

Prospectus dated May 3, 2021

# MeinAuto Group

## Prospectus for the public offering

of

9,375,000 newly issued ordinary bearer shares with no par value (*Stückaktien*) from a capital increase against cash contributions to be resolved by an extraordinary shareholders' meeting of the Company on or about May 4, 2021

and

11,000,000 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder in a base deal and up to 2,037,500 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder subject to the exercise of an upsize option upon decision of the Selling Shareholder, in consultation with the Joint Global Coordinators, based on market demand on the date of pricing

and

3,361,875 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a possible over-allotment, provided that the total number of such over-allotment shares will not exceed 15% of the final number of new shares and existing shares placed in the offering

and at the same time

## for the admission to trading

on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

up to 9,375,000 newly issued ordinary bearer shares with no par value (*Stückaktien*) from a capital increase against cash contributions to be resolved by an extraordinary shareholders' meeting of the Company on or about May 4, 2021

and

65,000,000 existing ordinary bearer shares with no par value (*Stückaktien*) (existing share capital),

each such share with a notional value of €1.00 and full dividend rights since January 1, 2021

of

**MeinAuto Group AG**  
**Oberhaching, Germany**  
**Price Range: €16.00 – €20.00**

International Securities Identification Number (ISIN): DE000MAG0008

German Securities Code (*Wertpapierkennnummer, WKN*): MAG000

Ticker Symbol: MEIA

*Joint Global Coordinators and Joint Bookrunners*

**BofA Securities**

**Barclays**

**Citigroup**

**Jefferies**

**UniCredit Bank AG**

*The validity of this Prospectus will expire with the closing of the offer period or with the beginning of the trading of the Shares on the regulated market of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), whichever occurs later. The closing of the offer period is expected to occur on May 11, 2021 and the time when trading on a regulated market begins is expected to occur on May 12, 2021. Accordingly, the validity of the prospectus is expected to expire at the end of the day on May 12, 2021, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.*

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## SUMMARY OF THE PROSPECTUS

### A. Introduction and Warnings

This prospectus (the “**Prospectus**”) relates to shares of MeinAuto Group AG (the “**Company**”), Grünwalder Weg 34, 82041 Oberhaching, Germany, legal entity identifier (“**LEI**”) 529900JE701126GKVC40, each such share having the International Securities Identification Number (“**ISIN**”) DE000MAG0008 (each share of the Company, a “**Share**”).

The Shares are offered by the Company, together with BofA Securities Europe SA, 51 rue La Boétie, 75008 Paris, France, LEI: 549300FH0WJAPEHTIQ77, telephone +33(0) 1 8770 0000 (“**BofA Securities**”); Barclays Bank Ireland PLC, One Molesworth Street, Dublin 2, D02 RF29, Ireland, LEI: 2G5BKIC2CB69PRJH1W31, telephone +353 (0)1 4283859 (“**Barclays**”); Citigroup Global Markets Europe AG, Reuterweg 16, 60323 Frankfurt am Main, Germany, LEI: 6TJCK1B7E7UTXP528Y04, telephone +49 (69) 13660 (“**Citigroup**”); Jefferies GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, LEI: 5493004I3LZM39BWHQ75, telephone: +49 (69) 719 1870 (“**JEG**”), Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, United Kingdom, LEI: S5THZMDUJCTQZBTRVI98, telephone: +44 20 7029 8000 (“**JIL**”, and together with JEG, “**Jefferies**”); and UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany, LEI: 2ZCNR8UK83OBTEK2170, telephone: +49 89 378 15050 (“**UniCredit Bank AG**” and, together with BofA Securities, Barclays, Citigroup and Jefferies, the “**Joint Global Coordinators**”). The Company and the Joint Global Coordinators assume responsibility for the contents of this Prospectus.

In this Prospectus, references to “**we**”, “**us**”, “**our**”, “**MeinAuto Group**” or the “**Group**” are references to the consolidated group of entities and business activities comprising the MeinAuto Group business, with the Company acting as the ultimate holding company.

This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* (“**BaFin**”)), on May 3, 2021 in accordance with Article 20 (2) of Regulation (EU) 2017/1129. BaFin can be contacted at Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108-0, or via its website: [www.bafin.de](http://www.bafin.de).

*This summary (the “**Summary**”) should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.*

### B. Key information on the issuer

#### Who is the issuer of the securities?

We believe that we are the leading online platform for digital new cars sales in Germany. Our aim is to provide customers transparent and attractive prices for over 40 new car brands and over 500 models. Customers can search, configure, compare and select the offer best suited for them on our online platforms. Our customers can choose between an outright purchase (*i.e.*, where the customer purchases the vehicle) or a flexible subscription for a new vehicle, including doorstep delivery, comprehensive mobility services during the subscription period and a simple vehicle return process at the end of the subscription period. The focus of our offering is our subscription solution, which ranges from leases with optional services to vehicle flat rates, long term rentals as well as vario financing (a modern form of car financing that combines the advantages of classic financing with the benefits of leasing).

Our customer base includes private customers, small commercial clients as well as large corporate clients. As of December 31, 2020, we had approximately 44 thousand active subscribers (customers making monthly subscription payments under a subscription contract (excluding order book, *i.e.*, subscription orders placed for which the car has not yet been delivered and subscription instalments have not yet started)) and approximately 39 thousand new car orders, of which approximately 32 thousand were from private customers and small commercial clients. We have a recurrence rate (*i.e.*, the number of contracts valid for more than 12 months at the end of the year as a percentage of number of contracts at the beginning of the year (excl. new customer contracts added during the year) in our B2C business (as defined below)) of approximately 80% as of year-end 2020 indicating high customer satisfaction.

We organize our business operations into two business units and reporting segments, Business-to-Customer (“**B2C**”) and Business-to-Business (“**B2B**”). Our B2C business unit include our subscription offering (leasing, flat rate and vario financing), outright purchases as well as various mobility services (including delivery, wear and tear and insurance) to private and small commercial customers that we reach through three main channels:

1) Under the brand MeinAuto.de, we offer the entire range of subscription and outright purchase solutions, including the full spectrum of mobility services, for all relevant brands and models in the new car market. In 2020, MeinAuto.de had approximately 26 million visits, which resulted in 420 thousand offer requests by potential new car customers.

2) With our brand Athletic Sport Sponsoring we can address up to 8 million members of German sports clubs and associations. We provide 12 month flat rate offerings for a wide range of preconfigured vehicles that include everything but petrol.

3) Through our affiliate partners and their member communities, in particular our partnership with ADAC, which will allow us to reach more than 21 million potential customers in Germany.

Our B2B business unit includes vehicle subscription and mobility services offered under the MobilityConcept brand. We offer our clients a one stop shop for independent full service vehicle subscription. In addition to our B2C and B2B new car sales, we re-market cars that are returned to us at the end of a subscription period through various B2B and B2C sales channels.

We operate exclusively in Germany, Europe's largest market for new cars (Source: Press Embargo: "New Passenger Car Registrations European Union", January 19, 2021, European Automobile Manufacturers Association; "MeinAuto Group commercial study", February 2021, Roland Berger). In 2019, there were approximately 3.4 million new car registrations in Germany (excluding pre-registered vehicles) (Source: "MeinAuto Group commercial study", February 2021, Roland Berger; Press Embargo: "New Passenger Car Registrations European Union", January 19, 2021, European Automobile Manufacturers Association) and we estimate that around 2.2 million new car registrations in 2019 of the total new car registrations relate to private owners and small or medium sized enterprises representing a total addressable market of approximately €70 billion. In addition, within new vehicle sales, the online transaction share (including full online transactions and mainly online transactions<sup>1</sup>) is expected to grow from 11% in 2020 to 37% in 2025 and the number of B2C customers preferring subscription over an outright vehicle purchase has already increased by over approximately 20 percentage points to 48% in 2020 compared to 2019 (Source: "MeinAuto Group commercial study", February 2021, Roland Berger). However, the market is highly fragmented and lacks price transparency as prices for end-customers are often the result of individual negotiations with dealer's sales representatives. Approximately half of new car customers are not satisfied with the traditional purchasing process and 7 out of 10 customers are not satisfied with the process, when customers consider a subscription as a purchasing option (Source: "MeinAuto Group commercial study", February 2021, Roland Berger). The 10 largest new car dealers combined hold less than 10% market share, and no single dealer group has developed a significant online offering (Source: IfA | DAT Händlergruppen Monitor 2020 - Die TOP 100 Automobilhändlergruppen in Deutschland, Institut für Automobilwirtschaft, 16., updated edition, August 2020). Whereas other industries have already been disrupted by a shift from offline to online, this has yet to occur with respect to the new car market in Germany. We therefore believe that the German new car market is set for online disruption, and that we are well positioned to seize this market opportunity. MeinAuto Group is fully online transactional for over 40 new car brands and over 500 models and has full customer ownership through an integrated subscription focused business model that is able to create high customer satisfaction and retention.

