Managing Board

Allane SE believes it is well positioned to benefit from the growth opportunities described above.

In terms of competitive opportunities, the Allane Mobility Group has a competitive business model that can address the changing mobility needs of customers thanks to its multi-brand offering and its early positioning in the online direct sale of new leased vehicles. The company reserves the right to accelerate its growth through targeted acquisitions. Further opportunities arise from the organization's focus on future national and international growth. Allane has further diversified and thus strengthened its business model through captive leasing, which was introduced with the *„FAST LANE 27"* strategy. The company can also expand its position as a full-service provider with the introduction of additional complementary services. Marketing campaigns and sales cooperations also play an important role, as they can help to increase awareness of Allane, expand the contract portfolio and generate additional revenue. With its online auction platform and the expansion of its used car locations, the company is also in a position to benefit from the used car market.

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

The overall opportunity profile of Allane SE can also be assessed as good due to the position of the major shareholder, Hyundai Capital Bank Europe GmbH. The partnership puts the Allane Mobility Group in a position to continue to successfully pursue its strategy and to jointly exploit new growth opportunities in the future.

Sources
IMF, World Economic Outlook Update, January 2024;

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

Allane SE is exempt from the obligation to add a non-financial statement to the management report or Group management report in accordance with Section 289b para. 2 and Section 315b para. 2 HGB, as it is included in the non-financial Group statement of Banco Santander S.A., which is included in the Group and company management report of Banco Santander S.A. for the 2022 financial year. The publication of the consolidated non-financial statement can be found in the annual report of Banco Santander S.A. in English at www.santander.com under "Financial and Economic Information" in the "Shareholders and Investors" section. Banco Santander S.A. is the controlling shareholder of Santander Consumer Bank AG, which in turn is the majority shareholder of Hyundai Capital Bank Europe GmbH.

B.8 – Dependent company report

As the largest shareholder of Allane SE, HCBE holds 92.07% of the ordinary shares and voting rights. In the 2023 financial year, Allane SE therefore had a relationship of dependence within the meaning of Section 17 AktG with Hyundai Capital Bank Europe GmbH, Frankfurt am Main, and its affiliated companies.

Due to the indirect majority shareholding of Banco Santander S.A., Santander, Spain, in Allane SE, there was thus a relationship of dependence of Allane SE within the meaning of section 17 of the AktG with Banco Santander S.A., Santander, Spain, and its affiliated companies in the 2023 financial year.

Hyundai Motor Company, Seoul, Korea, holds a majority stake of 59.70% in Hyundai Capital Services Inc, Seoul, Korea. Hyundai Capital Services Inc., Seoul, Korea, on the other hand, does not hold a majority stake in HCBE with 49.00% of the shares. Due to the joint venture structure and the equal composition of the Supervisory Board of HCBE with members of Hyundai and Santander, there was nevertheless a relationship of dependence within the meaning of section 17 of the AktG with Hyundai Motor Company, Seoul, Korea, and its affiliated companies in the 2023 financial year.

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

B.9 – Additional information for Allane SE (pursuant to the HGB[1])

Fundamentals and business performance

Allane SE based in Pullach, is the parent company of the Allane Mobility Group. It assumes central management tasks and is responsible for the strategic and financial management of the Group. At the same time, Allane SE also acts as the operating company for the leasing business in Germany. In this function, Allane SE is largely responsible for the earnings, net assets and financial position as well as the opportunities and risks of the Allane Mobility Group. The above explanations in the economic report of the Allane Mobility Group and the Leasing division also apply to Allane SE, unless otherwise stated below.

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

The above explanations relate to the Allane Mobility Group and are the subject of Allane SE's capital market communication. The following explanations comply with the requirements of the German Commercial Code for the management report of Allane SE. They have no direct relevance for capital market communications relating to the consolidated financial statements in accordance with IFRS.

The most important financial performance indicator for Allane SE is the dividend payout ratio (dividend payout of Allane SE in relation to the consolidated net income of the Allane Mobility Group in accordance with the International Financial Reporting Standards [IFRS]). Due to Allane SE's growth strategy, the Management Board proposed a dividend payout ratio of 21% in the financial year (2022: 21%), deviating from the previously communicated target range of 30% to 60%. For the 2024 financial year, Allane SE expects a dividend payout ratio in the low double-digit percentage range depending on the annual result.

Differences between the accounting and valuation methods under HGB in conjunction with RechKredV and IFRS arise primarily in the following circumstances: Vehicles held for sale that are returned from the lease agreement are not recognized in the balance sheet in accordance with IFRS.

The liabilities from advance payments received from flat-rate full-service contracts are not reported under contract liabilities as under IFRS, but under other liabilities. Liabilities from advance payments received from lump-sum full-service contracts are not reported under contract liabilities as under IFRS, but under other liabilities. The liabilities from the ABS transaction are not reported under current and non-current financial liabilities as under IFRS, but under deferred income. The previous year was not adjusted and is therefore not comparable. Certain leases that are classified as finance leases under IFRS 16 are reported under other receivables and assets in the IFRS financial statements, while they continue to be reported under leased assets in the HGB financial statements. For these contracts, the lease payment in the IFRS consolidated financial statements is divided into an interest portion and a repayment portion. In the HGB financial statements of Allane SE, the lease installments for these contracts are reported under lease income. In addition, depreciation on the leased assets is reported in the HGB financial statements. In accordance with IFRS 16, right-of-use assets are reported under property, plant and equipment for office space and land leases and lease liabilities are reported under financial liabilities in the consolidated financial statements. This results in depreciation on the right-of-use assets in the IFRS consolidated financial statements, whereby the rent payments are divided into the repayment of the lease liabilities and interest expenses. In the HGB financial statements of Allane SE, only the rental payments are taken into account; they are reported under other administrative expenses. The goodwill arising in the 2020 financial year from the acquisition of significant parts of the business operations of SL Car Sales GmbH, Garching, is amortized over a period of ten years in accordance with HGB. Under IFRS, however, there is no scheduled amortization, but an annual impairment test is carried out.

The macroeconomic and sector-specific conditions of Allane SE are essentially the same as those of the Allane Mobility Group and are described in the economic report of the combined management report.

[1] From the 2023 financial year, income and expenses from the full service for fuels will be recognized directly in equity and the margin will be presented in the income statement. Income and expenses are therefore only comparable with the previous year's figures to a limited extent.

Net assets, financial position and result of operation

As presented in the combined management report for the key financial performance indicators in accordance with IFRS, the 2023 financial year remained within the expectations set out in the previous year's management report in terms of the contract portfolio. This is mainly due to the successful contract growth in the Leasing division. Consolidated operating revenue exceeded the forecast presented. The increase is due in particular to the growing Group contract portfolio in the Leasing division, with a significant increase in lease installment income. The result from ordinary activities (consolidated earnings before taxes) in the 2023 financial year was in line with expectations, which is mainly due to the increased refinancing costs as a result of higher interest expenses.

Despite the overall economic situation and the geopolitical uncertainties resulting from the Russia-Ukraine war and the conflict in the Middle East, Allane SE has a solid basis, which is reflected in its net assets, financial position and results of operations.

While the key financial performance indicators mentioned in the previous paragraph refer to the IFRS financial statements of the Allane Mobility Group, the following notes refer to the financial statements of Allane SE in accordance with the German Commercial Code (HGB) in conjunction with the German Accounting Regulation for Banks (RechKredV).

Allane SE generated earnings (leasing income less leasing expenses) of EUR 251.4 million from the operating leasing business in the 2023 financial year (2022: EUR 225.2 million). In addition, net interest income and interest expenses led to a charge of EUR 14.1 million (2022: charge of EUR 3.4 million). This was offset primarily by personnel and administrative expenses of EUR 74.4 million (2022: EUR 78.1 million) and expenses from depreciation, amortization and impairment losses, in particular on leased assets, of EUR 164.7 million (2022: EUR 143.6 million).

The result from ordinary activities amounted to EUR 1.7 million in 2023 (2022: EUR 5.8 million). The company reported net profit for the year of EUR 0.5 million (2022: EUR 2.9 million) and, with the addition of profit carried forward from the previous year and less the transfer to other revenue reserves, retained earnings of EUR 21.7 million (2022: EUR 23.3 million).

As at the reporting date of 31 December, 2023, Allane SE's material assets consisted of lease assets in the amount of EUR 1,282.7 million (2022: EUR 881.7 million). The increase is mainly due to the growing contract portfolio in the Leasing division. Receivables from customers amounted to EUR 35.2 million as at 31 December 2023 (2022: EUR 42.9 million), including trade receivables of EUR 34.8 million (2022: EUR 28.2 million) and other receivables of EUR 0.5 million (2022: EUR 14.7 million). Receivables from banks amounted to EUR 1.2 million (2022: EUR 1.1 million). Other assets amounting to EUR 315.8 million (2022: EUR 227.3 million) mainly include receivables from affiliated companies. In particular, this includes receivables from Isar Valley of EUR 111.2 million (2022: EUR 54.3 million). These consist mainly of the sub-loan as part of the ABS transaction. The increase is mainly due to the extension of the ABS transactions and the new ABS volume. As a result, in the 2023 financial year, the loan assets associated with new contracts were financed via the ABS program in addition to the loan from Santander Consumer Bank AG. In the financial year, a part of the receivables from Allane Schweiz AG in the amount of EUR 3.5 million were provisioned.

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

A total of EUR 197.5 million (2022: EUR 195.3 million) is reported under equity.

The main liabilities are other liabilities amounting to EUR 94.8 million (2022: EUR 353.8 million). Other liabilities essentially include trade payables in the amount of EUR 49.9 million (2022: EUR 26.3 million). Deferred income in the amount of EUR 510.8 million (2022: EUR 32.4 million) is mainly due to Isar Valley and has increased mainly due to the increase in financing requirements. The liabilities to Isar Valley, which were reported under deferred income in the financial year, were reported under other liabilities in the previous year. The previous year was not adjusted and is therefore not comparable. There are also liabilities to banks of EUR 813.9 million (2022: EUR 539.7 million). This is mainly due to long-term loans taken out with Santander Consumer Bank AG, Mönchengladbach, and borrowing under the ABS program. Other provisions increased to EUR 27.0 million (2022: EUR 24.8 million). The increase in provisions for outstanding invoices is primarily due to the fact that dealer bonuses and commissions in connection with new cooperations in captive leasing are outstanding.

For the 2023 financial year, the Managing Board of Allane SE intends to propose the distribution of a dividend of EUR 0.09 per share. Subject to the approval of the Supervisory Board and the Annual General Meeting, which decides on the appropriation of profits, this would result in a total dividend payout of EUR 1.9 million (2022: EUR 1.9 million). This corresponds to a payout ratio of 21% (2022: 21%) based on the consolidated net profit for the year.

Opportunities, risks and forecast

As the parent company and operating leasing company, Allane SE has a significant influence on the opportunities and risks of the Allane Mobility Group. Allane SE also has a significant influence on the Allane Mobility Group in terms of economic development. Reference is therefore made to the overall assessment in the risk and opportunity report and the economic report of the Allane Mobility Group.

In addition to the opportunities and risks of Allane SE as the parent company of the Allane Mobility Group, there are investment risks in the individual financial statements that are attributable to Allane SE's investments in its direct subsidiaries. There is a direct earnings impact risk here, which is explained in the Allane Mobility Group risk report.

Allane SE operates the Group-wide risk management system and the internal control system and is therefore an integral part of it.

Investments

As an operating leasing company, Allane SE makes investments in leased assets, intangible assets and property, plant and equipment assets as part of its normal business activities. Due to its financing function within the Allane Mobility Group, Allane SE can provide the Group companies with funds in the form of equity as well as loans if required. Potential start-ups or acquisitions may require investments at Allane SE.

B.10 – Corporate governance declaration in accordance with sections289f and 315d of the HGB

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

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

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

Compliance with German Corporate Governance Code and declaration of conformity

The recommendations of the Government Commission on the German Corporate Governance Code are an established benchmark for corporate management at German listed companies. The Managing Board and Supervisory Board of Allane SE have therefore dealt in detail with the requirements of the German Corporate Governance Code and issued the following declaration of conformity on 27 February 2024.

Declaration of conformity in accordance with section 161 of the AktG

The Management Board and Supervisory Board of the Company issued the last Declaration of Conformity pursuant to section 161 AktG on 2 March 2023. Since issuing the last Declaration of Conformity on 2 March 2023, Allane SE (the "Company") has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 16 December 2019 (hereinafter the "Code 2020") announced in the official section of the Federal Gazette (Bundesanzeiger) on 20 March 2020 with the following exceptions and currently complies and will in the future comply with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 28 April 2022 (hereinafter the "Code

2022") announced in the official section of the Federal Gazette (Bundesanzeiger) on 27 June 2022 with the following exceptions:

- The Corporate Governance Statement (Erklärung zur Unternehmensführung) does not contain statements on the approach to the long-term succession planning regarding the Managing Board (section B.2 half-sentence 2 of the Code 2022). As the Company is part of the Hyundai Group as well as the Santander Group, it has access to internationally experienced and highly qualified management personnel, which is the reason why the Company is of the opinion that a reporting on the approach to the long-term succession planning regarding the Managing Board would not benefit to any greater extent the information interests of shareholders and investors.

- In deviation from Section C.7 Sentence 1 of the Code 2022, Mr. Norbert van den Eijnden is, in the opinion of the Supervisory Board, currently the only member of the Company's Supervisory Board who is independent from the company and the Managing Board. From the company's point of view, this does not affect the proper and duely performance of tasks by the Supervisory Board and its members.

- As a member of the Management Board of Santander Consumer Bank AG, the Chairman of the Supervisory Board is not independent of the Company and the Management Board, contrary to section C.10 sentence 1 of the Code 2022. The Company believes that this does not impair the effective performance of the duties and responsibilities of the Chairman of the Supervisory Board.

- The Supervisory Board regularly reviews the effectiveness and efficiency of its work and the fulfilment of its tasks, but refrains from reporting in the corporate governance statement whether and how a self-assessment by the Supervisory Board was carried out (section D.12, sentence 2 of the Code 2022). In this regard, the Supervisory Board is of the opinion that the current structure of the Supervisory Board does not have a degree of complexity that would require reporting on the self-assessment by the Supervisory Board in accordance with the recommendation in section D.12 sentence 2 of the Code 2022.

- The Supervisory Board routinely assesses effectivity and efficiency of its work and performance (self-assessment) but, however, refrains from reporting on such self-assessment within the Corporate Governance Statement (section D.12 sentence 2 of the Code 2022). The Supervisory Board is of the opinion that the actual structure of the Supervisory Board does not have a degree of complexity which would require a reporting on self-assessment by the Supervisory Board in accordance with the recommendation in section D.12 sentence 2 of the Code 2022.

- The report of the Supervisory Board (Bericht des Aufsichtsrats) does not contain statements as to training and professional development measures and measures of induction for the members of the Supervisory Board (section D.11 half-sentence 2 of the Code 2022). The Supervisory Board is of the opinion that a reporting on training and professional development measures and measures of induction for the members of the Supervisory Board does not constitute essential information for shareholders or investors.

- The Supervisory Board decides on a case-by-case basis how to take into account the age of candidates when appointing Managing Board members or proposing Supervisory Board candidates for election, as the Supervisory Board believes that specifying a general age limit and, thereby, imposing a general restriction on selection, would not be in the interest of the Company. Therefore, a specified age limit for Managing Board Members or Supervisory Board members has not been determined and is not reported in the Corporate Governance Statement (section B.5 and C.2 of the Code 2022).

- The rules of procedure of the Supervisory Board are not published on the Company’s website (section D.1 half-sentence 2 of the Code 2022). The Company does not consider the rules of procedure of the Supervisory Board to be an essential information for shareholders or investors which needs to be publicly available in addition to the information made available in the Corporate Governance Statement.

- In deviation from the recommendation in Section D.5 GCGC 2022, the Supervisory Board has not formed a Nomination Committee. Due to the current size of the Supervisory Board, which allows efficient work of the entire body (Gesamtgremium), the formation of committees – with the exception of the Audit Committee formed with effect from December 16, 2021 – has not been deemed necessary to date.

- The peer group applied to assess the level of the management board remuneration (section G.3 sentence 1 half-sentence 2 of the Code 2022) is not disclosed, as in the opinion of the Supervisory Board such disclosure would not provide any further information for the shareholders or stakeholders of the Company.

- The remuneration for Supervisory Board members provided for in the Company's Articles of Association only takes account of the larger time commitment of the chairperson of the Supervisory Board, but neither of the deputy chairperson of the Supervisory Board nor of the chairperson or members of committees (section G.17 of the Code 2022). With the exception of the additional time commitment required for the service as chairperson of the Supervisory Board, the Company, for the time being and subject to ongoing review of the required time commitment in the individual case, considers service in other functions within the Supervisory Board as regular part of the duties of the Supervisory Board members. Furthermore, Supervisory Board members related to the current majority shareholder of the Company have waived their remuneration claims.

- The Company discloses all price-sensitive information equally to analysts and all shareholders. However, the Company takes the view that disclosure to all shareholders also of non-price-sensitive information provided to financial analysts and similar parties (section F.1 of the Code 2022) would not benefit to any greater extent the information interests of shareholders.

- The annual consolidated financial statements and the annual report of the Company are published within the statutory periods. Interim reports are published within the periods stipulated by stock exchange rules. The Company takes the view that compliance with the shorter publication deadlines recommended by section F.2 of the Code 2022 does not benefit to any greater extent the information interests of investors, creditors, employees and the public.