Our business operations rely on our online and digital expertise, extensive customer reach, our technology platform and data set, our large and comprehensive supplier network for vehicles as well as services and the ability to fulfil and manage the entire vehicle and subscription life cycle including our re-financing and re-marketing capabilities.

Our technology platform is at the core of our business operations. Our software landscape is fully integrated across the value chain and across all business segments and go-to-market channels. Our customer facing websites are designed with specific emphasis on user interaction and use of modern online technologies for performance, scalability and customer conversion. We monitor our customers' behavior from initial contact to sale based on embedded data analytics. On this basis we aim to continually improve our data set and online experience to achieve superior customer satisfaction and high levels of customer conversion. We complement this by our software back-end and as much process automation as possible.

Our data set combines purchasing, offer and transaction databases with dynamic pricing tools to optimize volume, margins and re-selling prices and the aim to provide customers with the best deals in the market.

Our data set is also the basis for our car configurator that offers over 500 fully configurable brands and models resulting in over 4 million potential offer combinations.

Through our wide network of suppliers, including OEMs, dealers and service partners, we have a thorough understanding of margin and pricing structures. Our residual value management framework supports our efficient re-marketing capabilities.

**Registration and Applicable Laws** – The Company has its registered seat in Oberhaching, Germany, and the LEI 529900JE7O1126GKVC40. The Company is incorporated in Germany. The Company is a German stock corporation (*Aktiengesellschaft*) and subject to German law.

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<sup>1</sup> Online transactions include full and mainly online transactions. Mainly online transactions include transactions with no direct offline interaction with a dealer within the purchasing process, except pick-up of the vehicle, or any other physical format, but may comprise other long-distance means of communication such as contact to a sales assistant via phone.

**Major Shareholders** – As of the date of this Prospectus, the Selling Shareholder directly holds 100% of the Company’s share capital. These voting rights held by the Selling Shareholder are ultimately attributed to Alderaan Holdco Limited, United Kingdom and HgCapital LLP (UK), United Kingdom.

**Controlling Shareholders** – The Selling Shareholder controls the Company.

**Key Managing Directors** –At the date of this Prospectus, the member of the Company’s management board is Mr. Rudolf Rizzolli. Mr. Guus Stoelinga was appointed as a member of the Management Board on April 22, 2021 with effectiveness of his appointment as of May 12, 2021.

**Statutory Auditors** – The Company’s statutory auditor is Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 Munich, Germany.

**What is the key financial information regarding the issuer?**

The financial information contained in the following tables is taken or derived from the Company’s audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 and the audited unconsolidated financial statements of the Company as of and for the year ended December 31, 2020 as well as the Company’s accounting records or internal reporting systems. The audited consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“**IFRS**”). The audited unconsolidated financial statements have been prepared in accordance with German generally accepted accounting principles of the HGB. Where financial information in the following tables is labeled “audited”, this means that it has been taken from the audited financial statements mentioned above. The label “unaudited” is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken either from the accounting records or internal reporting systems or has been calculated based on figures from the aforementioned sources.

Key financial information from the consolidated statements of profit or loss

Euro (thousands)	For the fiscal year ended December 31,		
	2018	2019	2020
		<i>(audited)</i>	
Revenue.....	119,880	275,721	323,580
Gross profit .....	26,485	56,359	62,824
Earnings (loss) before interest and taxes (EBIT).....	(14,218)	1,651	12,512
Net finance costs .....	(12,079)	(25,235)	(28,491)
Earnings (loss) before taxes (EBT) .....	(26,298)	(23,584)	(15,979)
Net loss.....	(19,551)	(18,742)	(12,346)
Total comprehensive income for the period .....	(19,551)	(18,673)	(12,615)

Key financial information from the consolidated statements of financial position

Euro (thousands)	As of December 31,		
	2018	2019	2020
		<i>(audited)</i>	
Non-current assets.....	658,982	783,638	940,764
Current assets .....	165,297	246,839	237,907
Total assets .....	824,279	1,030,477	1,178,671
Non-current liabilities .....	563,235	647,594	752,097
Current liabilities.....	211,714	346,902	403,208
Total liabilities .....	774,949	994,496	1,155,305
Equity.....	49,330	35,980	23,365

Key financial information from the consolidated statements of cash flows

Euro (thousands)	As of December 31,		
	2018	2019	2020
		<i>(audited)</i>	
Cash flow from operating activities .....	7,784	(172,484)	(120,542)
Cash flow from investing activities .....	(255,289)	(2,413)	(3,560)
Cash flow from financing activities .....	267,556	181,511	141,398



## Key Performance Indicators and Alternative Performance Measures

As of and for the year ended  
December 31,

	2018	2019	2020
	<i>(audited, unless stated otherwise)</i>		

Euro (thousands)

### **Key Financial Information**

Adjusted revenue from external customers .....	91,445	191,443	212,180
Adjusted EBITDA.....	14,222	30,605	38,137
<i>Adjusted EBITDA margin <sup>(1)</sup> (in %) (unaudited) .....</i>	<i>15.6%</i>	<i>16.0%</i>	<i>18.0%</i>

(1) Calculated as Adjusted EBITDA divided by Adjusted revenue from external customers.

### **What are the key risks that are specific to the issuer?**

- We may suffer from adverse developments in the vehicle subscription and mobility services industry, the new and used vehicle markets and the other market sectors directly related to our business and therefore overall demand for vehicles, including for new cars, may decline, which could adversely affect our results of operations and business prospects.
- Our results of operations have been adversely affected and could be materially adversely affected by global pandemics like COVID-19 in the future.
- We may suffer from adverse developments in the general economic environment in Germany, which may affect purchases of new vehicles that are typically discretionary for consumers and could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.
- We may not be able to re-sell returned vehicles at attractive prices, and we face risks related to the residual value of our vehicles and, therefore, remarketing of our cars could be more complex and may be more challenging, which could have a material adverse effect on our business, net assets, financial conditions, cash flows and results of operations.
- Our customers may fail to make timely payments or may discontinue using our services and any loss of, or default by, a customer, or any failure to renew or enforce a contract with a customer, especially by or with one of our ten largest B2B customers by fleet, could have a material adverse effect on our business.
- We may not be able to retain volume bonuses we negotiate with our suppliers, including vehicle manufacturers and service providers, or could be required to repay them, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.
- A deterioration in the reputation of the MeinAuto Group brands, or in our reputation, could have a material adverse effect on our relationships with customers, suppliers, third party service providers and investors.
- Our pricing structure and assumptions regarding the future costs of the vehicles in our fleet over the term of the vehicle subscription may prove to be inaccurate and therefore resulting in losses.
- We may be unable to improve and market our existing service offering or maintain an attractive service offering that meets the expectations of our customers and we may not be able to attract or retain customers which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.
- The operations of the Group are dependent on the availability of financings required for the ongoing financing of the vehicle subscription portfolio and the failure to receive or extend such financings could materially affect our vehicle subscription operations.
- Our secured EUR 150 million facilities agreement at the level of MeinAuto Management GmbH contains financial covenants and customary general covenants that may restrict our operational and financial flexibility.
- Standard clauses used in our vehicle subscription agreements and in our contracts with our customers and third party suppliers and service providers may be invalid, and we thus may not be able to enforce such clauses or the contracts in which such clauses are found, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.
- Our subsidiary Mobility Concept GmbH is a regulated company and may be found to have failed to fulfill certain ongoing regulatory requirements applicable to Mobility Concept GmbH as a financial services institution and if our leasing license in Germany was to be suspended or revoked, we will not be able to continue our financial leasing business in Germany.

- The Company may fail to comply with the additional requirements, which will be applicable to it as a public company which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

### C. Key information on the securities

#### What are the main features of the securities?

This offering (the “**Offering**”) relates to (i) 9,375,000 newly issued ordinary bearer shares with no par value (*Stückaktien*) from a capital increase against cash contributions to be resolved by an extraordinary shareholders’ meeting of the Company (the “**New Shares**”), (ii) 11,000,000 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of Salvator Mobility Holding MidCo S.à r.l. (the “**Selling Shareholder**”) in a base deal (the “**Existing Base Shares**” and together with the New Shares the “**Base Shares**”), (iii) up to 2,037,500 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder subject to the exercise of an upsize option upon decision of the Selling Shareholder, in consultation with the Joint Global Coordinators, based on market demand on the date of pricing (the “**Upsize Shares**” and, together with the Existing Base Shares, the “**Existing Shares**”), and (iv) 3,361,875 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a possible over-allotment (the “**Over-Allotment Shares**” and, together with the Base Shares and the Upsize Shares, the “**Offer Shares**”). The total number of Over-Allotment Shares will not exceed 15% of the final number of Base Shares and Upsize Shares, if any, placed in this Offering.

**Number and Nature of Shares** – 65,000,000 shares are outstanding. All Shares are bearer shares with no par value (*Stückaktien*), each such Share representing a notional value of €1.00.

**ISIN and Denomination** – The ISIN of the Shares is DE000MAG0008 and the Shares are denominated in Euros.

**Rights Attached to the Shares and Transferability** – All Shares carry full dividend rights since January 1, 2021. Each Share carries one vote at the Company’s shareholders’ meeting. The Shares are subordinated to all other securities and claims in case of an insolvency of the Company and freely transferable in accordance with the legal requirements for bearer shares.

**Dividend Policy** – The Company currently does not intend to pay dividends in the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will depend upon, among other things, the results of operations, financial condition, contractual restrictions and capital requirements.

#### Where will the securities be traded?

All Shares are expected to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) (the “**Listing**”).

#### What are the key risks that are specific to the securities?

- The Selling Shareholder continues to exercise significant influence over us, and the interests of the Selling Shareholder may conflict with the interests of our other shareholders.

### D. Key information on the Listing of securities and the admission to trading on a regulated market

#### Under which conditions and timetable can I invest in this security?

**Scope of the Offering** – The Offering consists of a public offering in Germany and private placements in certain jurisdictions outside Germany. In the United States of America, the Offer Shares will only be offered and sold to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Outside the United States of America, the Offer Shares will be offered and sold only in offshore transactions in compliance with Regulation S under the Securities Act.

**Price Range** – €16.00 to €20.00 per Offer Share (the “**Price Range**”).

**Offer Period** – May 4, 2021 through May 11, 2021 (the “**Offer Period**”), provided that the Offer Period will not commence prior to the publication of this Prospectus and may be extended.

**Offer Price** – The offer price for the Offering (the “**Offer Price**”) is expected to be determined by the Company and the Selling Shareholder, after consultation with the Joint Global Coordinators, on May 11, 2021. The Offer Price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a bookbuilding process. These orders will be evaluated according to the prices offered and the expected investment horizons of the respective investors. This method of setting the Offer Price is, in principle, aimed at achieving the highest Offer Price.

**Greenshoe Option** – To cover a possible over-allotment, the Selling Shareholder has granted the Joint Global Coordinators an option to acquire up to 3,361,875 Shares at the Offer Price (the “**Greenshoe Option**”).

**Listing and Closing** – Listing approval is expected to be granted on May 11, 2021 and trading is expected to commence on May 12, 2021. Delivery of the Offer Shares against payment of the Offer Price is expected to take place on May 14, 2021.

**Dilution of New Shareholders** – €11.96 per Share, or 66.4% (assuming completion of the Offering at the mid-point of the Price Range).

**Total Expenses** – Approximately €27 million (assuming completion of the Offering at the mid-point of the Price Range, placement of the maximum number of Offer Shares, full exercise of the Greenshoe Option and payment of the discretionary fee in full).

**Expenses Charged to Investors** – Only customary transaction and handling fees charged by the investors’ brokers.

**Who is the offeror and the person asking for admission to trading?**

**Offerors** – The Company, together with BofA Securities Europe SA, a stock corporation (*Société Anonyme*), incorporated and with its registered seat in, and operating under the laws of, France; Barclays Bank Ireland PLC, a public limited company incorporated and with its registered seat in, and operating under the laws of, Ireland; Citigroup Global Markets Europe AG, a stock corporation (*Aktiengesellschaft*), incorporated and with its registered seat in, and operating under the laws of, Germany; Jefferies GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*), incorporated and with its registered seat in, and operating under the laws of, Germany; Jefferies International Limited, a limited company, incorporated in, and operating under the laws of, England and Wales and with its registered seat in the United Kingdom; and UniCredit Bank AG, a stock corporation (*Aktiengesellschaft*), incorporated and with its registered seat in, and operating under the laws of, Germany.

**Admission to Trading** – The Company, together with the UniCredit Bank AG, expects to apply for the Listing.

**Why is this Prospectus being produced?**

**Reasons for the Offering and the Listing** – The Company intends to pursue the Listing to gain access to the capital markets. The Company believes that this access will benefit its future growth and expand its financing options. The Selling Shareholder intends to pursue the Offering to receive the net proceeds from the Offering.

**Use of Proceeds** – Assuming completion of the Offering at the mid-point of the Price Range and payment of the discretionary fee in full, the Company would receive net proceeds of approximately €162 million from the Offering. Assuming an Offer Price at the mid-point of the Price Range, the Company intends to use its proceeds from the Offering in the following order of priority: (i) €25 million for the partial repayment of our secured €150 million facilities agreement at the level of MeinAuto Management GmbH, reducing the utilized amount from currently €140 million to €115 million, (ii) approximately €137 million to finance further growth, of which approximately 50% for investments in online marketing and branding and approximately 50% to meet growth-related cash flow needs, in particular to expand its fleet.

**Net Proceeds** – Approximately €162 million attributable to the Company and approximately €275 million attributable to the Selling Shareholder (assuming completion of the Offering at the mid-point of the Price Range, placement of the maximum number of Offer Shares, full exercise of the Greenshoe Option and payment of the discretionary fee in full).

**Underwriting Agreement** – On May 3, 2021, the Company, the Selling Shareholder and the Joint Global Coordinators entered into an underwriting agreement relating to the offer and sale of the Offer Shares in connection with the Offering. Subject to certain conditions, in particular the execution of a pricing agreement, the Joint Global Coordinators have agreed to acquire the Offer Shares with a view to offering them to investors in the Offering.

**Material Conflicts of Interest** – Certain members of the Supervisory Board, Justin von Simson and Dr. Florian Wolff, hold functions at affiliates of the Selling Shareholder. Accordingly, their interests with respect to the Offering and admission of the Company’s Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) may not be aligned with those of the Company or the Company’s other shareholders, which constitutes a potential conflict of interest.

Except for the potential conflict of interest described in relation to certain members of the Supervisory Board that hold functions at affiliates of the Selling Shareholder above, there are no conflicting interests with respect to the Offering or the Listing.

## ZUSAMMENFASSUNG DES PROSPEKTS

### A. Einleitung und Warnhinweise

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf Aktien der MeinAuto Group AG (die „**Gesellschaft**“), Grünwalder Weg 34, 82041 Oberhaching, Bundesrepublik Deutschland, Rechtsträgerkennung („**LEI**“) 529900JE7O1126GKVC40, wobei jede dieser Aktien die internationale Wertpapier Identifikationsnummer („**ISIN**“) DE000MAG0008 hat (jede Aktie der Gesellschaft eine „**Aktie**“).

Die Aktien werden von der Gesellschaft zusammen mit BofA Securities Europe SA, 51 rue La Boétie, 75008 Paris, Frankreich, LEI: 549300FH0WJAPEHTIQ77, Telefonnummer +33(0) 1 8770 0000 („**BofA Securities**“); der Barclays Bank Ireland PLC, One Molesworth Street, Dublin 2, D02 RF29, Irland, LEI: 2G5BKIC2CB69PRJH1W31, Telefonnummer +353 (0)1 4283859 („**Barclays**“); der Citigroup Global Markets Europe AG, Reuterweg 16, 60323 Frankfurt am Main, Deutschland, LEI: 6TJCK1B7E7UTXP528Y04, Telefonnummer: +49 (69) 13660 („**Citigroup**“); Jefferies GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Deutschland, LEI: 5493004I3LZM39BWHQ75, Telefonnummer: +49 (69) 719 1870 („**JEG**“), Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, Vereinigtes Königreich, LEI: S5THZMDUJCTQZBTRVI98, Telefonnummer: +44 20 7029 8000; („**JIL**“ und gemeinsam mit JEG „**Jefferies**“); und UniCredit Bank AG, Arabellastraße 12, 81925 München, Deutschland, LEI: 2ZCNRR8UK83OBTEK2170, Telefonnummer: +49 89 378 15050 („**UniCredit**“ und gemeinsam mit BofA Securities, Barclays, Citigroup und Jefferies die „**Joint Global Coordinators**“), angeboten. Die Gesellschaft und die Joint Global Coordinators übernehmen die Verantwortung für den Inhalt dieses Prospekts.