Pullach, February 2024

For the Supervisory Board
of Allane SE

Jochen Klöpper
Chairman

For the Managing Board
of Allane SE

Eckart Klumpp Chairman	Álvaro Hernández Member of the Managing Board

1.1 Remuneration report / Remuneration system

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

1.2 Relevant disclosures on corporate governance practices

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

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

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

1.3 Compliance within the Allane Mobility Group

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

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

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

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

1.4 Working practices of Managing Board and Supervisory Board

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

1.4.1 Managing Board

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

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

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

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

In 2023, the Managing Board consisted of the members Mr. Donglim Shin and Mr. Álvaro Hernández. Mr. Donglim Shin, Chairman of the Managing Board of Allane SE, was responsible for Group Strategy and Development, Sales, Marketing, Operations, Purchasing, Remarketing and Human Resources. Mr. Álvaro Hernández, Chief Financial Officer of Allane SE, was responsible for Accounting, Controlling, Treasury & Financing, Investor Relations, Risk Management, Internal Audit, Legal, Compliance and IT. At the end of 31 December 2023, Mr. Donglim Shin left the Managing Board of Allane SE by mutual agreement and Mr. Eckart Klumpp was appointed Chairman of the Managing Board of Allane SE with effect from 1 January 2024.

1.4.2 Supervisory Board

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

All members are elected by the Annual General Meeting in accordance with legal provisions and the provisions of the Articles of Association. Apart from the audit committee formed on 16 December 2021, there were no other committees as at the reporting date.

The main tasks of the Supervisory Board include appointing the members of the Managing Board and monitoring the Managing Board. The Supervisory Board generally adopts its resolutions at meetings. However, by order of the Chairman of the Supervisory Board, resolutions of the Supervisory Board may also be passed outside of meetings (or by way of a combined resolution) by means of oral or telephone voting, voting in text form (Section 126b BGB) and/or using other means of telecommunication or electronic media (Section 14 (2) of the Articles of Association). Furthermore, resolutions may also be passed in the aforementioned manner without the instruction of the Chairman of the Supervisory Board if no member of the Supervisory Board objects (Section 14 (3) of the Articles of Association). Resolutions of the Supervisory Board require a simple majority of the votes cast, unless otherwise stipulated by law (Section 14 (7) of the Articles of Association). Further details on the meetings and activities of the Supervisory Board in the 2023 financial year are presented in the Report of the Supervisory Board.

The Audit Committee monitors accounting and the accounting process in particular. Its tasks include examining the company's annual financial statements, the annual financial statements of the subsidiaries and the consolidated financial statements, including the respective management reports, the auditors' reports, the Managing Board's proposal for the appropriation of net retained profits and the dependent company report. The Audit Committee prepares the Supervisory Board's resolution on the adoption of the annual financial statements and the approval of the consolidated financial statements and discusses the interim reports with the Managing Board prior to their publication. The Audit Committee also deals with sustainability reporting. The Audit Committee also deals with the monitoring of the audit of the financial statements, in particular the selection and independence of the auditor, the quality and efficiency of the audit process and the services provided by the auditor. The Audit Committee prepares the Supervisory Board's resolution on the proposal for the election of the auditor to the Annual General Meeting; this includes, in particular, making a recommendation and obtaining a declaration of independence from the auditor to be proposed to the Annual General Meeting for election. The tasks of the Audit Committee also include issuing the audit mandate to the auditor elected by the Annual General Meeting and concluding the mandate and fee agreement as well as developing and determining the focal points of the audit. The Audit Committee is also responsible for the ongoing monitoring of the effectiveness of the internal control system, the risk management system, the internal audit system and the compliance system. This also includes dealing with compliance matters relating to capital market law within the area of responsibility of the Supervisory Board.

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

The Audit Committee consists of three members. As at 31 December 2023, it consisted of Jochen Klöpper, Norbert van den Eijnden and Keunbae Hong, with Norbert van den Eijnden holding the office of Chairman of the Audit Committee. The Audit Committee as a whole is familiar with the sector in which the company operates. On the Supervisory Board and its Audit Committee, Jochen Klöpper, Norbert van den Eijnden and Keunbae Hong in particular have expertise in both accounting and auditing. Their expertise also relates to sustainability reporting and its audit.

Jochen Klöpper has expertise in the areas of accounting and auditing due to his many years as a member of the Managing Board, Chief Risk Officer and Chief Credit Officer in international companies and due to the Supervisory Board and Advisory Board functions he has held . In particular, Jochen Klöpper has been a member of the Managing Board and Chief Risk Officer of Santander Consumer Bank AG since 2015. Previously, he was Chief Risk Officer of the Austrian Bawag PSK AG and Chief Credit Officer of Deutsche Bank S.p.a., Italy.

Norbert van den Eijnden also has expertise in the fields of accounting and auditing. In the course of his professional career, Norbert van den Eijnden was CEO of Alphabet International GmbH, the leasing company of the BMW Group, for more than ten years and in this function also a member of the Board of BMW Financial Services. Norbert van den Eijnden was also a long-standing member of the Managing Board of Athlon Holding N.V., a listed company. Norbert van den Eijnden is also a member of the Supervisory Board and the Audit & Risk Committee of Bovemij N.V., among others.

Keunbae Hong has expertise in the fields of accounting and auditing from his many years in management positions and as Chief Financial Officer (CFO) of various international companies. Keunbae Hong is currently Head of Global Finance Department at Hyundai Capital Services, Inc, Korea. Previously, he was CFO at Hyundai Capital America, USA.

Jochen Klöpper, Norbert van den Eijnden and Hyung Seok Lee in particular therefore qualify as financial experts within the meaning of Section 100 (5) AktG and recommendation D.3 GCGC. The Managing Board and Supervisory Board work closely together for the benefit of the Allane Mobility Group. The Managing Board informs the Supervisory Board regularly, promptly and comprehensively about all issues relevant to the company and the Group, in particular about strategic planning, business development, the risk situation, risk management and compliance as well as the results of internal audits. The Managing Board coordinates the strategic direction of the company with the Supervisory Board and discusses the implementation of the strategy at regular intervals. Documents required for decision-making, in particular the annual financial statements of Allane SE, the consolidated financial statements and the report on the situation of the Group and the company, including the auditors' reports, are forwarded to the members of the Supervisory Board prior to the respective meeting. The rules of procedure of the Managing Board contain a list of measures requiring the approval of the Supervisory Board.

1.5 Objectives of Supervisory Board and implementation status

The Supervisory Board has set targets for its composition and developed a skills profile for the entire Board.

Accordingly, the Supervisory Board must be composed in such a way as to ensure qualified monitoring and advice of the Managing Board by the Supervisory Board. Overall, its members should have the knowledge, skills and professional experience required to properly perform the duties of a Supervisory Board in a capital market-oriented, internationally active company with the Leasing for Private and Business Customers and Fleet Management divisions.

1.5.1 Profile of competence

Overall, the Supervisory Board should have the skills that are considered essential in view of the activities of the Allane Mobility Group. In particular, this includes in-depth experience and knowledge of

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

In addition, in view of the requirements of Section 100 (5) AktG, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. The expertise in the area of accounting should consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems and the expertise in the area of auditing should consist of special knowledge and experience in auditing. Accounting and auditing also include sustainability reporting and its audit. The Chairman of the Audit Committee should be an expert in these areas. The members as a whole must be familiar with the sector in which the company operates.

1.5.2 Requirements for the composition of the entire board and the individual members

Competence and diversity

Qualifications and personal competence are the most important prerequisites for appointments to the Supervisory Board. The Supervisory Board will always give priority to these requirements, which are essential for the fulfillment of its statutory duties, when making proposals for the election of Supervisory Board members.

Overall, the Supervisory Board pursues the goal of optimally fulfilling its monitoring and advisory function through the diversity of its members. Diversity includes, in particular, internationality as well as different horizons of experience and life paths. When preparing nominations or proposals for appointments, the extent to which different, complementary professional profiles, professional and life experience and an appropriate representation of both genders benefit the work of the Supervisory Board should be considered on a case-by-case basis. The Supervisory Board will also support the Managing Board in strengthening diversity within the company.

In-depth knowledge of work areas relevant for Company

All members of the Supervisory Board should have in-depth knowledge and experience in the areas of work that are important to the company and fulfill the other professional and personal requirements arising from the applicable regulatory requirements.

Management experience

The Supervisory Board should include at least two members who have experience in the management or supervision of a medium-sized or large company.

Internationality

At least two members of the Supervisory Board should have business experience in Allane SE's main sales markets and be able to competently support Allane SE in the context of further internationalization.

Qualifications matrix

The following skills matrix illustrates the existing skills and the status of implementation in relation to the skills profile and the diversity concept described in section 1.6.2 based on the requirements for Supervisory Board members:

Qualification Matrix

		Klöpper	Hanswil-lemenke	Hyung Seok Lee	Su Ho Kim	van den Eijnden	Williams	Keunbae Hong
Affiliation	Member since	05.08.2020	10.12.2020	29.06.2022	29.06.2022	29.03.2022	14.04.2023	30.06.2023
	Ausgeschieden	-	-	30.06.2023	13.04.2023	-	-	-
Diversity	Gender	M	M	M	M	M	M	M
	Year of Birth	1970	1968	1972	1976	1959	1963	1969
	Nationality	Germany	Germany	South Korea	South Korea	Netherlands	USA	South Korea
Expertise	Leasing and Fleet Management	✓[1]	✓	✓	✓	✓	✓	✓
	Marketing, Vertieb	✓	✓	✓	✓	✓	✓	✓
	Corporate and Human Resources Management	✓	✓	✓	✓	✓	✓	✓
	Internationality	✓	✓	✓	✓	✓	✓	✓
	Financial Accounting	✓	✓	✓	✓	✓	✓	✓
	Controlling, Risk Management	✓	✓	✓	✓	✓	✓	✓
	Governance, Compliance	✓	✓	✓	✓	✓	✓	✓
	Digitisation	✓	✓	✓	✓	✓	✓	✓
	Sustainability, ESG	✓	✓	✓	✓	✓	✓	✓
Financial expertise[2]	Accounting[3]	✓		✓		✓		✓
	Auditing[4]	✓		✓		✓		✓

[1] ✓ Good and in-depth knowledge beyond the legal minimum requirements for the members of the Supervisory Board
[2] Within the meaning to Article 100 paragraph 5 AktG (Aktiengesetz: German Stock Corporation Act)
[3] Including internal control and risk management systems and sustainability reporting and their audit
[4] Including sustainability reporting and its audit

Number of independent members/no material conflicts of interests

The Supervisory Board should have an appropriate number of independent members. In view of the company's ownership structure, the Supervisory Board believes that this is the case if at least two of the six members of the Supervisory Board as defined in the Articles of Association are independent within the meaning of Section C.6 of the German Corporate Governance Code. The Supervisory Board will base its election proposals on these requirements.

Furthermore, no persons should be proposed for election to the Supervisory Board who, due to other activities, could potentially enter into a significant, not merely selective or temporary conflict of interest.

The current composition of the Supervisory Board meets the aforementioned objectives. Due to their different backgrounds and experience, the members of the Supervisory Board as a whole represent the diversity that is necessary for the optimal performance of their supervisory duties. In particular, the Supervisory Board as a whole has the knowledge, skills and professional experience required to properly perform the duties of a Supervisory Board of a capital market-oriented, internationally active company in the Fleet Management and Leasing for private and business customers divisions. Due to their previous professional activities, all members of the Supervisory Board have particular industry expertise and experience in the company's main sales markets as well as experience in the management or supervision of a medium-sized or large company. Mr. Norbert van den Eijnden is currently an independent shareholder representative on the company's Supervisory Board; the Supervisory Board will be guided by the requirements of the German Corporate Governance Code when proposing candidates for the other statutory Supervisory Board positions.

1.6 Diversity Concept

1.6.1 Managing Board

Diversity aspects in the composition of the Managing Board

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

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

The employment contracts of the members of the Managing Board should generally end when they reach the statutory retirement age (currently 67).

Objectives pursued with the diversity concept

In the opinion of the Supervisory Board, taking into account complementary professional profiles and different professional and educational backgrounds is already part of the duty of proper management. In addition, the different backgrounds and experiences of the individual members of the Managing Board are crucial in order to be able to analyze current challenges, problems and strategies from different perspectives and thus make a decision for the benefit of the company.

Profound experience in IT management and a profound understanding of digitalization are essential in order to successfully lead the company into the future in view of the ongoing digitalization of the business model and the enormous relevance of modern IT structures for all areas of the company.

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

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

Manner of implementation

When making appointments to the Managing Board, the Supervisory Board takes into account the diversity aspects described above. In addition, the Managing Board and Supervisory Board regularly discuss suitable successor candidates and high potentials from within the Group in order to ensure the continuous development of promising talent.

1.6.2 Supervisory Board

Diversity aspects in the composition of the Supervisory Board

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

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

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

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

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

Objectives pursued with the diversity concept

Overall, the Supervisory Board pursues the goal of optimally fulfilling its monitoring and advisory function through the diversity of its members. Diversity includes, in particular, internationality as well as different horizons of experience and life paths. When preparing nominations or proposals for appointments, the extent to which different, complementary professional profiles, professional and life experiences and an appropriate representation of both genders benefit the work of the Supervisory Board should be considered on a case-by-case basis.

In addition, the different backgrounds and experiences of the individual Supervisory Board members are crucial in order to be able to analyze current challenges, problems and strategies from different perspectives and thus make decisions for the benefit of the company. The Supervisory Board's aim is to always be in a position to competently advise and monitor the Managing Board and to be able to appropriately recognize and support new developments in the industry.

Manner of implementation

The Supervisory Board takes the diversity aspects described above into account when making proposals for the election of Supervisory Board members. The Supervisory Board also undergoes an annual efficiency review. The review covers the effective performance of the tasks assigned to the Supervisory Board, including the practicability of the procedural regulations in the Supervisory Board's rules of procedure, as well as the efficiency of the committee's work. Diversity aspects are also to be given greater consideration in future.

Further disclosures on corporate governance

Notification concerning directors' dealings

Allane SE was not notified of any reportable purchase or sale transactions of Allane SE shares or related financial instruments by persons subject to reporting requirements (directors' dealings or managers' transactions) in the 2023 financial year. Corresponding notifications are published on the company's website ir.allane-mobility-group.com in the "Financial Reports" section under "Directors' Dealings".

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

In June 2020, the Supervisory Board set the target for the proportion of women on the Supervisory Board and the Managing Board at 0% in accordance with Section 111 (5) AktG and resolved an implementation deadline of 30 June 2023. On 1 July 2021, the Managing Board set the target quotas for the proportion of women at the first and second management levels below the Managing Board at 20% and 30% in accordance with Section 76 (4) AktG and resolved that both targets should be achieved by 30 June 2026.

Disclosures relating to the auditor

The ordinary Annual General Meeting on 30 June 2023 adopted the proposal of the Supervisory Board to appoint PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich, as auditor for financial year 2023 for Allane SE and the Allane Mobility Group.

Pullach, 25 April 2024

Allane SE

The Managing Board

Eckart Klumpp Álvaro Hernández

Consolidated financial statements

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

of Allane Mobility Group, Pullach, for the period from 1 January to 31 December 2023

Consolidated Income Statement

in EUR thou.	Notes		2023		2022
Revenue	/4.1/		619,243		571,122*
Other operating income	/4.2/		10,823		7,116
Fleet expenses and cost of lease assets	/4.3/		321,005		303,158*
Personnel expenses	/4.4/		52,897		52,834
a) Wages and salaries		44,829		45,068	
b) Social security contributions		8,068		7,766	
Net losses arising from the derecognition of financial assets	/4.5/		1,509		2,680
Net impairment losses (-) /gain (+) from financial assets	/4.6/		-2,074		494
Other operating expenses	/4.7/		31,577		34,963
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**221,005**		**185,098**
Depreciation and amortisation	/4.8/		192,388		168,065
a) Depreciation of lease assets		178,546		154,231	
b) Depreciation of property and equipment		6,159		4,051	
c) Amortisation of intangible assets		7,683		9,784	
Earnings before interest and taxes (EBIT)			**28,617**		**17,033**
Net finance costs	/4.9/		-15,983		-4,214
a) Interest income		338		370	
b) Interest expense		-16,354		-4,716	
c) Other net financial income		32		132	
Earnings before taxes (EBT)			**12,634**		**12,819**
Income tax expense	/4.10/		3,780		3,797
Consolidated profit	**/4.11/**		**8,853**		**9,022**
Of which attributable to shareholders of Allane SE			8,853		9,022
Earnings per share – basic and diluted (in Euro)	/4.12/		0.43		0.44

* Adjusted; see chapter "Accounting policies", subchapter "3.1 Income statement" to "Revenue"

Consolidated statement of comprehensive income

in EUR thou.	Notes	2023	2022
Consolidated profit	/4.11/	8,853	9,022
Other comprehensive income (not recognised in the income statement)		-4,078	7,291
Thereof components that could be reclassified to income statement in the future			
Currency translation gains/losses	/4.23/	841	667
Change of derivative financial instruments in hedge relationship		-6,351	8,335
Related deferred taxes		1,397	-1,834
Thereof components that will not be reclassified to income statement in the future			
Remeasurement of defined benefit plans	/4.25/	-10	153
Related deferred taxes		45	-30
Total comprehensive income		**4,776**	**16,313**
Of which attributable to minority interests		-4,954	6,501
Of which attributable to shareholders of Allane SE		9,730	9,813

C.2 – Consolidated balance sheet

of Allane Mobility Group, Pullach, as at 31 December 2023

Assets

in EUR thou.	Notes	31.12.2023	31.12.2022
Non-current assets			
Goodwill	/4.13/	4,134	4,308
Intangible assets	/4.14/	20,595	19,478
Property and equipment	/4.15/	37,204	29,045
Lease assets	/4.16/	1,406,444	993,192
Financial assets		28	27
Other receivables and assets	/4.20/	3,959	10,446
Deferred tax assets	/4.10/	730	783
Total non-current assets		**1,473,094**	**1,057,279**
Current assets			
Inventories	/4.17/	44,451	39,946
Trade receivables	/4.18/	98,396	82,697
Receivables from related parties	/4.19/	4,204	647
Other receivables and assets	/4.20/	47,774	31,806
Income tax receivables		204	809
Bank balances	/4.21/	5,187	5,168
Total current assets		**200,215**	**161,074**
Total assets		**1,673,309**	**1,218,353**