In diesem Prospekt beziehen sich die Begriffe „**wir**“, „**uns**“, „**unser**“, „**MeinAuto Group**“ oder die „**Gruppe**“ auf die konsolidierte Gruppe von Gesellschaften und Geschäftsaktivitäten, die das MeinAuto Group-Geschäft umfasst, wobei die Gesellschaft als oberste Holdinggesellschaft fungiert.

Dieser Prospekt wurde von der Bundesanstalt für Finanzdienstleistungsaufsicht („**BaFin**“) am 3. Mai 2021 gemäß Art. 20 Abs. 2 der Verordnung (EU) 2017/1129 gebilligt. Die BaFin ist unter der Anschrift Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, telefonisch +49 228 4108-0 oder über ihre Website: [www.bafin.de](http://www.bafin.de) erreichbar.

*Diese Zusammenfassung (die „**Zusammenfassung**“) sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Entscheidung, in die Aktien der Gesellschaft zu investieren, sollte sich der Anleger auf den Prospekt als Ganzes stützen. Der Anleger könnte das investierte Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts zu tragen haben, bevor das Gerichtsverfahren eingeleitet wird. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.*

### B. Basisinformationen über den Emittenten

#### Wer ist der Emittent der Wertpapiere?

Wir glauben, dass wir die führende Online-Plattform für den digitalen Vertrieb von Neuwagen in Deutschland sind. Unser Ziel ist es, Kunden transparente und attraktive Preise für über 40 Neuwagenmarken und über 500 Modelle anzubieten. Kunden können das für sie am besten geeignete Angebot auf unseren Online-Plattformen suchen, konfigurieren, vergleichen und auswählen, gefolgt von einem Online-Kaufprozess. Unsere Kunden können zwischen einem direkten Kauf (d.h. der Kunden erwirbt das Fahrzeug) oder einem flexiblen Abonnement („**Abo**“) für ein neues Fahrzeug wählen, einschließlich Lieferung vor die Haustür, umfassender Mobilitätsdienstleistungen während der Laufzeit, sowie einen einfachen Prozess zur Fahrzeugrückgabe am Ende der Laufzeit. Der Schwerpunkt unseres Angebots sind unsere Ratenlösungen. Diese reichen von Leasing mit optionalen Services über Fahrzeug-Abos, Langzeitmieten sowie Vario-Finanzierungen (eine moderne Form der Autofinanzierung, die die Vorteile der klassischen Finanzierung mit den Vorteilen des Leasing kombiniert).

Zu unseren Kunden zählen Privatkunden, kleine gewerbliche Kunden als auch große gewerbliche Kunden. Zum 31. Dezember 2020 hatten wir ungefähr 44 Tausend aktive Abonnenten (Kunden, die monatliche Abozahlungen im Rahmen eines Abovertrags machen (ausgenommen Auftragsbuch, das heißt, erteilte Abo-Bestellungen, für die das Fahrzeug noch nicht geliefert wurde und die Abo-Raten noch nicht begonnen haben)) und ungefähr 39 Tausend Neuwagenbestellungen, davon waren ungefähr 32 Tausend Verbraucher und kleine gewerbliche Kunden. Wir haben eine Wiederholungsrate (d.h. die Anzahl der Verträge, die zum Jahresende länger als 12 Monate gültig sind, als Prozentsatz der Anzahl der Verträge zu Jahresbeginn (ausgenommen neue Kundenverträge, die während des Jahres hinzugefügt wurden) in unserem B2C Geschäft (wie untenstehend definiert) von ca. 80% zum Jahresende 2020, was auf eine hohe Kundenzufriedenheit hinweist.

Wir gliedern unsere Geschäftstätigkeit in zwei Geschäftsbereiche und Berichtssegmente, Business-to-Customer („**B2C**“) und Business-to-Business („**B2B**“). Der Geschäftsbereich B2C umfasst unser Raten-Angebot (Leasing, Flatrate und

Vario-Finanzierung), Direktkauf sowie verschiedene Mobilitätsdienstleistungen (u. a. Lieferung, Verschleiß und Versicherung) für private und kleine gewerbliche Kunden. Wir erreichen unsere B2C Kunden über drei Hauptkanäle:

1) Unter der Marke MeinAuto.de bieten wir das gesamte Spektrum an Raten- und Direktkaufösungen an, einschließlich des gesamten Spektrums an Mobilitätsdiensten für alle relevanten Marken und Modelle auf dem Neuwagenmarkt. Im Jahr 2020 hatte MeinAuto.de ungefähr 26 Millionen Besuche, was zu 420 Tausend Angebotsanfragen von potenziellen Neukunden führte.

2) Mit unserer Marke Athletic Sport Sponsoring können wir bis zu 8 Millionen Mitglieder von deutschen Sportvereinen und -verbänden ansprechen. Wir bieten 12-Monats-Pauschalangebote für eine Vielzahl von vorkonfigurierten Fahrzeugen, die alles außer Benzin enthalten.

3) Durch unsere verbundenen Partner und deren Mitglieder, insbesondere durch unsere Partnerschaft mit dem ADAC, die es uns ermöglichen wird mehr als 21 Millionen potenzielle Kunden in Deutschland zu erreichen.

Unser B2B-Geschäftsbereich umfasst Fahrzeugabos und Mobilitätsdienstleistungen, die unter der Marke MobilityConcept angeboten werden. Wir bieten unseren Kunden eine zentrale Stelle („One-Stop-Shop“) für unabhängige Fahrzeugabos mit vollem Service. Zusätzlich zu unserem B2C- und B2B-Vertrieb von neuen Autos vermarkten wir Fahrzeuge, die nach Ablauf eines Abos an uns zurückgegeben werden, über verschiedene B2B- und B2C-Vertriebskanäle weiter (Wiedervermarktung).

Wir sind ausschließlich in Deutschland, dem größten Neuwagenmarkt Europas, tätig (*Quelle: Press Embargo: “New Passenger Car Registrations European Union”, January 19, 2021, European Automobile Manufacturers Association; “MeinAuto Group commercial study”, February 2021, Roland Berger*). Im Jahr 2019 gab es in Deutschland ca. 3,4 Mio. Neuzulassungen (ohne vorregistrierte Fahrzeuge) (*Quelle: “MeinAuto Group commercial study”, February 2021, Roland Berger; Press Embargo: “New Passenger Car Registrations European Union”, January 19, 2021, European Automobile Manufacturers Association*), und wir schätzen, dass von den gesamten Neuzulassungen im Jahr 2019 ca. 2,2 Millionen Neuzulassungen auf private Halter und kleine oder mittelständische Unternehmen entfallen, was einem adressierbaren Gesamtmarkt von ca. €70 Milliarden entspricht. Darüber hinaus wird erwartet, dass innerhalb des Neuwagenverkaufs der Anteil an Online-Transaktionen (einschließlich vollständiger Online-Transaktionen und überwiegender Online-Transaktionen<sup>2</sup>) von 11% im Jahr 2020 auf 37% im Jahr 2025 ansteigen wird. Die Anzahl der B2C-Kunden, die ein Abo gegenüber einem direkten Fahrzeugkauf bevorzugen, ist bereits um ca. 20 Prozentpunkte auf 48% im Jahr 2020 im Vergleich zu 2019 gestiegen (*Quelle: “MeinAuto Group commercial study”, February 2021, Roland Berger*). Der Markt ist jedoch stark fragmentiert und es mangelt an Preistransparenz, da die Preise für Verbraucher oft das Ergebnis individueller Verhandlungen mit Autohändlern sind. Ungefähr die Hälfte der Kunden von Neuwagen ist nicht zufrieden mit dem traditionellen Einkaufsvorgang und 7 von 10 Kunden sind mit dem Prozess unzufrieden, wenn die Kunden ein Abo als Erwerbsmöglichkeit in Erwägung ziehen (*Quelle: “MeinAuto Group commercial study”, February 2021, Roland Berger*). Die 10 größten Neuwagenhändler zusammen einen Marktanteil von weniger als 10% halten und bisher keine einzige Händlergruppe ein nennenswertes Online-Angebot entwickelt hat (*Quelle: IfA / DAT Händlergruppen Monitor 2020 - Die TOP 100 Automobilhändlergruppen in Deutschland, Institut für Automobilwirtschaft, 16., aktualisierte Auflage, August 2020*). Während andere Branchen bereits eine Verlagerung des Geschäfts vom stationären Handel hin zu online Angeboten durchlaufen haben, ist dies im Hinblick auf den Neuwagenmarkt in Deutschland noch nicht geschehen. Wir glauben deshalb, dass der deutsche Neuwagenmarkt bereit ist für eine Online-Disruption und dass wir gut aufgestellt sind, um diese Marktchance zu nutzen. Die MeinAuto Group ist vollständig online transaktionsfähig für mehr als 40 Automarken und mehr als 500 Modelle und hat die volle Kundenverantwortung durch ein integriertes Geschäftsmodell, das sich auf hohe Kundenzufriedenheit und -treue konzentriert.

Unsere Geschäftstätigkeit beruht auf unserer online und digitalen Expertise, unserer umfassenden Kundenreichweite, unseren Datensatz, unserem großen und umfassenden Lieferantennetzwerk für Fahrzeuge sowie Dienstleistungen, sowie der Fähigkeit, den gesamten Fahrzeuglebenszyklus zu orchestrieren inklusive der Refinanzierung und der Wiedervermarktung von Fahrzeugen, geprägt.

Unsere Technologieplattform ist das Kernstück unseres Geschäftsbetriebs. Unsere Softwarelandschaft ist über die gesamte Wertschöpfungskette und über alle Geschäftsbereiche und Vertriebskanäle hinweg vollständig integriert. Bei der Gestaltung unserer kundenbezogenen Websites legen wir besonderen Wert auf die Benutzerinteraktion und die Nutzung moderner Online-Technologien für Leistung, Skalierbarkeit und Kundenkonversion. Wir überwachen das Verhalten unserer Kunden vom ersten Kontakt bis zum Verkauf auf der Basis von eingebetteten Datenanalysen. Auf dieser Basis versuchen wir, unseren Datensatz und unser Online-Erlebnis kontinuierlich zu verbessern, um eine überragende Kundenzufriedenheit und eine hohe Kundenkonversion zu erreichen. Wir ergänzen dies durch unsere Software zur Datenverarbeitung im Hintergrund (*Backend*) und so viel Prozessautomatisierung wie möglich.

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<sup>2</sup> Online-Transaktionen umfassen vollständige und überwiegender Online-Transaktionen. Überwiegende Online-Transaktionen umfassen Transaktionen ohne direkte persönliche (offline) Interaktion mit einem Händler im Rahmen des Kaufprozesses, mit Ausnahme der Abholung des Fahrzeugs, oder einem anderen physischen Format, können aber auch andere Fernkommunikationsmittel umfassen, wie z. B. den Kontakt zu einem Verkaufsassistenten per Telefon.

Unser Datenbestand kombiniert Einkaufs-, Angebots- und Transaktionsdatenbanken mit dynamischen Preisgestaltungs-Mechanismen, um Volumen, Margen und Wiederverkaufspreise zu optimieren und zielt darauf ab Kunden die besten Angebote auf dem Markt zu bieten.

Unser Datenbestand ist auch die Basis unseres Fahrzeugkonfigurators, der über 500 vollständig konfigurierbare Marken und Modelle bietet, was zu über 4 Millionen potenziellen Angebotskombinationen führt.

Durch unser breites Netzwerk von Lieferanten, einschließlich Automobilherstellern, Händlern und Servicepartnern, haben wir ein tiefes Verständnis für Margen- und Preisstrukturen. Unser Restwertmanagement unterstützt unser effizientes Wiedervermarktungssystem.

**Sitz und geltendes Recht** – Die Gesellschaft hat ihren eingetragenen Sitz in Oberhaching, Deutschland, und die LEI 529900JE7O1126GKVC40. Die Gesellschaft ist in Deutschland inkorporiert. Die Gesellschaft ist eine deutsche Aktiengesellschaft und unterliegt deutschem Recht.

**Hauptanteilseigner** – Zum Datum dieses Prospekts hält der Veräußernde Aktionär direkt 100% des Grundkapitals der Gesellschaft. Die vom Veräußernden Aktionär gehaltenen Stimmrechte werden letztlich der Alderaan Holdco Limited, Vereinigtes Königreich, und der HgCapital LLP (UK), Vereinigtes Königreich, zugerechnet.

**Beherrschende Anteilseigner** – Der Veräußernde Aktionär kontrolliert die Gesellschaft.

**Hauptgeschäftsführer** – Mitglied des Vorstands der Gesellschaft ist Herr Rudolf Rizzoli. Herr Guus Stoelinga wurde am 22. April 2021 zum Mitglied des Vorstands bestellt mit Wirkung zum 12. Mai 2021.

**Abschlussprüfer** – Der Wirtschaftsprüfer der Gesellschaft ist Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 München, Deutschland.

#### Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die in den folgenden Tabellen enthaltenen Finanzinformationen sind den geprüften Konzernabschlüssen der Gesellschaft zum 31. Dezember 2018, 2019 und 2020 und den geprüften nicht konsolidierten Abschlüssen der Gesellschaft zum 31. Dezember 2020 entnommen oder daraus abgeleitet sowie den Buchhaltungsunterlagen oder internen Berichtssystemen der Gesellschaft. Der geprüfte Konzernabschluss der Gesellschaft wurde in Übereinstimmung mit IFRS aufgestellt. Der geprüfte Einzelabschluss wurde in Übereinstimmung mit den deutschen Rechnungslegungsvorschriften des HGB erstellt. Sofern Finanzinformationen in den folgenden Tabellen mit "geprüft" gekennzeichnet sind, bedeutet dies, dass sie dem oben genannten geprüften Abschluss entnommen wurden. Die Bezeichnung "ungeprüft" wird in den folgenden Tabellen verwendet, um Finanzinformationen zu kennzeichnen, die nicht den oben genannten geprüften Abschlüssen entnommen wurden, sondern entweder der Buchhaltung oder internen Berichtssystemen entnommen wurden oder auf der Grundlage von Zahlen aus den vorgenannten Quellen berechnet worden sind.

#### Wesentliche Finanzinformationen aus den Konzern-Gewinn- und Verlustrechnungen

Euro (Tausend)	Für das zum 31. Dezember endende Geschäftsjahr		
	2018	2019	2020
		(geprüft)	
Umsatz.....	119.880	275.721	323.580
Bruttogewinn.....	26.485	56.359	62.824
Ergebnis vor Zinsen und Steuern (EBIT).....	(14.218)	1.651	12.512
Netto Finanzierungskosten.....	(12.079)	(25.235)	(28.491)
Ergebnis vor Steuern (EBT).....	(26.298)	(23.584)	(15.979)
Konzernverlust.....	(19.551)	(18.742)	(12.346)
Konzerngesamtergebnis für den Zeitraum.....	(19.551)	(18.673)	(12.615)

#### Wesentliche Finanzinformationen aus den Konzern-Bilanzen

Euro (Tausend)	Zum 31. Dezember		
	2018	2019	2020
		(geprüft)	
Langfristige Vermögenswerte.....	658.982	783.638	940.764
Kurzfristige Vermögenswerte.....	165.297	246.839	237.907
Summe Aktiva.....	824.279	1.030.477	1.178.671
Langfristige Schulden.....	563.235	647.594	752.097
Kurzfristige Schulden.....	211.714	346.902	403.208
Summe Schulden.....	774.949	994.496	1.155.305
Eigenkapital.....	49.330	35.980	23.365

## Wesentliche Finanzinformationen aus den Konzern-Kapitalflussrechnungen

Euro (Tausend)	Zum 31. Dezember		
	2018	2019	2020
Cashflow aus Geschäftstätigkeit .....	7.784	(172.484) <i>(geprüft)</i>	(120.542)
Cashflow aus Investitionstätigkeit.....	(255.289)	(2.413)	(3.560)
Cashflow aus Finanzierungstätigkeit.....	267.556	181.511	141.398

## Wesentliche Leistungskennzahlen und alternative Leistungskennzahlen

Euro (Tausend)	Zum 31. Dezember		
	2018	2019	2020
	<i>(geprüft, sofern nicht anders ausgewiesen)</i>		
<b>Wichtige Finanzinformationen</b>			
Bereinigter Umsatz von externen Kunden.....	91.445	191.443	212.180
Bereinigtes EBITDA .....	14.222	30.605	38.137
<i>Bereinigte EBITDA-Marge (1) (in %) (ungeprüft) .....</i>	<i>15,6%</i>	<i>16,0%</i>	<i>18,0%</i>

(1) Berechnet als bereinigtes EBITDA geteilt durch bereinigter Umsatz von externen Kunden.