Equity and liabilities

in EUR thou.	Notes	31.12.2023	31.12.2022
Equity			
Subscribed capital	/4.22/	20,612	20,612
Capital reserves		135,045	135,045
Other reserves	/4.23/	80,245	72,370
Minority interests	/4.24/	2,287	7,241
Total equity		**238,189**	**235,268**
Non-current liabilities and provisions			
Provisions for pensions	/4.25/	142	108
Other provisions	/4.26/	226	226
Financial liabilities	/4.27/	920,709	529,710
Other liabilities	/4.30/	40,063	15,064
Deferred tax liabilities	/4.10/	32,397	35,573
Total non-current liabilities and provisions		**993,536**	**580,681**
Current liabilities and provisions			
Other provisions	/4.24/	3,812	6,900
Income tax liabilities		4,055	2,502
Financial liabilities	/4.25/	256,219	278,128
Trade payables	/4.29/	116,301	69,431
Contract Liabilities	/4.31/	20,784	15,234
Liabilities to affiliated companies	/4.28/	56	89
Other liabilities	/4.30/	40,356	30,119
Total current liabilities and provisions		**441,584**	**402,402**
Total equity and liabilities		**1,673,309**	**1,218,353**

C.3 – Consolidated cash flow statement

of Allane Mobility Group, Pullach, for the 2023 financial year

Consolidated cash flow statement

in EUR thou.	Notes	2023	2022
Operating activities			
Consolidated profit	/4.11/	8,853	9,022
Income taxes recognised in income statement	/4.10/	5,457	4,398
income taxes received		1,694	0
income taxes paid		–4,993	–4,336
Financial result recognised in income statement[1]	/4.9/	15,984	4,215
Interest received		323	1,541
Interest paid		–11,292	–6,337
Depreciation and amortisation	/4.8/	192,213	168,065
Income from disposal of fixed assets		–39,898	–40,945
Other (non-)cash expenses and income		–698	78
Gross cash flow		**167,643**	**135,701**
Proceeds from disposal of assets		261,106	260,889
thereof leasing assets		259,931	259,444
thereof fixed assets		1,175	1,445
Payments for investments in lease assets		–811,960	–371,949
Change in inventories	/4.17/	–4,505	–1,459
Change in trade receivables	/4.18/	–15,699	–7,475
Change in trade payables	/4.29/	46,870	3,756
Change in other net assets		18,485	–5,334
Net cash flows used in/from operating activities		**–338,060**	**14,128**
Investing activities			
Proceeds from disposal of intangible assets and equipment		15	7
Payments for investments in intangible assets and equipment	/4.14/ to /4.15/	–13,773	–6,735
Net cash flows used in investing activities		**–13,757**	**–6,728**
Financing activities			
Dividends paid		–1,855	–1,237
Proceeds from bank loans (incl. ABS-transaction)[2]	/4.27/	578,200	470,000
Payments made for redemption of bonds and bank loans (incl. ABS-transaction)[3]	/4.27/	–343,017	–501,136
Proceeds from current financial liabilities [4, 5, 6]	/4.27/	118,467	30,500
Net cash flows used in financing activities		**351,795**	**–1,873**
Net change in cash and cash equivalents		**–22**	**5,528**
Effect of exchange rate changes on cash and cash equivalents		41	57
Cash and cash equivalents at 1 Jan.[7,8]		**5,168**	**–417**
Cash and cash equivalents at 31 Dec.[8]	**/4.21/**	**5,186**	**5,168**

1 Excluding income from investments
2 Proceeds from bank loans (incl. ABS transaction) include proceeds from financing of affiliated companies in the amount of EUR 370,000 thousand (2022: EUR470,000 thousand).
3 Payments for redemption of bond and bank loan (incl. ABS transaction) include payments for redemption of financing of affiliated companies in the amount of EUR 220,000 thousand (2022: EUR 80,000 thousand).
4 This includes payments received from the financing of affiliated companies in the amount of EUR 180,000 thousand (2022: EUR 120,000 thousand) and payments from the repayment of financing from affiliated companies in the amount of EUR 140,000 thousand (2022: EUR 100,000 thousand).
5 Short-term borrowings with a maturity period of up to three months and quick turnover.
6 Cash and cash equivalents as at 1 January 2022 consists of bank balances (EUR 1,655 thousand) and bank overdrafts (EUR -2,072 thousand).
7 Cash and cash equivalents as at 1 January 2023 consist exclusively of bank balances (EUR 5,168 thousend).
8 Cash and cash equivalents as at 31 December 2023 consist exclusively of bank balances (EUR 5,187 thousend).

C.4 – Consolidated statement of changes in equity

of Allane Mobility Group, Pullach, as at 31 December 2023

Consolidated statement of changes in equity

				Other reserves				
in EUR thou.	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserve	Other equity	Equity attributable to shareholders of Allane SE	Minority interests	Total equity
1.1.2023	**20,612**	**135,045**	**12,488**	**3,347**	**56,535**	**228,028**	**7,241**	**235,268**
Consolidated profit	-	-	-	-	8,853	8,853	-	8,853
Other comprehensive income	-	-	-	841	35	876	-4,954	-4,078
Dividends paid	-	-	-	-	-1,855	-1,855	-	-1,855
Transfer to retained earnings	-	-	491	-	-491	0	-	0
31.12.2023	**20,612**	**135,045**	**12,979**	**4,189**	**63,077**	**235,902**	**2,287**	**238,189**

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

See also Notes \4.22\ to \4.24\

C.5 – Notes to the consolidated financial statements

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1. General disclosures

1.1 Information about the Company

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

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

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

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

The Company may furthermore pursue its operations fully or partially through subsidiaries or associated companies. The Company is especially entitled to transfer or assign partially or fully its operations to subsidiaries or associated companies. The Company can limit its business activities to one or specific purpose of the aforementioned objects, and also to the activity of a holding company and/or the administration of other own assets.

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

The Hyundai Capital Bank Europe GmbH (HCBE), based in Frankfurt am Main, holds just over 92% of the ordinary shares and voting rights in Allane SE and is therefore the largest shareholder and parent company of Allane SE. HCBE is a subsidiary of Santander Consumer Bank AG, Mönchengladbach, Germany, and a holding of Hyundai Capital Services Inc, Seoul, Korea. The parent company and ultimate Group company that prepares the consolidated financial statements for the largest group of companies is Banco Santander S.A., Santander, Spain. These consolidated financial statements were published in the electronic Federal Gazette until the 2021 financial year-end. The consolidated financial statements of Banco Santander S.A. for subsequent financial years are published in English by the Comisión Nacional del Mercado de Valores (CNMV).

1.2 General disclosures of the consolidated financial statements

The consolidated financial statements of Allane SE as at 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the applicable commercial law regulations according to section 315e (1) of the HGB (German Commercial Code).

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

The consolidated income statement is prepared in accordance with the nature of expense method using the two-statement approach.

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

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

The following amendments and revisions to the IFRS became effective, where applicable, for the Allane Mobility Group consolidated financial statements as of 1 January 2023:

- Amendment to IAS 1 and IFRS Guidance Document 2 - Presentation of Financial Statements: Significant Accounting Policies;
- Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates;
- Amendments to IAS 12 - Income Taxes; recognition of deferred tax assets and liabilities at the time of addition of an asset and amendments to IAS 12 - Pillar 2;
- First-time application of IFRS 17 - Insurance Contracts

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

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

Standard/Interpretation	Description	Adoption by EU-comission	Applicable as at
Amendments to IAS 1	Determination of liabilities as current or non-current	Yes	01 Jan. 2024
Amendments to IAS 1	Naming secondary commitments for short-term or long-term debt	Yes	01 Jan. 2024
Amendments to IFRS 16	Subsequent measurement of lease liabilities for seller lessees as part of a sale and leaseback	Yes	01 Jan. 2024
Amendments to IAS 7 and IFRS 17 (Supplier Financing Arrangements)	Disclosure requirements qualitative and quantitative information on financing agreements with suppliers	No	01 Jan 2024
Amendments to IAS 21	Uniform approach to assessing whether a currency is exchangeable into another currency	No	01 Jan. 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and an associate or joint venture	No	postponed indefinitely

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

In addition, In October 2021, the OECD published model tax rules for the reform of the international tax system, referred to formally as the Global Anti-Base Erosion Rules (GloBE), or informally as the Pillar II international tax rules. Thes rules seek to impose a global minimum tax rate at least 15% for large international groups.

On 22 December 2022, the European Commission adopted Directive 2022/2523 ensures a minimum effective tax rate for the global activities of large multinational groups. The directive follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting and profit reduction. The OECD has also published implementation guidelines and a report on safe harbours to simplify the implementation of these regulations.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Allane Group operates. Once the legislation is enacted in Spain, Banco Santander S.A. will become the Ultimate Parent Entity (UPE). Allane Mobility Group as part of the Santander Group is basically within the scope of the enacted or substantially enacted legislation.

However, Santander Group is still in the process of assessing the potential exposure to Pillar Two income taxes. Based on Allane Mobility Group's assessment, the legal representatives of Allane SE estimate that the effective tax rate for Pillar II is likely to be over 15% in most of Allane Mobility Group's markets (operating jurisdictions). Therefore, no significant tax burden is expected due to the introduction of Pillar II.

Detailed quantitative information to indicate potential exposure, if any, of Allane Mobility Group entities in certain jurisdictions to Pillar Two income taxes is currently not known or reasonably estimable. Therefore, Allane Mobility Group continues the Pillar Two assessment together with Santander Group.

2. Consolidation

2.1 Consolidated companies

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

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

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

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

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

List of shareholdings

Name	Domicile	Equity	Equity interest	Annual result
Allane Mobility Consulting Österreich GmbH	Vösendorf/Austria	–897,285 EUR	100.0%	–157,912 EUR
Allane Mobility Consulting SARL	Rueil-Malmaison/France	–1,586,258 EUR	100.0%	–191,756 EUR
Allane Service Verwaltungs GmbH	Rostock/Germany	27,920 EUR	100.0%	858 EUR

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

2.2 Changes in the scope of consolidation

There have been no changes to the scope of consolidation of the Allane Mobility Group since the balance sheet date of 31 December 2022.

2.3 Consolidation Methods

The single-entity financial statements included in the consolidated financial statements are uniformly prepared in accordance with the IFRS accounting policies applicable to the Allane Mobility Group as at the balance sheet date 31 December 2023. Where necessary, the single-entity financial statements of the consolidated companies are adjusted to bring them into line with the accounting policies used within the Group.

Subsidiaries are those companies in which the Group has existing rights that give it the ability to direct their main activities. The main activities are the activities that have a material impact on the profitability of the company. Control thus exists if the Group is exposed to variable returns from the relationship with a company and its power over the relevant activities gives it the opportunity to influence these returns. Generally, the possibility of control is based on a direct or indirect majority of the voting rights by Allane SE. Subsidiaries are consolidated from the date on which the possibility of control exists. They are no longer consolidated when this possibility ceases to exist.

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

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

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

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

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

2.4 Foreign currency translation

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

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

The exchange rates applied for currency translation purposes are shown in the table below:

Exchange rates

	Closing rate		Average rate	
	31.12.2023	31.12.2022	2023	2022
Swiss Francs	0.9260	0.9847	0.9717	1.0017

3. Reporting and valuation methods

3.1 Income statement

Revenue

The Allane Mobility Group mainly acts as lessor to its customers for leases classified as operating leases. At the inception of the lease, the Allane Mobility Group examines all necessary criteria in accordance with IFRS 16 in order to classify the lease accordingly. The resulting lease income is recognized pro rata temporis over the term of the respective lease. Other lease income is measured at the value of the payments received or future payments to be received and represents the amounts expected to be received for goods and services in the normal course of business. Amounts received as a special lease payment at the inception of the lease are recognized as deferred income and recognized in profit or loss on a straight-line basis over the agreed lease term.

Although the vast majority of leases are classified as operating leases, the Group also enters into leases that are classified as finance leases, as substantially all the risks and rewards incidental to ownership are transferred to the lessee. Amounts to be received from finance leases are recognized as receivables in accordance with the net investments made by the Group and subsequently measured using the effective interest method. Income from finance leases is divided into interest payments and repayment of the receivable. Only the interest portion is recognized in financial income. Interest income from finance leases is shown in cash flow as interest income. The financial income is distributed over the term of the lease on a scheduled basis. The lease payments for the reporting period are offset against the gross investment in the lease in order to reduce both the nominal amount and the unrealized financial income.

When recognizing revenue in accordance with IFRS 15, the Allane Mobility Group generally differentiates between the extent to which it acts as a principal in the underlying contractual relationship (performance obligation is entered into by Allane, revenue recognition on a gross basis) or as an agent (Allane is instructed to enter into a performance obligation, revenue recognition on a net basis). In the case of recognition as principal, revenue is recognized upon delivery and transfer of economic ownership (transfer of control) if the amount of revenue and the costs to be incurred can be reliably determined and an inflow of benefits from the buyer is probable. In the case of revenue recognition as an agent, only the fee or commission agreed in exchange for the commission is recognized in the income statement. The distinction between revenue recognition as principal or agent is made by the Allane Mobility Group primarily in the recognition of full services (Leasing and Fleet Management division) and in the recognition of sales revenue from customer vehicles (Fleet Management division). When recognizing full services, the components "Fuel", Vehicle tax and licence fees" and "Replacement vehicles" in the Leasing business division and "Fuel", "Damage management", "Maintenance and wear", "Tyres", "Vehicle tax and licence fees", "Replacement vehicles" and "Logistics" in the Fleet Management business division, which were previously recognized as principal (gross basis) in the income statement, will be recognized as agent (net basis) from the 2023 financial year. The service com ponents, which are invoiced under a flat-rate contract, will continue to be recognized as principal (gross basis) in the income statement due to the performance commitment and pricing by the Allane Mobility Group.

The adjustments made in the 2023 financial year are reflected in the consolidated operating revenue of the Leasing and Fleet Management divisions as well as in the brokerage / sales revenue from the marketing of customer vehicles in the Fleet management division. The previous year's figures for operating revenue, sales revenue and expenses for fleet and leased assets were adjusted in the annual report from revenue recognition as principal (gross basis) to revenue recognition as agent (net basis). As a result of the adjustments, the previous year's figures for consolidated operating revenue changed by EUR 84.4 million from EUR 385.4 million to EUR 301.0 million and brokerage / sales revenue from the marketing of customer vehicles by EUR 61.5 million from EUR 331.6 million to EUR 270.1 million. In the same proportion, the previous year's figures for expenses for the vehicle fleet and leased assets changed by EUR 138.2 million from EUR 449.1 million to EUR 310.8 million. The adjustment has no effect on the consolidated result.

The adjusted prior-year figures have been marked separately in the annual report (*).

The Allane Mobility Group recognizes revenue from service components as part of a full-service contract with customers, such as for maintenance and tire change services, at a specific point in time. Revenue is recognized at a point in time when the specific service is provided. The customer's payments are recognized as a contract liability (advance payment received) until the service is performed. In the case of full-service maintenance and wear-related tire replacement, experience shows that the specific service is not incurred until a later point in time during the contract term, as the Allane Mobility Group mainly leases new vehicles. The further back the date on which the full service is due, the greater the contractual obligation.

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

Derivatives and hedging relationship
The Group designates individual financial instruments, including derivatives, as cash flow hedges. Hedge accounting is carried out in accordance with IFRS 9.

At the beginning of hedge accounting, the eligibility and details of the hedging relationship between the hedged item and the hedging instrument as well as the corresponding risk management objectives and strategies are documented. Furthermore, both when the hedging relationship is entered into and during its course, it is regularly documented whether the hedging instrument designated in the hedging relationship meets the requirements for hedge effectiveness.

The effective portion of the change in the fair value of derivatives that are suitable for cash flow hedges and have been designated as such is recognized in other comprehensive income under the item "Changes in derivative financial instruments in hedging relationships". The result attributable to the ineffective portion is recognized immediately in profit or loss and reported in the financial result. Amounts recognized in other comprehensive income are reclassified to the income statement in the period in which the hedged item is recognized in profit or loss. They are reported in the income statement in the same item in which the underlying transaction is reported. Disclosures on the fair values of derivatives used for hedging purposes are presented under "Additional disclosures on financial instruments".

Hedge accounting ends when the hedging instrument expires, is sold or terminated or no longer meets the criteria for hedge accounting. The full gain or loss recognized in other comprehensive income and accumulated in equity at this time remains in equity and is only recognized in profit or loss when the forecast transaction is also recognized in the income statement. If the expected transaction is no longer expected to occur, the entire profit or loss recognized in equity is immediately transferred to the income statement.

Derivatives are generally recognized at fair value upon initial recognition and subsequently remeasured at fair value at the end of each reporting period. The fair value of interest rate derivatives is calculated by discounting the expected future cash flows over the remaining term of the contract using current yield curves. The recognition of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument.

The Group applies hedge accounting for certain interest rate derivatives, which are reported under non-current other receivables and assets (2022: other receivables). The Group uses these financial instruments to hedge the cash flows from variable-interest liabilities from the asset-backed securities program against changes in the underlying interest rate.

The company determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing the effectiveness of the hedge on the basis of the reference interest rate, the term, the variable interest rate fixings, the amortization profile and the maturity as well as the nominal amount.

The company assesses the effectiveness of the compensation of the changes in the cash flows of the hedged item by the hedging instrument using the critical terms match method (prospective) and the determination of ineffectiveness using the cumulative dollar offset test using the hypothetical derivative method (retrospective).

Ineffectiveness can mainly occur due to a market value not equal to zero at the time of designation of the hedging relationship. If, in rare cases, there are unexpected repayments in the asset-backed securities program, the hedging instruments are de-designated accordingly to avoid over-hedging.

Income taxes
Income tax expenses represent the sum of current tax expenses and deferred taxes.

The current tax expense is calculated on the basis of the taxable income for the year. Taxable income differs from the result from ordinary activities (EBT) in the consolidated income statement due to income and expenses that are only taxable or tax-deductible in later years or never.

Deferred taxes are the expected tax burden or relief from the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the carrying amounts used to calculate taxable income.

In accordance with the balance sheet liability method set out in IAS 12 Income Taxes, deferred taxes are recognized for all temporary differences arising from the difference between the carrying amounts of assets and liabilities and the corresponding tax base. Deferred tax assets are only recognized to the extent that it is sufficiently probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced in value if it is no longer probable that sufficient taxable income will be available to realize the claim in full or in part.

Deferred taxes are calculated on the basis of the expected tax rates and tax laws that are expected to apply at the time the liability is settled or the asset is realized. The currently valid tax rates are used as a basis until changes in tax law are passed.

Deferred taxes are recognized in profit or loss in the consolidated income statement. They are only recognized in other comprehensive income if they relate to items recognized directly in equity. Deferred tax assets and liabilities are only offset against each other if there is a legally enforceable right to offset current tax assets and liabilities relating to income taxes levied by the same tax authority and if the Group intends to settle its current tax assets and liabilities on a net basis.

3.2 Assets

Goodwill

Goodwill resulting from a business combination is recognized at cost less any necessary impairment losses and is reported separately in the consolidated balance sheet. For the purpose of impairment testing, goodwill is allocated on acquisition to those cash-generating units (or groups thereof) of the Group that are expected to benefit from the synergies of the business combination. Goodwill was therefore tested at business unit level. If these did not generate any revenue from third parties, the impairment test was carried out at segment level. The impairment test of the goodwill of Autohaus24 GmbH and the significant parts of the business operations of SL Car Sales GmbH, Garching, acquired in the 2020 financial year, as well as assets and contracts attributable to these business operations, was carried out taking the Segment Leasing of Allane SE into account as a cash-generating unit.

Cash-generating units to which a portion of goodwill has been allocated must be tested for impairment at least annually. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets based on the carrying amount of each asset within the unit. The recoverable amount is the higher of value in use and fair value less costs to sell.

Any impairment of goodwill is recognized directly in the income statement. An impairment loss recognized for goodwill may not be reversed in future periods.

The annual impairment test is based on the management's planning for the cash-generating unit. The planning assumptions used to determine the value in use are adjusted annually to reflect current market conditions and the company's earnings situation. The model used for the impairment test is based on the discounted cash flow method using a multi-year plan and a growth factor of 1% when deriving the sustainable result. The capitalization interest rates used (as weighted average cost of capital, WACCs, pre-tax figures and growth discount) amounted between 6.2% and 6.6% at the time of the valuation during the year (previous year: between 4.7% and 5.3%). In the 2022 financial year, the Allane Mobility Group set the date of the annual impairment test as September 30 (previous year: year-end) and will continue to do so for future reporting periods. The main reason for the change in the execution date is the alignment with the annual budget cycle. The assumptions used in the model are based on external observations. The Allane Mobility Group is of the opinion that no reasonably conceivable change in the basic assumptions on which the determination of the recoverable amount is based would result in the cumulative carrying amount of the cash-generating unit exceeding its cumulative recoverable amount.

Intangible assets

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

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

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

Depreciation is based on the following useful lives, which are determined uniformly throughout the Group for the majority of assets:

Useful lives

	Period
Operating and office equipment	1 to 10 years

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

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

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

Allane Mobility Group as lessor
Leases are classified as finance leases if the lease agreement transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. The Allane Mobility Group also concludes buy-back agreements with the suppliers of the respective vehicles. In the overall view of all facts and conditions in connection with the repurchase agreement and the use of the vehicles by the Allane Mobility Group during the period from the acquisition to the final (own) marketing of the vehicles, the Allane Mobility Group retains significant opportunities and risks associated with ownership.

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

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

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

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

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

Allane Mobility Group as lessee

The Allane Mobility Group also acts as contractual lessee in lease agreements relating in particular to rental agreements for land and buildings The leases carry a term of up to 25 years, but may also include renewal options. The measurement of extension and termination options was based on the findings at the time of first-time adoption respectively at lease commencement date.

According to IFRS 16 right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. Right-of-use assets are depreciated on a straight-line basis over the lease term. The capitalized Right of use assets, resulting from leasing relationships, have a remaining useful life of 10 to 264 month. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate can not be readily determined, Allane Mobility Group uses its incremental borrowing rate. Except for short-term leases and leases of low value. For these leases, the Allane Mobility Group recognizes the lease payments as operating expenses.

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

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

Inventories

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

Financial assets, other receivables and assets

Financial assets consist of receivables, including receivables from finance leases, equity instruments, cash and cash equivalents and derivatives. Financial assets are recognised if the Group has a contractual right to receive cash or other financial assets from another party. The classification of financial assets is based on the business model in which the instruments are held and the composition of the contractual cash flows. The business model is determined at portfolio level and is based on management's intentions and past transaction patterns. Cash flows are analysed on the basis of the individual instruments. Purchases and sales of financial assets are generally recognised on the settlement date. Financial assets are initially recognised at fair value plus transaction costs, if applicable. Transaction costs incurred on the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are recognised at the transaction price. Subsequent measurement is based on the allocation of the financial assets to the categories recognised in accordance with IFRS 9.

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

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

Interest income from items in this category is calculated using the effective interest method.

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

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

For financial assets, with the exception of financial assets measured at fair value through profit or loss, the expected credit losses are determined at each reporting date and taken into account in the measurement. The impairment method depends on whether there has been a significant increase in credit risk since the loan was granted. In the case of trade receivables and receivables from finance leases, the Group applies the simplified approach, accord-ing to which a risk provision is recognized for all instru-ments in the amount of the expected losses over the re-maining term.

Some categories of financial assets, such as trade receivables, are tested for impairment on a portfolio basis. For the assessment on a portfolio basis, assets with similar risk characteristics such as customer group, customer credit rating or transaction type are grouped together in order to determine an impairment based on the past due date and the expected probability of default.

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

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

An impairment of the affected financial assets is recognised in an impairment account (allowance account). Changes in the carrying amount of the impairment account are recognised in the income statement.

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

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

3.3 Equity and liabilities

Equity

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

Provisions for pensions

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

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

Provisions

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

Financial liabilities
Financial liabilities are measured on initial recognition at their fair value and subsequently – with the exception of derivative financial instruments and contingent consideration resulting from a business combination, which are measured at fair value – according to the effective interest method at amortised costs less directly attributable transaction costs, where applicable. Leasing payments for liabilities to the lessor are divided up into an interest portion and a redemption portion. Only the interest portion is recognised as expense within the net finance costs.

3.4 Estimation uncertainties and discretionary decisions

In preparing the consolidated financial statements, it is often necessary to make estimates and assumptions that affect both the items reported in the consolidated balance sheet and the consolidated income statement, as well as in the disclosures contained in the notes to the consolidated financial statements. The amounts actually realised may differ from the reported amounts. Changes are recognised in the income statement on the date at which an improved knowledge is gained.

Estimation uncertainties and discretionary decisions that affect the residual value risks due to climate change or the war in Russia and Ukraine, which go beyond the previous consideration in the valuation, were taken into account in the preparation of the consolidated financial statements and were not material as at the reporting date.

The estimates and assumptions made are outlined in the disclosures on the individual items. The areas in which amounts are most significantly affected are the following:

Goodwill is measured on the basis of expected developments and estimated parameters, property and equipment is measured on the basis of the estimated useful lives of the assets. Lease assets are measured based on the estimated useful lives of the vehicles and taking into account the expected residual value of the vehicle, lease assets intended for sale are measured on the estimation of the expected net realisable value. When classifying the leasing contracts of the Allane Mobility Group as lessor with an existing repurchase agreement with the seller of the vehicles, the Group considers the overall view of all circumstances and conditions to be that, despite the existence of a residual value guarantee, significant risks and opportunities associated with ownership remain with the Allane Mobility Group.

Valuation allowances are charged on receivables based on an assessment of the expected credit risks, which are based on management expectations and historical default rates. Derivatives are valued using a calculation model based on yield curves obtained from a market data platform. The need for provisions is determined using the best estimate of the most probable settlement amount of the present obligation at the balance sheet date. Provisions for pensions are based on actuarial valuations derived from financial and demographic assumptions.

The regularly reviewed and recognised risk provisioning for lease assets essentially represents provision for future marketing at the end of the individual lease term of the existing leasing contract portfolio as of the relevant reporting date and has therefore not yet been realised as of the relevant reporting date. For measuring the risk provisioning, Managing Board applies a model that uses external industry expertise to predict future developments.

Trade receivables consist of lease installments due immediately or in the short term (operating leases) as well as receivables due immediately or in the short term from full service, fleet management and vehicle marketing. There are also a comparatively small number of receivables from finance leases, which are also essentially current. The Allane Mobility Group expects that any payment difficulties and defaults due to the weak overall economy will only occur noticeably in the medium to long term, if at all. Due to the short-term nature of our receivables portfolio, the scenarios used to determine the expected credit loss have no material impact. As part of its early warning, monitoring and control measures, the Allane Mobility Group has not yet identified any significant direct impact of the weak economy on the receivables portfolio. The partners' receivables are being monitored on an ongoing basis. If necessary, measures are initiated at short notice to identify non-recoverable receivables at an early stage and to adjust or derecognize these receivables in line with their value. A credit assessment process is in place for new business in the future.

4. Explanations and disclosures on individual items of the consolidated financial statements

4.1 Income statement

\4.1\ **Revenue** is broken down as follows:

Revenue

in EUR thou.	Germany 2023	Germany 2022	Abroad 2023	Abroad 2022	Total 2023	Total 2022	Change in %
Leasing Business Unit							
Leasing revenue (finance rate)	185,851	161,321	29,485	26,945	215,336	188,266	14.4
Other revenue from leasing business	91,417	81,661*	14,384	12,508*	105,801	94,169*	12.4
Sales revenue	257,289	249,227*	15,739	18,353*	273,027	267,579*	2.0
Total Leasing	**534,557**	**492,208***	**59,607**	**57,806***	**594,164**	**550,014***	**8.0**
Fleet Management Business Unit							
Fleet management revenue	21,498	15,972*	60	2,590*	21,558	18,563*	16.1
Sales revenue	3,522	2,545*	-	-	3,522	2,545*	38.4
Total Fleet Management	**25,019**	**18,518***	**60**	**2,590***	**25,079**	**21,108***	**18.8**
Group total	**559,576**	**510,726***	**59,667**	**60,396***	**619,243**	**571,122***	**8.4**

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"

The Group is divided into the two segments, Leasing and Fleet Management. These business units form the basis of segment reporting. The main activities are broken down as follows:

Segments

Leasing	Vehicle leasing including additional services for companies as well as for private individuals and sale of lease assets
Fleetmanagement	Fleet management services and brokerage / sale of used customer vehicles

Leasing revenue (finance rate), other revenue from leasing business and fleet management revenue are together described as 'operating revenue'. Sales revenue are not included in this item.

In the Leasing business unit, operating revenue comprises income from contractually agreed lease instalments, as well as revenue relating to service components such as repairs, tires, etc., as well as revenue from the settlement of accident claims and franchise fees.

The leasing segment in general sells its vehicles directly and therefore repots all proceeds from the sale of used vehicles under sales revenue.

In the Fleet Management business unit fleet management revenue comprises revenue relating to service components and contractual service fees. Additionally, the Fleet Management segment reports revenue from the brokerage / sale of used vehicles bought from customers.

Revenues of the Allane Mobility Group include compensation payments from third parties totalling EUR 5,594 thousand (2022: EUR 4,415 thousand).

\4.2\ **Other operating income** in the amount of EUR 10,823 thousand (2022: 7,116 EUR thousand) include income of EUR 2,153 thousand (2022: EUR 1,399 thousand) from currency translation The corresponding expenses from currency translation are included within other operating expenses. This item also includes income from cost allocations to third parties in the amount of EUR 296 thousand (2022: EUR 327 thousand), income from the reversal of provisions in the amount of EUR 2,748 thousand (2022: EUR 193 thousand) and income from own work capitalized in the amount of EUR 2,908 thousand (2022: EUR 2,214 thousand).

\4.3\ **Fleet expenses and cost of lease assets** are broken down as follows:

Fleet expenses and cost of lease assets

in EUR thou.	2023	2022	Change in %
Selling expenses[1]	237,714	229,068*	3.8
Repair, maintenance and reconditioning	52,886	47,775*	10.7
Vehicle licenses and deregistration	11,338	5,947	90.6
External rent expenses	370	391*	-5.4
Insurance	5,782	8,297	-30.3
Transportation	3,148	2,884*	9.1
Vehicle return expenses	3,130	2,776	12.8
Taxes and dues	69	0*	>100
Radio license fees	7	8*	-13.7
Fuel	54	217*	-75.3
Other expenses	6,507	5,794*	12.3
Group total	**321,005**	**303,158***	**5.9**

* Adjusted; see chapter "Reporting and valuation methods", subchapter "3.1 Income statement" to "Revenue"
[1] Including impairment losses on leased assets held for sale of EUR 1.0 million (2022: Impairment loss EUR 0.8 million)

\4.4\ **Personal expenses** increased slightly from EUR 52,834 thousand the year before to EUR 52,897 thousand in the year under review. This is due to an increase in statutory social security contributions compared to the previous year. Social security contributions mainly include the employer's contributions to statutory social security and expenses for defined contribution and defined benefit pension plans. These mainly relate to pension insurance amounts of EUR 2,338 thousand (2022: EUR 2,257 thousand) primarily result from the statutory German pension insurance. Expenses for defined benefit plans are included in the amount of EUR 48 thousand (2022: EUR 113 thousand).

Personnel expenses

in EUR thou.	2023	2022	Change in %
Wages and salaries	44,829	45,068	-0.5
Social security contributions	8,068	7,766	3.9
Group total	**52,897**	**52,834**	**0.1**

Average number of employees during the year:

Employees in the Group

	2023	2022
Female employees	323	332
Male employees	407	406
Group total	**730**	**738**

The Leasing business unit employed 664 (2022: 657) members of staff and the Fleet Management business unit 66 (2022: 81) members of staff.

\4.5\ **Net Losses arising from the derecognition of financial assets recognised in profit or loss:** In the 2023 financial year, the following income and expenses were recognized in the income statement in connection with derecognized financial assets measured at amortized cost.

Net losses arising from the derecognition of financial assets

in EUR thou.	2023	2022	Change in %
Income from derecognized receivables	709	802	-11.6
Expenses from derecognized receivables	-2,218	-3,483	-36.3
Group total	**-1,509**	**-2,680**	**-43.7**

\4.6\ **Net impairment losses/gains from financial assets recognized in profit and loss:** During the 2023 financial year, the following gains/losses were recognized in profit or loss in relation to impaired financial assets measured at amortised costs.

Net impairment losses (-)/gains (+) from financial assets

in EUR thou.	2023	2022	Change in %
Reversal of previous impairment losses on trade receivables	180	1,491	-87.9
Impairment losses on trade receivables	-1,054	-40	>100
Impairment losses on receivables from unconsolidated affiliate companies[1]	-649	-362	79.3
Impairment losses on other assets[2]	-551	-594	-7.4
Group total	**-2,074**	**494**	**<-100**

[1] Reported together with "Impairment of other assets" in the previous year, therefore previous year's figure adjusted (2022: EUR -956 thousand).
[2] The impairment of other assets mainly includes value adjustments to creditors with debit balances.

\4.7\ The following table contains a breakdown of other **operating expenses**:

Other operating expenses

in EUR thou.	2023	2022	Change in %
IT expenses	11,571	11,948	-3.2
Audit, legal, advisory costs, and investor relations expenses	5,257	9,570	-45.1
Other selling and marketing expenses	3,714	3,323	11.8
Other personnel services	3,066	2,864	7.1
Rental expenses for business premises	1,628	1,426	14.2
Expenses for foreign currency translation	1,395	1,362	2.4
Miscellaneous expenses	4,945	4,470	10.6
Group total	**31,577**	**34,963**	**-9.7**

Rental expenses for business premises include expenses for short-term leases in the amount of EUR 134 thousand (2022: EUR 151 thousand). Total payments made for leasing contracts in the 2023 financial year amounted to EUR 3,291 thousand (2022: EUR 2,783 thousand).

The consolidated financial statements of the Allane Mobility Group include fees for the auditor of the 2023 consolidated financial statements of EUR 656 thousand are recognized as operating expenses. Of this amount, EUR 37 thousand relates to other assurance services in connection with the ABS transactions. The remaining amount is attributable to fees for audits of the financial statements. The auditor's fees for subsidiaries of Allane SE for the 2023 financial year to network companies in the PwC (PricewaterhouseCoopers) network amount to EUR 121 thousand. In the consolidated financial statements of the Allane Mobility Group in the previous year, fees for the auditor of the 2022 consolidated financial statements amounted to EUR 522 thousand were recognized as operating expenses.

IT expenses decreased year-on-year to EUR 11,571 thousand (2022: EUR 11,948 thousand). The continued high level is mainly due to the IT expenses associated with the carve-out. The IT services previously provided by Sixt GmbH & Co. Autovermietung KG will be provided by the company itself or by external service providers since ending of 2022 financial year. In addition, expenses were incurred in connection with operations and the modernization of the IT infrastructure, applications and software. The decrease in legal and consulting costs to EUR 5,257 thousand was significantly reduced, mainly due to the ruling by the European Court of Justice (ECJ) on the "revocation of kilometer leasing contracts". As a result, provisions of EUR 2,369 thousand were reversed through profit or loss.