### **Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?**

- Wir könnten unter ungünstigen Entwicklungen in der Fahrzeugabo- und Mobilitätsdienstleistungsbranche, den Neu- und Gebrauchtwagenmärkten und den anderen Marktsektoren, die in direktem Zusammenhang mit unserem Geschäft stehen, leiden und daher könnte die Gesamtnachfrage nach Fahrzeugen, einschließlich Neuwagen, zurückgehen, was sich negativ auf unsere Ertragslage und Geschäftsaussichten auswirken könnte.
- Unsere Ertragslage wurde durch globale Pandemien wie COVID-19 beeinträchtigt und könnte in Zukunft erheblich beeinträchtigt werden.
- Wir könnten von einer ungünstigen Entwicklung des allgemeinen wirtschaftlichen Umfelds in Deutschland betroffen sein, was sich auf den Kauf von Neufahrzeugen auswirken könnte, die typischerweise im Ermessen der Verbraucher liegen, und dies könnte erhebliche negative Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unser Betriebsergebnis haben.
- Wir sind möglicherweise nicht in der Lage, zurückgegebene Fahrzeuge zu attraktiven Preisen weiterzuverkaufen, und wir sind mit Risiken in Bezug auf den Restwert unserer Fahrzeuge konfrontiert, so dass sich die Wiedervermarktung unserer Fahrzeuge komplexer und schwieriger gestalten könnte, was erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unsere Ertragslage haben könnte.
- Unsere Kunden könnten ihre Zahlungen nicht pünktlich leisten oder unsere Dienstleistungen nicht mehr in Anspruch nehmen, und der Verlust oder die Nichterfüllung eines Kunden oder das Versäumnis, einen Vertrag mit einem Kunden zu verlängern oder durchzusetzen, insbesondere mit einem unserer zehn größten B2B Kunden gemessen an der Flotte, könnte erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit haben.
- Wir könnten nicht in der Lage sein, von uns mit unseren Lieferanten, einschließlich Fahrzeugherstellern und Dienstleistern, ausgehandelte Volumenboni zu behalten, oder es könnte von uns verlangt werden, diese zurückzuzahlen, was erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unser Betriebsergebnis haben könnte.
- Eine Verschlechterung des Ansehens der Marken der MeinAuto Group oder unseres Ansehens könnte erhebliche nachteilige Auswirkungen auf unsere Beziehungen zu Kunden, Lieferanten, Drittanbietern und Investoren haben.
- Unsere Preisstruktur und Annahmen bezüglich der zukünftigen Kosten der Fahrzeuge in unserer Flotte über die Laufzeit des Fahrzeugabos könnten sich als unzutreffend erweisen und daher zu Verlusten führen.
- Wir könnten nicht in der Lage sein, unser bestehendes Dienstleistungsangebot zu verbessern und zu vermarkten oder ein attraktives Dienstleistungsangebot aufrechtzuerhalten, das den Erwartungen unserer Kunden entspricht, und deshalb nicht in der Lage sein, Kunden zu gewinnen oder zu halten, was erhebliche

nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unser Betriebsergebnis haben könnte.

- Die Geschäftstätigkeit des Konzerns hängt von der Verfügbarkeit von Finanzierungen ab, die für die laufende Finanzierung des Fahrzeugabo-Portfolios erforderlich sind, und das Ausbleiben des Erhalts oder der Verlängerung solcher Finanzierungen könnte unsere Geschäftstätigkeit im Bereich Fahrzeugabo erheblich beeinträchtigen.
- Unsere gesicherte Kreditvereinbarung über €150 Millionen auf Ebene der MeinAuto Management GmbH enthält finanzielle Verpflichtungen und übliche allgemeine Verpflichtungen, die unsere operative und finanzielle Flexibilität einschränken können.
- Standardklauseln, die in unseren Fahrzeugaboverträgen und in unseren Verträgen mit unseren Kunden und Drittlieferanten und Dienstleistern verwendet werden, könnten unwirksam sein, so dass wir möglicherweise nicht in der Lage sind, solche Klauseln oder die Verträge, in denen sich solche Klauseln befinden, durchzusetzen, was erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unsere Ertragslage haben könnte.
- Unsere Tochtergesellschaft Mobility Concept GmbH ist ein reguliertes Unternehmen und es könnte festgestellt werden, dass sie bestimmte laufende aufsichtsrechtliche Anforderungen, die für die Mobility Concept GmbH als Finanzdienstleistungsinstitut gelten, nicht erfüllt hat, und wenn unsere Leasinglizenz in Deutschland ausgesetzt oder widerrufen würde, könnten wir unser Finanzleasinggeschäft in Deutschland nicht fortführen.
- Die Gesellschaft könnte es nicht schaffen, die zusätzlichen Anforderungen zu erfüllen, die für sie als börsennotierte Gesellschaft gelten, was erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Vermögens- und Finanzlage, unsere Cashflows und unser Betriebsergebnis haben könnte.

### C. Basisinformationen über die Wertpapiere

#### Welches sind die wichtigsten Merkmale der Wertpapiere?

Dieses Angebot (das „Angebot“) bezieht sich auf (i) 9.375.000 neu ausgegebene Inhaber-Stammaktion ohne Nennbetrag (Stückaktien) aus einer von einer außerordentlichen Hauptversammlung der Gesellschaft zu beschließenden Kapitalerhöhung gegen Bareinlagen (die „**Neuen Aktien**“) (ii) 11.000.000 bestehende Inhaber-Stammaktien ohne Nennbetrag (Stückaktien) aus dem Bestand der Salvator Mobility Holding MidCo S.à r.l. (der „**Veräußernde Aktionär**“) im Rahmen eines Base Deal (die „**Bestehenden Basis Aktien**“) (iii) bis zu 2.037.500 bestehende Aktien aus dem Bestand des Veräußernden Aktionärs abhängig von der Ausübung einer Aufstockoption nach Entscheidung des Veräußernden Aktionärs in Absprache mit den Joint Global Coordinators, abhängig von der Nachfrage am Tag der Preisfestsetzung (die „**Upsize Aktien**“ und, zusammen mit den Bestehenden Basis Aktien, die „**Bestehenden Aktien**“, die Bestehenden Aktien zusammen mit den Neuen Aktien die „**Basisaktien**“), (iv) 3.361.875 bestehende Inhaber-Stammaktien ohne Nennbetrag (Stückaktien) aus dem Bestand des Veräußernden Aktionärs in Verbindung mit einer möglichen Mehrzuteilung (die „**Mehrzuteilungsaktien**“ und zusammen mit den Basisaktien die „**Angebotsaktien**“). Die Gesamtzahl der Mehrzuteilungsaktien wird nicht mehr als 15% der endgültig im Rahmen dieses Angebots platzierten Basisaktien und Upsize Aktien, sofern vorhanden, betragen.

**Anzahl und Art der Aktien** – Es sind 65.000.000 Aktien ausgegeben. Alle Aktien sind Inhaberaktien (Stückaktien) mit einem rechnerischen Anteil am Grundkapital von je €1,00.

**ISIN und Währung** – Die ISIN der Aktien lautet DE000MAG0008 und die Aktien sind in Euro denominiert.

**Mit den Aktien verbundene Rechte und Übertragbarkeit** – Alle Aktien sind voll dividendenberechtigt seit dem 1. Januar 2021. Jede Aktie gewährt eine Stimme in der Hauptversammlung der Gesellschaft. Die Aktien sind gegenüber allen anderen Wertpapieren und Forderungen nachrangig im Falle einer Insolvenz der Gesellschaft und nach den gesetzlichen Bestimmungen für Inhaberaktien frei übertragbar.

**Dividendenpolitik** – Die Gesellschaft beabsichtigt derzeit nicht, in absehbarer Zukunft Dividenden auszuschütten. Jede künftige Entscheidung zur Zahlung von Dividenden wird in Übereinstimmung mit den geltenden Gesetzen getroffen und hängt unter anderem von den Betriebsergebnissen, der Finanzlage, vertraglichen Einschränkungen und dem Kapitalbedarf ab.

#### Wo werden die Wertpapiere gehandelt?

Es wird erwartet, dass alle Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse und zugleich zum Teilbereich des regulierten Marktes mit zusätzlichen Zulassungsfolgepflichten (Prime Standard) zugelassen werden (die „**Börsennotierung**“).

#### Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Der Veräußernde Aktionär übt weiterhin erheblichen Einfluss auf uns aus, und die Interessen des Veräußernden Aktionärs können mit den Interessen unserer anderen Aktionäre in Konflikt geraten.