\4.8\ **Expenses for depreciation and amortisation** in the financial year are explained in more details below:

Depreciation and amortisation

in EUR thou.	2023	2022	Change in %
Lease assets	178,546	154,231	15.8
Property and equipment	6,159	4,051	52.1
Intangible assets	7,683	9,784	–21.5
Group total	**192,388**	**168,065**	**14.5**

The depreciation of lease assets has increased above prior year's level to EUR 178,546 thousand (2022: EUR 154,231 thousand). This is mainly due to the significant increase in the average portfolio of leased assets in the 2023 financial year. The depreciation of leased assets includes impairment losses of EUR 4,061 thousand (2022: EUR 461 thousand). Accumulated impairment losses amounted to EUR 10,520 thousand as at December 31, 2023 (2022: EUR 6,464 thousand). Amortization of intangible assets decreased compared to the previous year, mainly due to the year-on-year decline in impairment losses of EUR 1,726 thousand (2022: EUR 2,839 thousand)

\4.9\ **Net Finance costs** have deteriorated year-on-year from EUR –4,214 thousand to EUR –15,983 thousand. The deterioration in the financial result in 2023 is mainly due to the sharp rise in refinancing costs as a result of higher interest rates and a higher financing volume. The associated loan relationships were concluded in particular with the related party Santander Consumer Bank AG, Mönchengladbach. The following table contains a breakdown of the net finance cost:

Net finance costs

in EUR thou.	2023	2022
Other interest and similar income	304	359
Other interest and similar income from related parties	35	11
Interest and similar expenses	–1,622	–3,114
Interest and similar expenses for related parties	–14,732	–1,602
Other net financial result	31	131
Group total	**–15,983**	**–4,214**

Interest expenses for lease liabilities amounted to EUR 638 thousand in the 2023 financial year (2022: EUR 336 thousand). In addition to new leases, the increase is mainly due to extensions of existing leases for the used car marketing locations

The other financial result consists of valuation gains/losses from the ineffective portion of derivatives in hedging relationships.

\4.10\ **Income tax expense** comprises the following:

Income tax expense

in EUR thou.	2023	2022	Change in %
Current income tax for the reporting period	5,457	4,398	24.1
Deferred taxes	–1,676	–601	>100
Group total	**3,780**	**3,797**	**–0.4**

The current income tax expense for the financial year 2023 of EUR 5,457 thousand (2022: EUR 4,398 thousand) includes tax expense from previous years in the amount of EUR 189 thousand (2022: EUR 44 thousand).

The following tax reconciliation explains the relationship between the expected and effective tax expense reported. The expected tax expense results from the application of an income tax rate of 26.4% (2022: 26.3%) to consolidated profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax at 15% (2022: 15%) a solidarity surcharge of 5.5% (2022: 5.5%) as well as trade tax a 10.5% (2022: 10.4%).

Reconciliation of taxes

in EUR thou.	2023	2022
Consolidated profit before taxes in accordance with IFRS	12,634	12,819
Expected income tax expense	3,331	3,363
Effect of different tax rates outside Germany	–2	–44
Changes in permanent differences	171	255
Changes in impairments	128	31
Non-deductible operating expenses	208	103
Tax-exempt income	–4	-
Income taxes from other periods (current and deferred)	189	44
Change in tax rates	156	-
Other effects	–397	45
Reported tax expense	**3,780**	**3,798**

As at 31 December 2023, deferred tax without impact on the income statement amounted to EUR 662 thousand (2022: EUR 2,111 thousand). The change compared to the previous year amounts to EUR 1,449 thousand (2022: 1,870 thousand).

Deferred tax recognised in the income statement has developed as follows:

Deferred taxes

in EUR thou.	2023	2022
From temporary differences	–1,580	–628
From loss carryforwards	–96	27
Group total	**–1,676**	**–601**

The following overview outlines the sources of the deferred tax assets and liabilities:

Deferred taxes

	Deferred tax assets		Deferred tax liabilities	
in EUR thou.	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Lease assets	605	515	32,839	35,249
Receivables	46	81	776	1,050
Other assets	19	91	6,660	4,001
Liabilities and provisions	10,308	7,988	3,111	4,002
Tax loss carryforwards	741	837	-	-
	11,719	**9,512**	**43,386**	**44,302**
Offsetting	–10,989	–8,729	–10,989	–8,729
Group total	**730**	**783**	**32,397**	**35,573**

Deferred tax assets and deferred tax liabilities are offset, if the Group has a legally enforceable right to set off the current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority.

On the unused corporate tax losses carried-forward of EUR 10,711 thousand (2022: EUR 10,969 thousand) no deferred tax assets were recognised in respect of EUR 7,696 thousand (2022: EUR 7,535 thousand) and on the unused trade tax losses carried-forward of EUR 7,643 thousand (2022: EUR 7,886 thousand) no deferred tax assets were recognised for EUR 4,816 thousand (2022: EUR 4,816 thousand). The loss carry-forwards for which deferred tax assets have been recognised are expected to be used during the five-year planning period. The losses may be carried forward indefinitely.

The development of deferred tax liabilities on lease assets has resulted from the increasing difference between the IFRS carrying amount and the tax base value.

There were no deductible temporary differences in the financial year for which no deferred taxes were recognised (2022: 0 EUR thousand).

The temporary differences taxable upon realization in connection with interests held in the Group's subsidiaries and for which no deferred tax liabilities were recognised in the reporting periods presented amount to EUR 1,573 thousand (2022: EUR 1,082 thousand).

\4.11\ The **Consolidated profit** amounts to EUR 8,853 thousand (2022: EUR 9,022 thousand). As in the previous year minority interests are not to be considered.

In the previous year a dividend of EUR 0.09 per ordinary share was paid. This corresponds to a total distribution to shareholders in the amount of EUR 1,855 thousand, recognised in the financial year.

The dividend proposal for the financial year 2023 is a dividend of EUR 0.09 per ordinary share. This corresponds to an estimated total distribution of EUR 1,885 thousand for the year under review. The proposed dividend is dependent upon a corresponding resolution being passed by the Annual General Meeting and was not recognised as a liability in the consolidated financial statements. The exact dividend proposal is subject to the approval of the supervisory board and will be published with the agenda for the 2024 Annual General Meeting, taking into account any expectations of the supervisory authorities in this respect.

\4.12\ **Earnings per share** are as follows:

Earnings per share

		2023	2022
Consolidated profit	in EUR thou.	8,853	9,022
Profit attributable to shareholders of Allane SE	in EUR thou.	8,853	9,022
Weighted average number of shares		20,611,593	20,611,593
Earnings per share – basic and diluted	in EUR	0.43	0.44

The basic earnings per share is determined by dividing the parent's share of earnings after taxes to the weighted average number of shares during the current financial year. Diluted earnings per share is calculated on the basis of conversion of all dilutive instruments into ordinary shares.

There were no financial instruments outstanding over the financial year that could cause dilutive effects. Therefore, the diluted earnings per share correspond in the amount to the basic earnings per share.

4.2 Balance Sheet

Assets

\4.13\ bis \4.16\ The changes in the **Group's non-current assets** (without financial assets) are shown below:

Consolidated statement of changes in non-current assets

	Acquisition and production costs					
in EUR thou.	1 Jan. 2023	Foreign exchange differences	Additions	Disposals	Transfers	31 Dec. 2023
Goodwill	**4,308**	**-**	**-**	**-**	**-**	**4,308**
Purchased software	9,598	-	44	-	-	9,642
Internally developed software	23,155	-	-	2,624	6,455	26,985
Internally developed software in progress	2,499	-	8,581	799	–6,455	3,826
Payments on account of software	-	-	-	-	-	-
Intangible assets	**35,252**	**-**	**8,625**	**3,423**	**-**	**40,454**
Right of use assets	30,490	91	10,251	-	-	40,831
Operating and office equipment	12,981	43	5,147	3,848	198	14,521
Property and equipment	**43,471**	**133**	**15,398**	**3,848**	**198**	**55,352**
Lease assets	**1,198,639**	**4,525**	**812,720**	**395,503**	**–198**	**1,619,424**
Total	**1,281,669**	**4,658**	**836,743**	**402,775**	**-**	**1,719,537**

Consolidated statement of changes in non-current assets

	Acquisition and production costs					
in EUR thou.	1 Jan. 2022	Foreign exchange differences	Additions	Disposals	Transfers	31 Dec. 2022
Goodwill	**4,300**	**8**	**-**	**-**	**-**	**4,308**
Purchased software	9,507	-	91	-	-	9,598
Internally developed software	25,861	-	-	5,968	3,262	23,155
Internally developed software in progress	700	-	5,225		–3,262	2,499
Payments on account of software	222	-	-	–222	-	-
Intangible assets	**36,290**	**-**	**5,317**	**6,355**	**-**	**35,252**
Right of use assets	24,144	67	6,279	-	-	30,490
Operating and office equipment	11,377	19	1,418	515	682	12,981
Property and equipment	**35,521**	**86**	**7,697**	**515**	**682**	**43,471**
Lease assets	**1,194,270**	**2,958**	**372,709**	**370,617**	**–682**	**1,198,639**
Total	**1,270,382**	**3,052**	**385,723**	**377,487**	**-**	**1,281,669**

Consolidated statement of changes in non-current assets

	Depreciation/Amortisation						Carrying amounts	
in TEUR	1 Jan. 2023	Foreign exchange differences	Depreciation/ Amortisation in the financial year	Disposals	Transfers	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Goodwill[1]	**-**	**-**	**174**	**-**	**-**	**174**	**4,134**	**4,308**
Purchased software[2]	5,042	-	1,269	-	-	6,311	3,331	4,556
Internally developed software[2]	10,732	-	5,440	2,624	-	13,548	13,438	12,423
Internally developed software in progress[2]	-	-	799	799	-	-	3,826	2,499
Payments on account of software[2]	-	-	-	-	-	-	-	-
Intangible assets[2]	**15,774**	**-**	**7,508**	**3,423**	**-**	**19,859**	**20,595**	**19,478**
Right of use assets[3]	9,113	39	3,012	-	-	12,163	28,668	21,377
Operating and office equipment[3]	5,313	20	3,147	2,510	15	5,985	8,537	7,668
Property and equipment[3]	**14,426**	**59**	**6,159**	**2,510**	**15**	**18,148**	**37,204**	**29,045**
Lease assets[4]	**205,447**	**1,277**	**178,546**	**172,275**	**-15**	**212,980**	**1,406,444**	**993,192**
Total	**235,647**	**1,335**	**192,388**	**178,209**	**-**	**251,161**	**1,468,376**	**1,046,022**

[1] Depreciation includes impairments in the amount of EUR 174 thousand (2022: EUR 0 thousand)
[2] Depreciation includes impairments in the amount of EUR 1,726 thousand (2022: EUR 2,839 thousand)
[3] Depreciation includes impairments in the amount of EUR 0 (2022: EUR 0 thousand)
[4] Depreciation includes impairments in the amount of EUR 4,061 thousand (2022: EUR 461 thousand)

Consolidated statement of changes in non-current assets

	Depreciation/Amortisation						Carrying amounts	
in TEUR	1 Jan. 2022	Foreign exchange differences	in the financial year	Disposals	Transfers	31 Dec. 2022	31 Dec. 2022	31 Dec. 2021
Goodwill[1]	**-**	**-**	**-**	**-**	**-**	**-**	**4,308**	**4,300**
Purchased software[2]	3,783	-	1,259	-	-	5,042	4,556	5,724
Internally developed software[2]	8,340	-	8,360	5,968	-	10,732	12,423	17,521
Internally developed software in progress[2]	-	-	164	164	-	-	2,499	700
Payments on account of software[2]	-	-	-	-	-	-	-	-
Intangible assets[2]	**12,123**	**-**	**9,784**	**6,132**	**-**	**15,774**	**19,478**	**24,168**
Right of use assets[3]	6,440	20	2,653	-	-	9,113	21,377	17,704
Operating and office equipment[3]	3,932	10	1,398	220	193	5,313	7,668	4,199
Property and equipment[3]	**10,372**	**30**	**4,051**	**220**	**193**	**14,426**	**29,045**	**25,148**
Lease assets[4]	**199,652**	**782**	**154,231**	**149,025**	**-193**	**205,447**	**993,192**	**994,608**
Total	**222,147**	**812**	**168,065**	**155,377**	**-**	**235,647**	**1,046,022**	**1,048,224**

Non-current und current assets

\4.13\ **Goodwill** amounting to EUR 4,134 thousand (2022: EUR 4,308 thousand) resulted from consolidation of the companies autohaus24 GmbHand the company Flottenmeister GmbH, Pullach, included in the 2019 financial year, which was merged with Allane Mobility Consulting GmbH in the 2020 financial year. In the 2020 financial year, material parts of the business operations of SL Car Sales GmbH, Garching, were acquired as well as assets and contracts affiliated with this business operation. The decrease of EUR 174 thousand in this item is due to a full impairment of goodwill from the acquisition of Allane Mobility Consulting AG, Switzerland, as a result of an impairment test due to terminated customer relationships.

Consequently, impairment losses of EUR 174 thousand were recognized on goodwill in the 2023 financial year (2022: EUR 0 thousand).

\4.14\ **Intangible assets** include internally developed software amounting to EUR 13,438 thousand (2022: EUR 12,423 thousand) and purchased software amounting to EUR 3,331 thousand (2022: EUR 4,556 thousand). It also includes advance payments in respect of internally developed software amounting to EUR 3,826 thousand (2022: EUR 2,499 thousand).

The depreciation and amortisation of EUR 7,508 thousand (2022: EUR 9,784 thousand) in the 2023 financial year included impairment of EUR 1,726 thousand (2022: EUR 2,839 thousand) due to software that was no longer in use.

\4.15\ The item **Property and equipment** includes operating and office equipment (mainly Company cars, IT systems, fixtures and fitting and office equipment) in the amount of EUR 8,537 thousand (2022: EUR 7,668 thousand), as well as right-of-use assets (mainly properties) in the amount of EUR 28,668 thousand (2022: EUR 21,377 thousand). In the 2023 financial year, existing rental agreements for the selected used car marketing locations were extended ahead of schedule and a new rental agreement was concluded for the Wuppertal location, which mainly led to an increase in right-of-use assets.

The depreciation and amortisation of EUR 6,159 thousand (2022: EUR 4,051 thousand) in the 2023 financial year did not include any impairment losses on property, plant and equipment of the Allane Mobility Group (2022: EUR 0 thousand).

\4.16\ **Lease assets** decreased to EUR 1,406,444 thousand (2022: EUR 993,192 thousand). The Group as lessor primarily leases out vehicles of various brands, mainly under full-service lease agreements. The outstanding lease payments from operating lease contracts are spread over the following years:

Operating Leases

in EUR thou.	31.12.2023	31.12.2022
2023		151,978
2024	221,802	92,260
2025	169,185	48,470
2026	108,394	16,716
2027	42,411	1,728
2028	523	37
2029 and later	33	0
	542,348	**311,189**

The amounts stated contain only the lease instalments without service components. The fixed-term agreements usually contain agreements on the vehicles' mileage. The resulting contingent lease payments recognised as income in the current financial year amounted to EUR -1,607 thousand (2022: EUR -2,003 thousand). In addition to these, the Group estimated calculated residual values covered by buyback agreements in the amount of EUR 101,600 thousand (2022: EUR 128,678 thousand) and further calculated residual values not covered by third parties in the amount of EUR 895,213 thousand (2022: EUR 622,887 thousand). In 2023 financial year there were depreciation on lease assets in the amount of EUR 178,546 thousand (2022: EUR 154,231 thousand), herein impairment losses of EUR 4,061 thousand (2022: EUR 461 thousand) were recognised on lease assets.

As of the reporting date 31 December 2023 lease assets of EUR 38,626 thousand (2022: EUR 40,045 thousand) are pledged as collateral to banks. Furthermore, lease assets was assigned as a security as part of the ABS-program in the amount of EUR 343,877 thousand (2022: EUR 285,042 thousand).

As at 31 December 2023, Allane Mobility Group, as lessor, had entered into a small portion of its lease assets amounting to EUR 5,546 thousand under operate sale and leaseback agreements.

\4.17\ **Inventories** consist mainly of lease assets intended for sale in the amount of EUR 44,451 thousand (2022: EUR 39,946 thousand).

\4.18\ **Trade receivables** result almost exclusively from services invoiced in the course of leasing and fleet management business and from vehicle deliveries. Valuation allowances were recognised for expected credit losses.

\4.19\ **Receivables from related parties** in the amount of EUR 4,204 thousand (2022: EUR 647 thousand) mainly consist of service commissions for the brokerage of vehicles from Hyundai Motor Deutschland GmbH.

\4.20\ **Other receivables and assets** can be broken down as:

Other receivables and assets

in EUR thou.	31.12.2023	31.12.2022
Financial other receivables and assets		
Finance lease receivables	1,849	1,877
Interest rate swap	2,934	9,254
Miscellaneous assets	7,157	11,357
Non-financial other receivables and assets		
Other tax receivables	26,839	6,431
Insurance claims	8,498	8,860
Deferred expense	4,456	4,474
Group total	**51,733**	**42,251**
thereof current	47,774	31,806
thereof non-current	3,959	10,446

The finance lease receivables result from lease agreements with customers that are classified as finance leases. The interest rate implicit in the leases is fixed at the inception of the lease for the entire term. The agreements partly contain put options on the part of the Group as lessor. The valuation allowance on finance lease receivables amounted to EUR 0.0 thousand (2022: EUR 0.0 thousand) in total.

The outstanding lease payments from finance lease contracts are spread over the following years as follows:

Finance leases

in EUR thou.	31.12.2023	31.12.2022
2023		967
2024	1,034	982
2025	562	183
2026	170	16
2027	176	2
2028	129	0
2029 and later	0	0
	2,072	**2,149**

Miscellaneous assets mainly include volume bonus receivables from suppliers and service providers.

Deferred expenses consist mainly of advance payments made for future licenses and other services, advance payments for product-related insurance and vehicle taxes, and bonus payments made to customers relating to the entire period of the lease.