## **D. Basisinformationen über die Notierung von Wertpapieren und die Zulassung zum Handel an einem geregelten Markt**

### **Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?**

**Umfang des Angebots** – Das Angebot besteht aus einem öffentlichen Angebot in Deutschland und Privatplatzierungen in bestimmten Rechtsordnungen außerhalb Deutschlands. In den Vereinigten Staaten von Amerika werden die Angebotsaktien nur qualifizierten institutionellen Anlegern entsprechend und in Übereinstimmung mit und unter Berufung auf Rule 144A nach dem U.S. Securities Act von 1933 in der jeweils gültigen Fassung (der „**Securities Act**“) oder gemäß einer anderen anwendbaren Ausnahme von den Registrierungsanforderungen des Securities Act bzw. in Transaktionen, die diesen Registrierungsanforderungen nicht unterfallen, angeboten und verkauft. Außerhalb der Vereinigten Staaten von Amerika werden die Angebotsaktien nur im Rahmen von Offshore-Transaktionen in Übereinstimmung mit der Regulation S des Securities Act angeboten und verkauft.

**Preisspanne** – Von €16,00 bis €20,00 je Angebotsaktie (die „**Preisspanne**“).

**Angebotszeitraum** – Vom 4. Mai 2021 bis zum 11. Mai 2021 (der „**Angebotszeitraum**“), mit der Maßgabe, dass der Angebotszeitraum nicht vor der Veröffentlichung dieses Prospekts beginnen wird und verlängert werden kann.

**Angebotspreis** – Der Angebotspreis für das Angebot (der „**Angebotspreis**“) und die endgültige Anzahl der im Rahmen des Angebots platzierten Angebotsaktien werden von der Gesellschaft und dem Veräußernden Aktionär nach Rücksprache mit den Joint Global Coordinators voraussichtlich am 11. Mai 2021 festgelegt. Der Angebotspreis wird auf Grundlage der von den Anlegern während des Angebotszeitraums eingereichten Orders festgelegt, die in dem im Rahmen eines Bookbuilding-Verfahrens erstellten Orderbuch zusammengefasst wurden. Diese Orders werden anhand der angebotenen Preise und der erwarteten Anlagehorizonte der jeweiligen Anleger bewertet. Diese Methode zur Festlegung des Angebotspreises zielt grundsätzlich darauf ab, den höchsten Angebotspreis zu erreichen.

**Greenshoe-Option** – Zur Abdeckung einer möglichen Mehrzuteilung hat der Veräußernde Aktionär den Joint Global Coordinators eine Option zum Erwerb von bis zu 3.361.875 Aktien zum Angebotspreis eingeräumt (die „**Greenshoe-Option**“).

**Börsennotierung und Vollzug** – Die Zulassung zur Börsennotierung wird voraussichtlich am 11. Mai 2021 erteilt und der Handel wird voraussichtlich am 12. Mai 2021 aufgenommen. Die Lieferung der Angebotsaktien gegen Zahlung des Angebotspreises wird voraussichtlich am 14. Mai 2021 erfolgen.

**Verwässerung neuer Aktionäre** – €11,96 je Aktie oder 66,4% (unter der Annahme des Vollzugs des Angebots zur Mitte der Preisspanne).

**Gesamtkosten** – Rund €27 Millionen (unter der Annahme des Vollzugs des Angebots zur Mitte der Preisspanne, Platzierung der maximalen Anzahl an Angebotsaktien, vollständiger Ausübung der Greenshoe-Option sowie der vollständigen Zahlung der Ermessensvergütung).

Kosten, die Anlegern in Rechnung gestellt werden – Ausschließlich marktübliche Transaktions- und Abwicklungskosten, die durch die Broker der Anleger in Rechnung gestellt werden.

### **Wer ist der Anbieter und die die Zulassung zum Handel beantragende Person?**

**Anbieter** – Die Gesellschaft gemeinsam mit BofA Securities Europe SA, eine Aktiengesellschaft (*Société Anonyme*), inkorporiert in Frankreich und dort mit eingetragenem Sitz und nach französischem Recht tätig; Barclays Bank Ireland PLC, öffentliche Gesellschaft mit beschränkter Haftung, inkorporiert in Irland und dort mit eingetragenem Sitz und tätig nach dem Recht von Irland; Citigroup Global Markets Europe AG, eine Aktiengesellschaft, inkorporiert in Deutschland und dort mit eingetragenem Sitz und nach deutschem Recht tätig; Jefferies GmbH, eine Gesellschaft mit beschränkter Haftung, inkorporiert in Deutschland und dort mit eingetragenem Sitz und nach deutschem Recht tätig; Jefferies International Limited, eine Kapitalgesellschaft (*Limited company*) inkorporiert in und tätig nach dem Recht von England und Wales, mit eingetragenem Sitz im Vereinigten Königreich; und UniCredit Bank AG, eine Aktiengesellschaft, inkorporiert in Deutschland und dort mit eingetragenem Sitz und nach deutschem Recht tätig.

**Zulassung zum Handel** – Die Gesellschaft geht davon aus, dass sie zusammen mit UniCredit Bank AG die Börsennotierung beantragen wird.

### **Weshalb wird dieser Prospekt erstellt?**

Gründe für das Angebot und die Börsennotierung – Die Gesellschaft beabsichtigt, die Börsennotierung zu verfolgen, um Zugang zu den Kapitalmärkten zu erhalten. Der Veräußernde Aktionär beabsichtigt, das Angebot zu verfolgen, um die dem Veräußernden Aktionär zustehenden Nettoerlöse aus dem Angebot zu erhalten.

**Zweckbestimmung der Erlöse** – Unter der Annahme eines Angebotspreises zur Mitte der Preisspanne und der vollständigen Zahlung der Ermessensvergütung würde die Gesellschaft Nettoerlöse in Höhe von rund €162 Millionen aus dem Angebot erhalten. Unter der Annahme eines Angebotspreises zur Mitte der Preisspanne beabsichtigt die Gesellschaft, die Erlöse

aus dem Angebot in der folgenden Reihenfolge der Priorität zu verwenden: (i) €25 Millionen für die Rückzahlung unserer gesicherten Kreditvereinbarung über €150 Millionen auf Ebene der MeinAuto Management GmbH, wodurch der in Anspruch genommene Betrag von derzeit €140 Millionen auf €115 Millionen reduziert wird, (ii) rund €137 Millionen zur Finanzierung des weiteren Wachstums, davon rund 50% für Investitionen in das Online-Marketing und Markenbildung und rund 50% zur Deckung des wachstumsbedingten Cashflow-Bedarfs, insbesondere zur Erweiterung der Flotte.

**Nettoerlöse** – Rund €162 Millionen, die der Gesellschaft zustehen und rund €275 Millionen, die dem Veräußernden Aktionär zustehen (unter der Annahme des Vollzugs des Angebots zur Mitte der Preisspanne, Platzierung der maximalen Anzahl an Angebotsaktien, vollständiger Ausübung der Greenshoe-Option sowie der vollständigen Zahlung der Ermessensvergütung).

**Zeichnungsvereinbarung** – Am 3. Mai 2021 haben die Gesellschaft, der Veräußernde Aktionär und die Joint Global Coordinators eine Übernahmevereinbarung über das Angebot und die Veräußerung der Angebotsaktien im Zusammenhang mit dem Angebot geschlossen. Unter bestimmten Bedingungen, insbesondere dem Abschluss einer Preisfestsetzungsvereinbarung, haben sich die Joint Global Coordinators verpflichtet, die Angebotsaktien zu erwerben, um sie Investoren im Rahmen des Angebots anzubieten.

**Wesentliche Interessenkonflikte** – Einige Mitglieder des Aufsichtsrats, Justin von Simson und Dr. Florian Wolff, nehmen Funktionen bei verbundenen Unternehmen des Veräußernden Aktionärs wahr. Dementsprechend könnten ihre Interessen im Hinblick auf das Angebot und die Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) nicht mit denen der Gesellschaft oder der anderen Aktionäre der Gesellschaft übereinstimmen, was einen potentiellen Interessenkonflikt darstellt.

Mit Ausnahme des oben beschriebenen potenziellen Interessenkonflikts in Bezug auf einige Mitglieder des Aufsichtsrats, die Funktionen beim Veräußernden Aktionär wahrnehmen, bestehen keine Interessenkonflikte in Bezug auf das Angebot oder die Börsennotierung.