\4.21\ **Bank balances** of EUR 5,187 thousands (2022: EUR 5,168 thousands) include short-term deposits at banks with terms of up to one month. As there were no overdrafts as at 31 December 2023, the bank balance corresponds to the cash and cash equivalents according to the consolidated cash flow statement. On 31 December 2022 the bank balance also corresponds to the cash and cash equivalents according to the consolidated cash flow statement.

Liabilities

Equity and liabilities

The Allane Mobility Group's equity increased year-on-year to a total of EUR 238,189 thousand (2022: EUR 235,268 thousands). Therein, the subscribed capital of Allane SE amounted unchanged to EUR 20,612 thousand.

\4.22\ **Subscribed capital of** Allane SE

Share capital

	No-par value shares	Nominal value in EUR 31.12.2023	No-par value shares	Nominal value in EUR 31.12.2022
Ordinary shares	20,611,593	20,611,593	20,611,593	20,611,593
Total	**20,611,593**	**20,611,593**	**20,611,593**	**20,611,593**

The share capital is fully paid up. The subscribed capital of Allane SE as of 31 December 2023 amounts to a total of EUR 20,611,593.00 and is divided into 20,611,593 ordinary bearer shares. The shares of the Company are no-par value shares with a pro-rata amount of subscribed capital of EUR 1.00 per share. The shares are fully paid in. The rights and obligations of the shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular sections 12, 53a et seq., 118 et seq. and 186 AktG.

Conditional capital

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

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

\4.23\ **Retained earnings**

Retained earnings

in EUR thou.	2023	2022
Balance as at 1 Jan.	12,488	11,045
Transfer to retained earnings	491	1,443
Balance as at 31 Dec.	**12,979**	**12,488**

\4.23\ **Currency translation reserve**

Currency translation reserve

in EUR thou.	2023	2022
Balance as at 1 Jan.	3,347	2,680
Differences arising from the translation of the financial statements of foreign subsidiaries	841	667
Balance as at 31 Dec.	**4,189**	**3,347**

\4.23\ **Other Equity**

Other equity

in EUR thou.	2023	2022
Balance as at 1 Jan.	56,535	50,070
Consolidated profit	8,853	9,022
Dividends paid	–1,855	–1,237
Other comprehensive income	35	123
Transfer to retained earnings	–491	–1,443
Balance as at 31 Dec.	**63,077**	**56,535**

Other equity mainly includes the consolidated unappropriated profit and the revaluation reserve from the initial transition to IFRS accounting.

\4.24\ **Minority interests** relate to the subscribed capital of Isar Valley S.A., Luxembourg, in which Allane Mobility Group holds no capital interest. Minority interest has decreased in the year under review from EUR 7,241 thousand to EUR 2,287 thousand due to the effective portion of the hedging relationship recognised in the other comprehensive income.

Liabilities and provisions

\4.25\ **Provisions for pensions** amount to EUR 142 thousand (2022: EUR 108 thousand).

Pension schemes in the Allane Mobility Group contain mainly defined contribution pension plans under statutory pension insurance. In Switzerland each employer is required by law to provide post-employment benefits schemes against the economic risks of retirement, death and invalidity to entitled employees. Therefore, Allane offers its Swiss employees funded defined benefit plans, which are managed by an external pension fund. The pension fund is responsible for the investment policy and asset management, as well as for all changes in the plan conditions and the determination of contributions to finance the benefits. In case of underfunding the pension fund can raise additional contributions from employers and employees.

The valuation of the provisions for pensions relies on actuarial reports.

The reports use the following actuarial assumptions:

Actuarial assumptions

in %	2023	2022
Discount rate	1.5	2.3
Assumed salary increase	1.5	1.5
Assumed pension increase	-	-
Mortality table	BVG 2020 GT	BVG 2020 GT

The following table shows the development of the defined benefit pension plan:

Development of defined benefit pension plans

in EUR thou.	Defined benefit obligations (DBO) 2023	2022	Fair value of plan assets 2023	2022	Net balance of defined benefit obligations 2023	2022
Balance as at 1 Jan.	1,484	1,418	1,375	1,254	108	164
Additions for previous years	-	-	-	-	-	-
Current service costs	48	113	-	-	48	113
Past service cost and plan compensation	–1	–3	-	-	–1	–3
Net interest costs of defined benefit obligations	21	4	21	4	–0	0
Expenses recognised in the consolidated income statement	**68**	**114**	**21**	**4**	**47**	**109**
Gain/loss on plan assets	-	-	20	–106	–20	106
Actuarial gains/losses	149	–183	-	-	149	–183
Experience gains/losses	77	1	-	-	77	1
Changes in demographic assumptions	-	3	-	-	-	3
Changes in financial assumptions	72	–187	-	-	72	–187
Remeasurement for defined benefit obligations recognised in other comprehensive income	**149**	**–183**	**20**	**–106**	**129**	**–77**
Employer contributions	-	-	65	95	–65	–95
Plan participants' contributions	65	95	65	95	-	-
Benefits paid	278	–29	278	–29	-	-
Foreign currency translation effects	–676	70	–599	63	–78	8
Other reconciling items	**–334**	**136**	**–192**	**223**	**–142**	**–88**
Balance as at 31 Dec.	**1,367**	**1,484**	**1,225**	**1,375**	**142**	**108**

The weighted average duration of the defined benefit obligation was around 16 years (2022: 14 years). Employer contributions expected to be paid for defined benefit obligations in the 2023 financial year amount to EUR 75 thousand.

The pension scheme is provided through an external pension fund, which manages the plan assets.

As at balance sheet date, the plan assets are attributable to other assets without quoted market prices.

Sensitivity analysis
The sensitivity analysis assumes in each case a parallel shift of half a percentage point.

This would result in the changes of values of the reported defined benefit obligations presented in the following table:

Sensitivity analysis of defined benefit obligations

in EUR thou.	Changes in the defined benefit obligations	2023	2022
Discount rate	+0.25 percentage points	–23	–21
Discount rate	–0.25 percentage points	28	26
Assumed salary increase	+0.5 percentage points	2	5
Assumed salary increase	–0.5 percentage points	–4	–8
Assumed pension increase	+0.25 percentage points	15	14
Assumed pension increase	–0.25 percentage points	–14	–13
Life expectancy	–1 year	–9	–9
Life expectancy	+1 year	10	10

\4.26\ The obligations reported in the financial year under **other provisions** are expected to be settled in the amount of EUR 3,812 thousand within one year and in the amount of EUR 226 thousand between one and five years. Other current provisions mainly comprise provisions for personnel-related matters, provisions for litigation arising from revocations of lease agreements in the first and second instance, and provisions for warranties. The increase is mainly attributable to provisions for legal disputes arising from revocations of lease contracts.

Other provisions

in EUR thou.	Personnel	Miscellaneous	Total
Balance as at 1 Jan.	3,561	3,564	7,126
Additions	2,778	37	2,815
Reversals	–448	–2,300	–2,748
Utilised	–2,495	–671	–3,166
Foreign exchange differences	11	-	11
Balance as at 31 Dec.	**3,408**	**630**	**4,038**
thereof non-current	-	226	226
thereof current	3,408	404	3,812

\4.27\ **Financial liabilities** comprise liabilities to banks, liabilities from asset backed securities program as well as in the previous year bonds finance lease liabilities for refinancing the lease assets.

Financial liabilities

	Residual term of up to 1 year		Residual term of 1 to 5 years		Residual term of more than 5 years	
in EUR thou.	31 Dec. 2023	31.12.2022	31 Dec. 2023	31.12.2022	31 Dec. 2023	31.12.2022
Liabilities to banks	246,349	273,930	893,884	510,015	-	-
Lease liabilities	2,849	2,274	8,610	6,844	18,215	12,851
Other liabilities	7,020	1,924	-	-	-	-
Group total	**256,219**	**278,128**	**902,494**	**516,859**	**18,215**	**12,851**

Refinancing was done especially through credit lines granted by Santander Consumer Bank AG and an asset-backed securities program.

Liabilities to banks, reported as at 31 December 2023, with a residual term of one to five years, result from credit lines granted by the Santander Consumer Bank AG in the amount of EUR 700 million. The revolving loan from Santander Consumer Bank AG is based on a credit facility agreement concluded for an indefinite period in the 2020 financial year. The agreement includes a "change of control" clause, which gives the lender the right to call in the loans and interest liabilities immediately in the event of a change of control. In addition, the Allane Mobility Group has set up an asset-backed securities program to refinance leasing contracts. The program has a maximum financing volume of EUR 700 million. The program results in variable-interest financial liabilities that are repaid on the basis of a repayment schedule in accordance with the lease contract structure.

The loans are recognised initially at fair value, less directly attributable transaction costs. Subsequent measurement is carried out at amortised cost using the effective interest method. To mitigate interest rate risks the company concluded interest rate swap agreements over the amortisation period of the related lease contract portfolio.

In the 2023 financial year, liabilities to banks with a remaining term of up to one year include equal amounts of short-term borrowings at variable interest rates within the framework of the credit lines available to the Allane Mobility Group and the current portion of the liabilities from the asset-backed securities program.

The liabilities to banks have been secured by transferring ownership of assets. Other liabilities include mainly financing with other financing partners and accrued interests.

The reconciliation of current and non-current financial liabilities is outlined below:

Reconciliation of financial liabilities

in EUR thou.	2023	2022
Balance as at 1 Jan.	**807,838**	**804,760**
Net change in cash flows[1]	342,681	–5,432
thereof interest payment	–10,969	–4,796
Other non-cash movements	26,409	10,582
thereof interest expenses (+) / income (-)	16,065	4,249
thereof lease liabilities	10,344	6,333
Change in bank overdrafts (cash and cash equivalents)	-	–2,072
Balance as at 31 Dec.	**1,176,928**	**807,838**

\4.28\ The **liabilities to related parties** relate mainly to the current transactions with affiliates companies of the Allane SE, which are not included in the consolidated financial statements of Allane Mobility Group.

\4.29\ **Trade payables** comprise current liabilities arising from deliveries to the Group, mainly from the purchase of vehicles for the lease fleet, and other purchases in the course of operating activities.

\4.30\ **Other liabilities** are broken down as follows:

Other liabilities

in EUR thou.	31.12.2023	31.12.2022
Financial other liabilities		
Miscellaneous liabilities	11,813	11,122
Non-financial other liabilities		
Deferred income	67,411	32,689
Payroll liabilities	291	361
Tax liabilities	904	1,011
Group total	**80,419**	**45,183**
thereof current	40,356	30,119
thereof non-current	40,063	15,064

The remaining other liabilities include, among other things, liabilities from customer deposits amounting to EUR 4,476 thousand (2022: EUR 7,076 thousand). Deferred income relates mostly to the deferral of income from advance payments by lessees. Deferred income from one-time lease payment is short-term in the amount of EUR 27,937 thousand (2022: EUR 17,987 thousand) with a remaining term of up to one year, and an amount of EUR 39,474 thousand (2022: EUR 14,702 thousand) is long-term with a remaining term between one and five years.

\4.31\ **Contract liabilities** include down payments for full-service contracts, which involve a flat- and constant-rate settlement with the customer until the actual full service performance has been duly provided. Revenue is realised at the point in time when the specific service is provided. The further the point in time at which the full service is actually provided is postponed, the greater the contractual obligation becomes. The amount of EUR 6,757 thousand included in contract liabilities as of 31 December 2022 was recognized as revenue in the 2023 financial year.

4.3 Additional Disclosures on Financial Instruments

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each single category of financial instrument. The fair value of financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value hierarchy according to IFRS 13.

Financial instruments

in EUR thou.	Measurement category[1]	Measurement basis for fair value	Carrying amount 31 Dec. 2023	Carrying amount 31.12.2022	Fair value 31 Dec. 2023	Fair value 31.12.2022
Non-current assets						
Financial assets	FVTPL	Level 3	28	27	28	27
Finance lease receivables	IFRS 16		929	1,096	924	1,094
Interest rate derivatives	FVTPL	Level 2	2,934	9,254	2,934	9,254
Other receivables	AC		97	96		
Total			**3,987**	**10,473**	**3,886**	**10,375**
Current assets						
Finance lease receivables	IFRS 16		921	781	921	781
Trade receivables	AC		98,396	82,697		
Receivables from related parties	AC		4,204	647		
Other receivables	AC		7,060	11,261		
Total			**110,581**	**95,386**	**921**	**781**
Non-current liabilities						
Liabilities to banks	AC		893,884	510,015	866,509	473,647
Lease liabilities	IFRS 16		26,825	19,696		
Other financial liabilities	AC		588	362		
Total			**921,297**	**530,073**	**866,509**	**473,647**
Current liabilities						
Liabilities to banks	AC		246,349	273,930	254,928	276,402
Lease liabilities	IFRS 16		2,849	2,274		
Liabilities to related parties	AC		56	89		
Currency derivatives	FVTPL	Level 2	1,359	218	1,359	218
Other financial liabilities	AC		7,020	1,924		
Trade payables	AC		116,301	69,430		
Financial other liabilities	AC		9,866	10,542		
Total			**383,801**	**358,409**	**256,287**	**529,328**

[1] Measurement category in accordance with IFRS 9: FVTPL - Fair value through profit or loss, AC - At amortized cost
[2] The value of other financial liabilities in the previous year included contract liabilities of EUR 15,233 thousand and wage liabilities of EUR 361 thousand.

The financial instruments in above table are classified into three levels depending on the measurement basis:

- Level 1 - measurements are based on prices quoted in active markets
- Level 2 - measurements are based on parameters other than quoted prices that are observable either directly as prices or are indirectly derived from prices
- Level 3 – measurements are based on models that use parameters that are not based on observable market data, but rather on assumptions

There have been no transfers between the individual measurement levels.

Due to factors that change in the course of time, the reported fair values can only be regarded as indicative of the values actually realisable on the market. The fair values of the financial instruments were calculated on the basis of market data available at the balance sheet date and the methods and assumptions described below.

For all current financial instruments it was assumed that the carrying amount (amortised cost) is a reasonable approximation of fair value unless not specified otherwise in the table.

The fair values of the finance lease receivables reported as assets and the bonds, finance lease liabilities, liabilities to banks and liabilities to related parties reported as liabilities were calculated as the present values of the future expected cash flows. Standard market interest rates of between 3.7% p.a. and 4.0% p.a. (2022: between 4.1% p.a. and 5.5% p.a.) based on the respective maturities were used for discounting.

Finance lease receivables and lease liabilities are measured in accordance with IFRS 16.

In the year under review, financial assets are allocated to the FVTPL (Fair Value Through Profit and Loss) measurement category and are valued on the basis of the net assets value. The net gain recognised in profit or loss resulted from the fair value measurement amounts to EUR 0 thousand (2022: EUR 0 thousand). At present there is no intention to dispose these equity instruments.

Net gains from financial assets on the AC measurement category (measured at amortised cost) amount to EUR 709 thousand (2022: EUR 802 thousand) and relate to income from payments received on receivables previously written off.

As in the previous year, there were no net gains or losses in the financial year on financial liabilities measured at amortised cost (AC measurement category).

Total interest income from financial assets not measured at fair value through profit or loss amounts to EUR 338 thousand (2022: EUR 370 thousand). This includes interest income from finance lease in the amount of EUR 162 thousand (2022: EUR 139 thousand). Total interest expense on financial liabilities not measured at fair value through profit or loss amounts to EUR 16,354 thousand (2022: EUR 4,716 thousand). This includes interest expense from payments of interest derivatives in a hedging relationship in the amount of EUR 0 thousand (2022: EUR 255 thousand).

The interest rate and currency derivatives are subsequently measured at fair value (level 2 measurement). As at balance sheet date, assets from interest rate derivatives amounted to EUR 2,934 thousand (2022: EUR 9,254 thousand), of which EUR 222 million (2022: EUR 0 million) is not included in any cash flow hedge accounting relationship. There are no financial liabilities from interest rate derivatives (2022: EUR 0 thousand). All in all, a volume of EUR 333 million (2022: EUR 245 million) is hedged with interest rate derivatives carrying fixed interest rates between –0.6% p.a. and 0.0% p.a. (2022: between -0.6% p.a. and 0.0% p.a.) and remaining term of up to five years (2022: three years). Of these, EUR 111 million (2022: EUR 249 million) are in a cash flow hedge relationship according to IFRS 9. The variable interest rate is based on the 1-month Euribor.

As at 31 December 2023, the Company held interest rate derivatives to hedge interest payment flows (interest rate risk). The following table presents the impact of the hedging instruments on the amount, timing and uncertainty of future cash flows and the effects of the recognition of hedging instruments on the financial statements.

Profile of timing

in EUR thou.	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027	31 Dec. 2028
Nominal amount of the hedging instrument	111,421	27,499	2,042	54	-	-
Average of fixed interest rate	−0.482%	−0.448%	−0.405%	−0.360%	-	-

Amounts of designated hedging instruments in balance sheet and hedging ineffectiveness

	31.12.2023			Financial year 2023		
in EUR thou.	Nominal amount	Carrying amount Asset	Balance sheet line item	Changes in value recognized in other comprehensive income	Income from ineffectiveness in the income statement	Profit or loss line item for ineffectiveness
	111,421	2,934	Non-current other receivables and assets	−6,351	4	Net finance costs

Sensitivity analysis
The sensitivity analysis assumes a parallel shift in the yield curves of +100/-100 basis points for variable-rate financial liabilities. Taking into account the existing interest rate derivatives this would result in changes in equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and does not include any tax effects.

The sensitivity analysis for the **reported interest rate** derivatives assumes a parallel shift in the yield curves of +100/-100 basis points. This would result in a change in the reported fair values (other non-current assets/other non-current liabilities) of EUR 807 thousand / EUR −807 thousand (2022: EUR 2,510 thousand / EUR −2,574 thousand).

The sensitivity for the reported currency **derivatives assumes** a change in the EUR exchange rate of +10/-10 percentage points. The reported values (other current assets/other current liabilities) would then change by EUR 2,785 thousand / EUR −2,375 thousand (2022: EUR 4,312 thousand / EUR −4,786 thousand).

The changes in value assumed in the sensitivity analysis for the interest rate and exchange rate risk would have the following effects on the derivatives measured at fair value:

Sensitivity of interest and exchange rate risks

in EUR thou.	Effect on profit and loss Change in exchange rates and yield curves		Effect on other comprehensive income Change in exchange rates and yield curves		Effect on equity Change in exchange rates and yield curves	
31 Dec. 2023	**2,788**	**−2,378**	**804**	**−804**	**3,592**	**−3,182**
31 Dec. 2022	4,312	−4,786	2,509	−2,573	6,822	−7,359

Financial risk management and hedging
The Allane Mobility Group is exposed to the following financial risks, which are addressed through the risk management system that has been implemented.

Allane SE has an internal control and risk management system throughout the Group designed to identify at an early stage all developments that can lead to significant losses or endanger the existence of the Company or of the Group. Efficient tools ensure that risks are centrally and decentrally identified, evaluated and managed swiftly. The risk management system covers all activities for the systematic handling of potential risks, starting with risk identification and documentation, analysis and assessment through to the management and monitoring of material risks. It is defined by a formal process that firmly integrates all relevant Group divisions and segments. The risk management system installed thereby registers the relevant individual risks.

The internal audit department monitors and evaluates the efficiency of the risk management system.

Moreover, risk management is handled in accordance with the principle of segregation of duties and monitoring. Financial risks are thereby identified, evaluated and secured in collaboration with the operating units. Management has prepared a written risk management manual and has defined guidelines for certain areas such as interest rate risks, counterparty default risks, residual value risks and liquidity risks.

Interest rate risk

Interest rate risk arises from the Group's operating activities. Changes in prevailing interest rates impact the profitability of the Group's leasing business, as the interest rates underlying the lease instalments are set for the term of the lease at the beginning of the lease agreement. In its dealings with corporate customers, the Group generally tries to counter such interest rate risk by including interest escalation clauses in individual framework agreements that apply to all new leasing contracts concluded under such framework agreements. In addition, the interest rate risk is kept to a minimum by borrowing funds with matching maturities.

The Allane Mobility Group is also exposed to risk arising from variable interest rate liabilities. The Group is exposed to the interest rate risk resulting from lease contracts being based on fixed interest rates and external financing partly being based on floating interest rates. Differences between fixed interest rates under lease contracts and floating interest rates paid for borrowed funds create a risk of wider spreads between financial revenues and financial costs which, if negative, may lead to losses on the Group's lease contracts.

While the Allane Mobility Group enters into derivative contracts to hedge its interest rate exposure, there can be no guarantee that such hedge will be effective or that losses will be completely avoided.

Increased costs of borrowings may have a material impact on the Group's cost base, which the Group may not be able to pass on to the same degree to the Group's customers.

It needs to be considered that the financing behaviour of financial institutions may change significantly due to ongoing structural changes in the credit industry, for example higher equity requirements or changes in the weighting of risks. Depending on the development of Allane Mobility Group's own creditworthiness, external financing might become more costly. This is particularly important as the Allane Mobility Group also enters into variable interest rate liabilities. In addition this also relevant for the extension and renewal of financing.

Market price risk

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

To counteract the market price risk involved in the disposal of vehicles within the Allane Mobility Group the residual values of the vehicles included in the calculation of the leasing contract are hedged partly by buyback agreements with dealers or manufacturers depending on market conditions.

In marketing used leased vehicles, the Allane Mobility Group is dependent on developments in the used car market, particularly in Germany. The vehicles to be sold directly by the Allane Mobility Group on the used car market are subjected to regular appraisals based on the Group's own experience and market observations. These vehicles are marketed in a multi-stage process. The most advantageous recycling channel for the Allane Mobility Group is evaluated for each vehicle. The Allane Mobility Group primarily uses online auction platforms and its own used vehicle sites. To a limited extent, buyback agreements, which are optional for the Allane Mobility Group, are contractually agreed with dealers or manufacturers in order to partially hedge the residual value of the vehicles on which the lease agreements are based. As a rule, however, the opportunities arising from own marketing outweigh the risks.

The Board of Management is also monitoring the general political discussion on new emission requirements in accordance with the Euro 7 standard, as well as government subsidy measures for electric drive technology and their impact on future business. Due to the introduction of newer drive technologies, there is a higher potential for uncertainty in the context of determining residual vehicle values.

Another significant factor that can further increase the residual value risk is the concentration of certain vehicle types or models in the leasing portfolio. A high concentration on certain vehicle types or models can lead to changes in market conditions, technological developments or regulatory changes having a greater impact on the overall value of the portfolio.

Counterparty default risk

The counterparty default risk arises if lessees and fleet management customers fail to meet their payment obligations fully or partly during the contract term or if vehicle suppliers cannot fulfil their buyback agreements towards Allane SE, resulting in payment defaults.

To reduce the counterparty default risk, credit assessments are carried out in accordance with internal guidelines prior to the contract conclusion. Furthermore, creditworthiness of customers is regularly monitored during the lease period. This precautionary measure helps to avoid and/or mitigate future risks arising from existing customers.

The Allane Mobility Group therefore also pays high attention to the economic stability of its vehicles dealers. The vehicles dealers are subject to regular and strict creditworthiness reviews. Should contractual partners not be able to meet their repurchase commitments, Allane Mobility Group would be forced to sell the vehicles directly in the used car market.

Vehicle suppliers in the captive have a right of first refusal with regard to the utilization of vehicles purchased from the supplier. If the right of first refusal is not exercised by the supplier, the Allane Mobility Group would be forced to sell the respective vehicles directly on the used vehicle market.

Deposits with banks consist only to a small extent of deposits available on demand. The ratings of the banks are monitored on an ongoing basis. The default risk is estimated to be negligible on the basis of the awarded external ratings.

The risk measurement and control systems as well as the organisation of the credit risk management of Allane SE comply with the minimum requirements for risk management of banks and financial institutions (MaRisk) as defined by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin; Federal Financial Supervisory Authority).

For expected default risks a valuation allowance is recognised. The relevant receivable is written-off when the recovery is no longer expected.

Overall, there are no significant risk concentrations in the area of counterparty default risk.

Analysis of trade receivables

The trade receivables are classified in the following table:

Analysis of trade receivables by risk class 2023

in EUR thou.	Gross receivables	Impairments	Net receivables 31.12.2023
very low	53,451	3	53,449
low	43,211	164	43,046
highly increased	5,396	3,495	1,901
Total	**102,059**	**3,662**	**98,396**

Analysis of trade receivables by risk class 2022

in EUR thou.	Gross receivables	Impairments	Net receivables 31.12.2022
very low	38,349	2	38,347
low	43,219	219	43,000
highly increased	3,899	2,549	1,350
Total	**85,467**	**2,770**	**82,697**

Trade receivables predominantly comprise receivables from Leasing and Fleet Management end-customers of the Allane Mobility Group and receivables from suppliers relating to the sale of used vehicles as part of their buyback commitments, or commercial and private buyers as part of the sale on the open market.

The maximum default amount is the reported carrying amount of the net receivable less collected collaterals (e.g. customer-security deposits in the amount of EUR 4,476 thousand). No credit derivatives or similar hedging instruments were used to cover credit risk in the period under review. Part of the receivables are secured through customer deposits.

The Group applies the simplified approach for impairment described in IFRS 9, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivable is recognised for all instruments irrespective of their credit quality. To measure the expected credit losses, parameters such as customer group, credit quality, transaction type and maturity are used. For individual combinations of the aforemen-tioned parameters different rates in accordance with the management expectations are applied to determine the impairment allowances. Due to the use of the simplified approach the changes in the allowance account are solely displayed as net amount. In the event of concrete indications of a default on receivables, for example due to the insolvency of the debtor, the corresponding receivables are derecognized in full.

In the financial year the allowance account for trade receivables developed as follows:

Change in the allowance account for trade receivables 2023

in EUR thou.	Balance as at 1.1.2023	Change	Balance as at 31.12.2023
Impairments	2,770	893	3,662

Change in the allowance account for trade receivables 2022

in EUR thou.	Balance as at 1.1.2022	Change	Balance as at 31.12.2022
Impairments	3,599	–829	2,770

In the 2023 financial year, the value adjustments for trade receivables increased by EUR 893 thousand. This is mainly due to the increase in gross receivables as at the reporting date and lower write-offs of receivables that have exceeded the ageing thresholds.

Liquidity risk

Liquidity risk is the risk that existing liquidity reserves are not sufficient to meet the Group's financial obligations as they fall due. The Group's approach to managing liquidity is to ensure by liquidity planning that the Group always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions.

In the future, the refinancing of the Allane Mobility Group will be essentially dependent on self-financing through operative cash flows or the ability to borrow external funds on the debt capital markets. With regard to debt financing opportunities, it needs to be considered that the financing behaviour of the financial institutions may change significantly due to the ongoing structural changes which can be observed in the credit industry, for example as a result of higher capital requirements in the credit business or changes in the weighting of risks. Depending on the development of Allane Mobility Group's own credit standing, external financing might therefore not or only under unfavorable conditions be obtained. In this context, it should be noted that the Allane Mobility Group currently has not assigned any external rating agency with a credit rating. However as common in the leasing industry asset-based financing opportunities (e. g. forfeiting or securitisation of leasing receivables) will be available to Allane Mobility Group. The Allane Mobility Group made use of this for the first time in 2016 and set-up an asset backed securities (ABS) program in mid-2016.

The Asset Backed Securities (ABS) program has been extended until the end of 2023 and will be amortized on an ongoing basis until the middle of the 2029 financial year.

Analysis of the repayment amounts of financial liabilities and liabilities to related parties

The following table includes the repayment amounts (including assumed future interest payable) at their respective maturities.

Repayment amounts by maturity 2023

in EUR thou.	Bonds	Liabilities to banks	Lease liabilities	Other financial liabilities	Total
2024	-	217,580	3,589	-	221,168
2025	-	125,549	3,044	-	128,593
2026	-	168,053	2,604	-	170,657
2027	-	337,418	2,611	-	340,029
2028 and later	-	388,783	22,532	-	411,315
31.12.2023	**-**	**1,237,383**	**34,380**	**-**	**1,271,762**

Repayment amounts by maturity 2022

in EUR thou.	Bonds	Liabilities to banks	Lease liabilities	Other financial liabilities	Total
2023	-	287,117	2,731	-	289,848
2024	-	211,621	2,549	-	214,170
2025	-	99,713	2,010	-	101,723
2026	-	96,035	1,815	-	97,850
2027 and later	-	122,896	16,778	-	139,674
31 Dec. 2022	**-**	**817,381**	**25,883**	**-**	**843,265**

The financial liabilities maturing in 2023 will largely be repaid by the usage of bank credit lines.

Analysis of the repayment amounts of interest rate and currency derivatives:

Repayment amounts by maturity 2023

in EUR thou.	Interest rate derivatives	Currency derivatives	Total
2024	2,600	–1,359	1,242
2025	318		318
2026	14		14
2027	1		1
2028 and later	-		-
31 Dec. 2023	**2,934**	**–1,359**	**1,575**

Repayment amounts by maturity 2022

in EUR thou.	Interest rate derivatives	Currency derivatives	Total
2023	6,313	–218	6,095
2024	2,521		2,521
2025	399		399
2026	20		20
2027 and later	1		1
31 Dec. 2022	**9,254**	**–218**	**9,036**

Exchange rate and country risk
Exchange rate risk is only of minor importance to the Allane Mobility Group, as the vast majority of receivables and liabilities are due in local currency in the country in which the respective Group company is based. Exchange rate risks from receivables and liabilities with affiliated companies based in Switzerland are hedged by a currency derivative. There are currently hardly any country risks.

Capital management
The Allane Mobility Group manages the Group's capital with the goal of creating a financial profile that supports the Group's growth targets, while providing the necessary financial flexibility and diversification. Thereby it is ensured that all Group companies can operate on the basis of the going concern assumption.

The basis of the Group's financial profile is the equity provided by Allane SE's equity investors. As at the balance sheet date, the Group's equity ratio was 14.2% (2022: 19.3%). Other key elements of the Group's financial profile are the financial instruments reported in non-current and current financial liabilities (bank loans as well as liabilities from the asset backed securities program and finance lease liabilities). The proportion of total assets accounted for by these non-current and current liabilities amounted to 70.3% (2022: 66.3%).

5. Other disclosures

5.1 Segment reporting

By Business Unit in EUR million	Leasing 2023	 2022	Fleet Management 2023	 2022	Consolidation 2023	 2022	Group 2023	 2022
External revenue	594.1	550.0*	25.1	21.0*	-	-	619.2	571.1*
Internal revenue	0.2	0.2*	-	-	-0.2	-0.2	-	-
Total revenue	**594.3**	**550.2***	**25.1**	**21.0***	**-0.2**	**-0.2**	**619.2**	**571.1***
Fleet expenses and cost of lease assets[1]	306.1	292.1*	15.0	11.3*	-0.1	-0.2	321.0	303.2*
EBITDA[2]	**220.0**	**184.4**	**1.1**	**0.7**	**-**	**-**	**221.0**	**185.1**
Depreciation and amortisation	192.2	168.0	0.2	0.1	-	-	192.4	168.1
EBIT[3]	**27.8**	**16.4**	**0.8**	**0.6**	**-**	**-**	**28.6**	**17.0**
Interest income	0.4	0.4	0.0	0.0	-0.1	-0.1	0.3	0.4
Interest expense	-16.3	-4.7	-0.1	-0.1	0.1	0.1	-16.4	-4.7
Other net financial income	0.0	0.1	-	-	-	-	0.0	0.1
Net finance costs	-15.9	-4.2	-0.1	-0.1	-	-	-16.0	-4.2
EBT[4]	**11.9**	**12.3**	**0.7**	**0.6**	**-**	**-**	**12.6**	**12.8**
Investments	846.8	385.7	0.0	0.0	-10.8	-	836.0	385.0
Assets	1,652.8	1,199.9	35.5	38.8	-15.9	-21.9	1,672.4	1,216.8
Liabilities	1,379.3	930.0	24.2	36.6	-4.9	-21.7	1,398.7	945.0
Employees[5]	664	657	66	81	-	-	730	738

* In the leasing; see chapter "Accounting policies", subchapter "3.1 Income statement" to "Revenue"
[1] In the leasing segment write-downs on lease assets intended for sale are included in the amount of EUR 1.0 million (2022: write-off of EUR 0.8 million)
[2] Corresponds to earnings before interest, taxes, depreciation and amortisation (EBITDA)
[3] Corresponds to earnings before interest and taxes (EBIT)
[4] Corresponds to earnings before taxes (EBT)
[5] Annual average

By region in EUR million	Germany 2023	 2022	International 2023	 2022	Reconciliation 2023	 2022	Group 2023	 2022
Total revenue	559.6	510.7*	59.7	60.4*	-	-	619.2	571.1*
Investments	787.4	332.9	48.6	52.0	-	-	836.0	385.0
Assets	1,739.7	1,217.3	604.5	445.2	-671.8	-445.7	1,672.4	1,216.8

* In the leasing; see chapter "Accounting policies", subchapter "3.1 Income statement" to "Revenue"

The Allane Mobility Group is active in the business areas Leasing and Fleet Management. Resources are allocated and the Group's performance is assessed by the Managing Board on the basis of these segments (management approach). The key parameter for the assessment of the performance by the Managing Board are the earnings before taxes (EBT) of the segments.

The geographic information analyses the Group's revenue, the Group's investments and the Group's assets by Group Company's country of domicile.

Segment reporting is based on the accounting and valuation principles in the consolidated financial statements. receivables, liabilities, income and expenses between the segments are eliminated in the reconciliation to the Group figures. Group assets and liabilities do not recognise any tax positions.

5.2 Contingent liabilities and other financial obligations

Contingent liabilities

At the end of the financial year there were contingencies from guarantees or similar obligations in the amount of EUR 1.6 million (2022: EUR 11.4 million) and decreased in particular following the expiry of an existing guarantee.

Other financial obligations

Purchase commitments resulting from concluded agreements at the respective balance sheet date concerning vehicle deliveries for the lease fleet in the coming year amount to around EUR 467.1 million (2022: EUR 402.4 million).

Contingencies

As at 31 December 2023, there are no circumstances that justify the disclosure of a contingent liability (2022: EUR 0,9 million).

5.3 Related party disclosures

The relationships with related parties comprise the relationships between the Allane Mobility Group and Hyundai Capital Bank Europe GmbH, Frankfurt am Main, and its affiliated companies Banco Santander S.A., Santander, Spain, including its direct and indirect subsidiaries, associated companies and joint ventures, and Hyundai Motor Company, Seoul, Korea, including its direct and indirect subsidiaries, associated companies and joint ventures.

The parent company of Allane SE is Hyundai Capital Bank Europe GmbH. Allane Mobility Consulting Österreich GmbH and Allane Mobility Consulting SARL are indirect, non-consolidated subsidiaries of Allane SE. Allane Service Verwaltungs GmbH is a direct, non-consolidated subsidiary of Allane SE. The further related parties are group-entities of Banco Santander S.A., Spain as well as group-entities of Hyundai Motor Company, Seoul, Korea.

The significant transactions and balances arising from such relationships with related parties of Hyundai Capital Bank Europe GmbH and its affiliated companies Banco Santander S.A., Spain, including its direct and indirect subsidiaries, associates and joint ventures, and Hyundai Motor Company, Seoul, Korea, including its direct and indirect subsidiaries, associates and joint ventures, are presented below.

Related parties

	Services rendered		Services used		Receivables from related parties		Liabilities to related parties	
in EUR million	2023	2022	2023	2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Banco Santander International SA, Genf, Schweiz	0.1	-	-	-	[1]	[1]	-	-
Genesis Motor Deutschland GmbH, Offenbach am Main	[1]	-	0.2	0.5	-	-	-	-
Genesis Motor Switzerland AG	-	-	0.2	-	-	-	-	-
Hyundai AutoEver Corp., Seoul, Korea	-	-	1.3	0.3	-	-	0.3	0.2
Hyundai Capital Bank Europe GmbH, Frankfurt am Main	0.3	-	1.5	[1]	0.3	-	1.5	0.2
Hyundai Capital Services Inc., Seoul, Korea	[1]	-	[1]	-	-	-	[1]	-
Hyundai Motor Deutschland GmbH, Offenbach am Main	7.8	0.7	3.4	3.0	3.2	0.2	1.2	0.1
Hyundai Motor Europe Technical Center GmbH, Rüsselsheim	-	[1]	-	-	-	-	-	[1]
Hyundai Motor France SAS, La Garenne-Colombes, Frankreich	[1]	-	-	-	-	[1]	[1]	-
KIA France, Rueil Malmaison, Frankreich	-	-	[1]	-	-	-	[1]	-
KIA Motors Deutschland GmbH, Frankfurt am Main	[1]	[1]	-	-	-	-	-	-
Santander Consumer Bank AG, Mönchengladbach	0.8	-	15.3	2.2	0.8	1.3	705.8	510.3
Santander Consumer Leasing GmbH, Mönchengladbach	0.6	0.7	-	-	[1]	[1]	-	-
Santander Global Technology and Operations, S.L., Madrid, Spanien	-	-	0.5	0.4	-	-	-	-

[1] Amount rounded less than EUR 0.1 million

HCBE and Allane intend to conclude a joint cooperation agreement as part of Allane's takeover of HCBE's leasing product portfolio (mileage and full-service leasing) for "Hyundai Leasing" and "Kia Leasing". The cooperation agreement essentially regulates the cooperation between the two parties and the performance obligations within the scope of the "Hyundai Leasing" and "Kia Leasing" products. In the agreement, both parties agree on an annual compensation payment based on the volume of new business to be paid by Allane to HCBE. The cooperation agreement contains a change of control clause that is effective for both parties, which grants the parties an extraordinary right of termination in the event of a change of control of one of the contracting parties. At the time of reporting, the cooperation agreement has not yet been concluded. In a letter of intent dated 15 January 2024, both parties confirm the conclusion of the cooperation agreement described above.

On 29 December 2022, Allane concluded a cooperation agreement with Hyundai Motor Deutschland GmbH (HMD) for the "Hyundai Leasing" product. The cooperation agreement defines the operational handling of the leasing business in the context of "Hyundai Leasing" and ensures the product-related support and brokerage services of HMD. The parties agree on an annual compensation payment to be made by Allane. The cooperation agreement has a term of three years and includes a change of control clause. Consequently, both parties have the right to terminate the cooperation agreement without notice in the event of a change of control.

Allane SE entered into a credit facility agreement with Santander Consumer Bank AG. Of this credit facility, loans in the amount of EUR 700 million had been drawn down as of the reporting date (2022: EUR 510 million). The loans have a term of up to five years. There is a change of control clause, which gives Santander Consumer Bank AG the right to call in the loans and interest payable immediately if a change of control occurs.

As at 31 December 2023, there was an IT license agreement with Santander Global Technology and Operations, S.L., Madrid, Spain for a period of three years with a remaining contractual term of six months.

All outstanding receivables from and payables to related parties, which are reported separately, were settled on the basis of contractual agreements. In 2022 expenses for impairment of receivables from related parties amounting to EUR 2.5 million were recognized (previous year: EUR 1.8 million).

The business relationships shown are in each case conducted on an arm's length basis.

The Supervisory Board and Managing Board of Allane SE

Supervisory Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Jochen Klöpper Chairman Chief Risk Officer of Santander Consumer Bank AG Hamburg, Germany	Chairman of the Supverisory Board of Hyundai Capital Bank Europe GmbH (HCBE) Member of the Administrative Board West of the Schufa Holding AG
Thomas Hanswillemenke Member of the Supervisory Board Member of the Managing Board Santander Consumer Bank AG, Germany and Member of the Managing Board of the Santander Consumer Holding GmbH, Mönchengladbach, Germany	Member of the Supervisory Board of Santander Consumer Operations Services GmbH, Mönchengladbach, Germany Member of the Supervisory Board of Hyundai Capital Bank Europe GmbH, Frankfurt am Main, Germany Chairman of the Advisory Board of VCFS Germany GmbH, Cologne, Germany
Norbert van den Eijnden Member of the Supervisory Board Freelance consultant Maarssen, Netherlands	Member of the Supervisory Board of Bovemij NV, Chairman of the Chairman Foundation Duurzame Vecht
Ross Williams Member of the Supervisory Board (since 14 April 2023) Vice President, Head of Global Business Division Hyundai Capital Services, Inc. Seoul, Republic of Korea	Member of the Board of Directors of Hyundai Capital France Member of the Board of Directors of Hyundai Capital America
Keunbae Hong Member of the Supervisory Board (since 30 June 2023) Head of Global Finance Department Hyundai Capital Services, Inc. Seoul, Republik Korea	Member of the Board of Beijing Hyundai Motor Finance, Beijing, China Member of the Board of BAIC Hyundai Leasing, China
Hyung Seok Lee Member of the Supervisory Board (until 30 June 2023) Chief Financial Officer (CFO) of the Hyundai Capital Service, Inc., Seoul, Republic of Korea	Member of the Supervisory Board of Hyundai Capital France SAS, Lille, France Member of the Supervisory Board of Hyundai Capital Bank Europe GmbH, Frankfurt am Main, Germany Member of the Supervisory Board of Hyundai Capital America Corporation, Irvine/California, USA Member of the Supervisory Board of Banco Hyundai Capital Brazil S.A., São Paulo, Brazil
Su Ho Kim Member of the Supervisory Board (until 13 April 2023) Senior Vice President and Head of Strategy, Business Development and Digital Unit bei der Hyundai Capital Service, Inc., Seoul, Republic of Korea	Member of the Board of Directors (non-executive) of the Korea Credit Data Corporation, Seoul, Republic of Korea Member of the Risk Control Committee as well as the Venture Investment Review Board of the Hyundai Capital Service, Inc., Seoul, Republic of Korea

Managing Board	Membership of supervisory boards and other comparable supervisory bodies of business enterprises
Eckart Klumpp Chairman (CEO) (since 1 January 2024) Munich	
Donglim Shin Chairman (CEO) (until 31 December 2023) Munich	
Álvaro Hernández CFO Munich	

Total remuneration of the Supervisory Board and Managing Board of Allane SE

The Supervisory Board has determined the remuneration for 2022 and 2023 on an individual basis as follows:

Remuneration

in Euro	Donglim Shin 2023 actual	Donglim Shin 2022 actual	Álvaro Hernández 2023 actual	Álvaro Hernández 2022 actual
Basic remuneration	360,576	387,715	300,000	300,000
Taxable pecuniary benefits and other fringe benefits	117,627	101,202	104,220	107,465
Total fixed remuneration	**478,203**	**488,917**	**404,220**	**407,465**
Multi-year variable remuneration	58,548	71,755	109,890	99,600
Total remuneration	**536,751**	**560,671**	**514,110**	**507,065**

The total remuneration of the Managing Board in the 2023 financial year amounts to EUR 1,050,861 (2022: EUR 1,067,737).

Remuneration of Managing Board and Supervisory Board

in EUR thou.	2023	2022
Remuneration Managing Board		
Short-term employee benefits[1]	948	1,127
Post-employment benefits	-	-
Other long-term benefits	123	120
Termination benefits	-	-
Share-based payment	-	-
Remuneration Managing Board	**1,071**	**1,247**
Remuneration Supervisory Board	**40**	**50**
Group total	**1,111**	**1,297**

[1] This includes remuneration from former members of the Managing Board in the amount of EUR 19 thousand (2022: EUR 179 thousand)

The group has no pension obligations towards members of the Supervisory Board and Managing Board.

5.4 Proposal for allocation of unappropriated profit

Allane SE reported an unappropriated profit for the 2023 financial year in accordance with German commercial law of EUR 21,687 thousand (2022: EUR 23,272 thousand). For financial year 2023 the Managing Board consider proposing a dividend up to EUR 0.09 per share to the shareholders on the shareholders' meeting. If the proposal will be accepted with the maximum amount, would this result to an unappropriated profit presented as follows:

Proposal for allocation of the unappropriated profit

in EUR thou.	2023	2022
Payment of a dividend of EUR 0.09 (2022: EUR 0.09) per ordinary share entitled to a dividend	1,855	1,855
Carryforward to new account	19,832	21,417

As of 31 December 2023, there were 20,611,593 ordinary shares entitled to dividends. In the event that the dividend proposal of EUR 0.09 per share is accepted, this would result in a dividend payment of EUR 1,885 thousand. As a consequence, this would bring the payout ratio about 21% of the consolidated profit for the 2023 financial year. The concrete proposal for the appropriation of profits is subject to the approval of the Supervisory Board and will be published with the agenda for the 2024 Annual General Meeting.

The proposal by the Managing Board and the Supervisory Board on the appropriation of the unappropriated profit for financial year 2022 was resolved unchanged by the Annual General Meeting on 30 June 2023.

5.5 Substantial events after the reporting date

There were no other events of particular significance for the net assets, financial position and results of operations of the Group and the Company occurred after the close of the 2023 financial year.

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

The declaration by the Managing Board and the Supervisory Board required by section 161 of the Aktiengesetz (AktG – German Public Companies Act) stating that the recommendations of the Government Commission on the German Corporate Governance Code are complied with and which recommendations have not been applied was issued in the financial year and made permanently accessible to shareholders on Allane SE's.

5.7 Authorization of the consolidated financial statements in accordance with IAS 10.17

These consolidated financial statements are authorised by the Managing Board for submission to the Supervisory Board on 25 April 2024.

Pullach, 25 April 2024

Allane SE

The Managing Board

Eckart Klumpp Alvaro Hernández

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D.1 - Responsibility Statement

of Allane SE, Pullach, for financial year 2023

in accordance with sections 297 (2) sentence 4 and 315 (1) sentence 5 of the HGB (German Commercial Code)

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report on the Group's and the Company's situation includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Pullach, 25 April 2024

Allane SE

The Managing Board

Eckart Klumpp Álvaro Hernández

D.2 – Independent auditor's report

The following independent auditors' report („Bestätigungsvermerk') was issued in accordance with section 322 of the HGB (German Commercial Code) on the IFRS Financial Statements 2023, which were prepared in the German language. The translation of the independent auditors' report ('Bestätigungsvermerk') is as follows:

The following copy of the auditor's report also includes an "Assurance Report in Accordance with § 317 Abs. 3b HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

„To Allane SE, Pullach

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of Allane SE, Pullach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Allane SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB.

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

- tthe accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- • the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

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

Key Audit Matters in the Audit of the Consolidated Financial Statements

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

In our view, the matter of most significance in our audit was as follows:

1) Measurement of lease assets

Our presentation of this key audit matter has been structured as follows:

a) Matter and issue

b) Audit approach and findings

c) Reference to further information

Hereinafter we present the key audit matter:

1) Measurement of lease assets

a) In the consolidated financial statements of Allane SE, assets amounting to EUR 1,406.4 million (84.1% of total assets) are reported under the line item "Lease assets" of the balance sheet as of December 31, 2023. Lease assets are carried at cost and depreciated over the term of the lease to the expected residual value at the end of the lease. The expected residual value is calculated on the basis of market value forecasts and the Company's own historical marketing results. The expected residual values are monitored on an ongoing basis. If the residual value decreases, the lease asset is tested for impairment, a recoverable amount is calculated and, if necessary, the asset is written down. Write-downs amounting to EUR 4.1 million were recognized in respect of lease assets in the financial year on the basis of this valuation.

The measurement of the lease assets is, firstly, of great significance for the assets, liabilities, and financial performance of the Company in terms of amount and, secondly, involves significant scope for judgment on the part of the executive directors, since the use of models and assumptions creates significant uncertainties due to the estimates required for the measurement exercise. Against this background, this matter was of particular significance in the context of our audit.

b) As part of our audit, we first obtained an understanding of the process implemented by the Company to assess the recoverability of lease assets. In doing so, we considered the organizational structures and processes, the IT systems and the measurement model. Furthermore, we reviewed the performance of and assessed the appropriateness of the impairment tests. We assessed the internal and external parameters used for the impairment test, including the values for the marketing results, to ensure that they were up to date and compared them with sector-specific market expectations, and assessed the documents and explanations provided by the executive directors regarding the expected marketing results. We critically evaluated and assessed the assumptions made by the executive directors to determine whether they lay within a reasonable range. Based on our audit procedures, we were able to satisfy ourselves that the impairment tests performed to assess the lease assets were carried out appropriately and that the parameters used and assumptions made are within what we consider to be a reasonable range.

c) The Company´s disclosures relating to the measurement of lease assets are contained in section 3.2 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the group management report.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management reportThe executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

5.8 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions

- •Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

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

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

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

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

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Reasonable Assurance Conclusion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the electronic file Allane_SE_KA_KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the elec-tronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group manage-ment report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electron-ic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the fi-nancial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Reasonable Assurance Conclusion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirments for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tag-ging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

Group Auditor’s Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

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

- • Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file con-taining the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- • Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 30 June 2023. We were en-gaged by the supervisory board on 17 January 2024. We have been the group auditor of the Al-lane SE, Pullach, without interruption since the financial year 2020.

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

Reference to an other matter - use of the auditor’s report
Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Pascal Vollmann.

Munich, 29 April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Pascal Vollmann	Sabrina Riedl
Wirtschaftsprüfer	Wirtschaftsprüferin

D.3 – Balance sheet

of Allane SE, Pullach, as at 31 December 2023 (HGB/RechKredV)

Assets

in EUR thou.		31.12.2023	31.12.2022
1. Receivables from banks			
a) Daily due	1,203		1,093
		1,203	**1,093**
2. Receivables from customers		**35,229**	**42,886**
Of which: From financial institutions EUR 0 thousand (previous year: EUR 0 thousand)			
3. Shareholdings in affiliated companies		**11,131**	**361**
4. Lease assets		**1,282,745**	**881,717**
5. Intangible assets			
a) Proprietary intellectual property rights and similar rights and assets	17,264		14,922
b) Purchased concessions, intellectual property rights and similar rights and assets as well as licenses relating to such rights and assets	3,317		4,541
c) Goodwill	1,286		1,484
		21,867	**20,948**
6. Equipment		**7,563**	**6,707**
7. Other assets		**315,803**	**227,273**
8. Prepaid expenses		**3,866**	**3,871**
		1,679,407	**1,184,855**

Equity and liabilities

in EUR thou.		31.12.2023	31.12.2022
1. Liabilities to banks			
a) Daily due	-		-
b) with agreed term or notice period	813,883		539,720
		813,883	**539,720**
2. Liabilities to customers			
other liabilities			
a) Daily due	2,790		1,303
b) with agreed term or notice period	3,532		3,854
		6,322	**5,157**
3. Securitised liabilities			
issued Bonds		0	-
4. Other liabilities		**94,762**	**353,768**
5. Deferred income		**510,821**	**32,413**
6. Deferred tax liabilities		**28,717**	**31,464**
7. Provisions			
a) Tax provision	3,861		2,193
b) Other provisions	27,038		24,821
		30,899	27,014
8. Equity			
a) Subscribed capital	20,612		20,612
b) Capital reserve	139,068		139,068
c) Retained earnings			
Other retained earnings	12,636		12,366
d) Unappropriated profit	21,687		23,272
		194,002	**195,317**
		1,679,407	**1,184,855**

D.4 – Income statement

of Allane SE, Pullach, for the period from 1 January to 31 December 2023 (HGB/RechKredV)

in EUR thou.			2023	2022
1. Leasing revenue		535,704		535,140
2. Leasing expenses		284,301		309,980
			251,403	**225,160**
3. Interest income from lending and money-market transactions		2,597		2,752
4. Interest expense		16,718		6,163
			14,121	**–3,411**
5. Income from profit pooling and from partial or full profit transfer agreements			1,655	640
6. Expenses from loss transfer			13	
7. Commission income		1,558		1,729
8. Commission expenses		3,700		
			2,142	
9. Other operating income			13,514	9,687
10. General operating expenses				
a) Personnel expenses				
aa) Wages and salaries	30,246			30,616
ab) Social security contributions, pension expenses and other employee benefits thereof pension expenses: EUR - thou. (2017: EUR - thou.)	5,133			4,976
		35,379		**35,593**
b) Other administrative expenses		39,001		42,473
			74,380	**78,066**
11. Depreciation and valuation allowances				
a) On lease assets		154,169		132,503
b) On intangible assets and fixed assets		10,525		11,118
			164,694	**143,621**
12. Other operating expenses			2,498	1,133
13. Write-downs and valuation allowances on receivables and certain securities and allocations to provisions in lending business		8,489		7,337
14. Income from write-ups on receivables and certain securities and from the release of provisions in the lending business		700		2,117
15. Income from revaluations of investments, shares in affiliated companies and securities treated as fixed assets		771		
			7,019	**5,220**
16. Result from ordinary activities			**1,706**	**5,765**
17. Taxes on income			1,166	2,879
18. Net income			**540**	**2,886**
19. Retained profit brought forward			21,417	21,829
20. Transfers to other retained earnings			–270	–1,443
21. Unappropriated profit			**21,687**	**23,272**

D.5 – Financial calendar

Financial calendar of Allane Mobility Group	
Publication of the Annual Report 2023	30 April 2024
Publication of the quarterly statement as at 31 March 202	10 May 2024
Annual General Meeting for financial year 2024 in Munich	27 June 2024
Publication of the half-year financial report as at 30 June 2024	23 August 2024
Publication of the quarterly statement as at 30 September 2024	8 November 2024

Dates and event locations subject to change

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