## 1. RISK FACTORS

*In considering whether to invest in the shares (the “Shares”) of MeinAuto Group AG (hereinafter the “Company”), investors should consider carefully the following risks, in addition to the other information in this prospectus (the “Prospectus”). In this Prospectus, references to the “MeinAuto Group”, the “Group”, “we”, “us” or “our” are references to the consolidated group of entities and business activities comprising the MeinAuto Group business, with the Company acting as the ultimate holding company.*

*The risk factors featured in the Prospectus are limited to risks which are specific to the Company or the Shares in the Company and which are material for taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category the two most material risk factors are mentioned first according to the assessment based on the probability of their occurrence and the expected magnitude of their negative impact. The risks mentioned may materialize individually or cumulatively.*

### 1.1 Risks Related to the Industry in Which We Operate

#### ***1.1.1 We may suffer from adverse developments in the vehicle subscription and mobility services industry, the new and used vehicle markets and the other market sectors directly related to our business.***

We operate in the vehicle subscription (including leasing arrangements and vehicle flat rates) and mobility services (including maintenance, wear and tear and conclusion of intermediary contracts for cash purchase and leasing or financing agreements) industry. We are affected by macro developments in personal transport, which are dependent on a variety of factors over which we have no control. These include, for example, the expansion of the public transport infrastructure, improvements in traffic flow and the increasing availability of car-sharing and other mobility services such as Uber or Share Now. A growing share of younger people no longer purchase or lease their own cars, opting instead for services such as the aforementioned. This trend may continue or even intensify, in particular as urbanization continues and a growing share of the population migrates to major cities. As a result, overall demand for vehicles, including for new cars, may decline, which could adversely affect our results of operations and business prospects.

General developments in the automotive industry are important for us, owing to their effects on terms and conditions for purchasing and servicing vehicles. We are dependent on the supply of popular vehicle models, on being able to purchase them on competitive terms and, for reasons of pricing certainty and the reduction of residual value risks, on buy-back agreements with manufacturers and dealers. These factors influence both the purchase prices of vehicles and the revenues that can be generated when vehicles are sold. In addition, the difference between the price we pay to acquire a vehicle and its estimated residual value impacts the price we charge for our vehicle subscriptions.

In the market for new cars, fluctuations in supply and demand for new vehicles could result in an increase in the prices to acquire vehicles to grow our fleet and the prices we are able to charge for our vehicle subscription products or mobility services. In the market for used cars, a decrease in sales may adversely affect the repurchase terms and conditions on which car manufacturers and dealers are prepared to repurchase vehicles. To the extent a vehicle is not covered by a buy-back agreement, fluctuations in supply and demand for used vehicles could adversely affect the price at which we are able to sell the vehicle at the end of the subscription period. If the price we are able to realize is less than the book value of the vehicle at the end of the subscription period, we would recognize a loss on the sale. The development of the used car market in Germany is important for the prices that we achieve from selling used vehicles on the open market.

Additionally, prices for petroleum-based products have recently experienced volatility. Limitations in fuel supplies or significant increases in fuel prices could significantly discourage customers from using subscribed vehicles and have an adverse effect on our business and results of operations. Customer behavior and vehicle demand could also be negatively influenced due

to new regulations on CO<sub>2</sub> emissions (see also “1.3.2. *We may be adversely affected by changes to the general regulatory environment*”).

An adverse economic development in the vehicle subscription and mobility services market could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.1.2 *Our results of operations have been adversely affected and could be materially adversely affected by global pandemics like COVID-19 in the future.***

In March 2020, the World Health Organization declared the outbreak and spread of the novel coronavirus (“**COVID-19**”) a global pandemic, and governmental authorities around the world have implemented measures intended to limit the spread of COVID-19. These measures have adversely affected workforces, customers, supply chains, consumer sentiment, economies, and financial markets, and, along with decreased consumer spending, have led to an economic downturn across many global economies.

The COVID-19 pandemic has escalated to varying degrees in Germany and across Europe, creating significant uncertainty and economic disruption. Numerous federal, state and local jurisdictions have imposed, and others in the future may impose, shelter-in-place orders, quarantines, shut-downs of non-essential businesses and similar government orders and restrictions on their residents in an effort to control the spread of COVID-19. Such orders or restrictions have resulted in temporary facility closures, work stoppages, slowdowns and travel restrictions, among other effects, thereby adversely impacting our operations. In addition, we expect to be impacted by a downturn in the European economy, which could have an adverse impact on discretionary consumer spending.

In response to the COVID-19 disruptions, we have implemented a number of measures designed to protect the health and safety of our workforce, proactively reduce operating costs, conserve liquidity and position MeinAuto Group to emerge from the current crisis in a healthy financial position. These measures include restrictions on non-essential business travel, the institution of work-from-home policies wherever feasible and the implementation of strategies for workplace safety at our facilities that remain open. If the German government would decide to have a total lock-down and no one was allowed in the office, we would be significantly restricted in our paper based processes, especially with government agencies. While our e-commerce platforms continue to operate, we have experienced a decline in our remarketing contributions. We will continue to incur costs for our operations, and our revenues during this pandemic are more difficult to predict with certainty. There is no assurance the measures we have taken or may take in the future will be successful in managing the uncertainties caused by COVID-19. The extent to which COVID-19 ultimately impacts our business, financial condition and results of operations will depend on future developments, which are highly uncertain and unpredictable, and the effectiveness of actions taken to contain the COVID-19 outbreak. In 2020, there was a significant decrease in new car registrations in Germany and there is no guarantee that the new car market will recover, which could restrict us in generating new business and remarketing our used cars. Furthermore, this could also be the case if companies with which we already have or may have in the future customer relationships or with which we have buy-back arrangements become insolvent due to the adverse effect of COVID-19 on their business. If companies are forced to close their factories or have business interruptions due to employee illness, this could delay our new car deliveries and expose us to claims for damages from our customers. Additionally, the extent to which COVID-19 ultimately impacts the wholesale market will depend on a number of factors. The COVID-19 outbreak is evolving and new information emerges daily; accordingly, the ultimate consequences of the COVID-19 outbreak cannot be predicted with certainty. In addition to the COVID-19 disruptions adversely impacting our business and financial results, they may also have the effect of increasing other risks described in this Section “1. Risk Factors”.

**1.1.3 *We may suffer from adverse developments in the general economic environment in Germany.***

The industry we operate in is generally susceptible to changes in the overall economy. Moreover, our customer base comprises individuals and companies active in various sectors of

the economy, and, therefore, a deterioration of the economic environment or outlook in any market sector may adversely affect the demand for our products and services. In particular, changes in the general economic environment can have a significant effect on spending propensity of customers, which, in turn, affects demand for new vehicles. During phases of economic weakness, demand for vehicle subscription and buying may decline due to cost-saving measures by companies and private households. Additionally, a downturn in the overall economy could result in higher default rates by our customers and the manufacturers and dealers with which we have entered into buy-back agreements. Such a downturn in the overall economy could especially result from or be reinforced by the COVID-19 outbreak (see “1.1.3. *Our results of operations have been adversely affected and could be materially adversely affected by global pandemics like COVID-19 in the future.*”).

Purchases of new vehicles are typically discretionary for consumers and have been, and may continue to be, affected by negative trends in the economy and other factors, including rising interest rates, the cost of energy and gasoline, the availability and cost of consumer credit, reductions in consumer confidence and fears of recession, stock market volatility, increased regulation and increased unemployment. This could adversely affect our “business to consumer” (“B2C”) online business for new car subscriptions and mobility services.

The performance of our business-to-business (“B2B”) segment is highly dependent on the investment behavior of our corporate customers. In addition to general cyclical factors, this investment behavior can be influenced by the underlying economic, legal, accounting and tax conditions for commercial vehicle subscription, which – if changed to the detriment of customers and/or to the detriment of MeinAuto Group – could adversely affect the attractiveness of vehicle subscription and mobility services for customers.

In addition, customer demand for used cars may decrease and adversely affect our ability to remarket vehicles which customers return to us at the end of a subscription period. This could also negatively impact the volume of and the repurchase terms on which car manufacturers and dealers are prepared to repurchase such vehicles and the repurchase price we are able to achieve if the vehicles are not covered by buy-back agreements.

We are particularly vulnerable to economic developments in Germany, where all of our operations are located. However, the economies of other countries and regions will gain importance if and to the extent we expand our operations internationally. As of the date of the Prospectus, most of the national economies in Europe have been adversely affected by COVID-19, and, as a result of concerns regarding the long-term effects on the economy, economic growth in the European Union has partially stagnated. Moreover, efforts to stabilize the euro zone may result in substantial new tax burdens on us or restrictions on our ability to do business.

An adverse development in the German economy could therefore have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

#### **1.1.4 *The acceptance of our online offering as a suitable platform for the purchase of new cars may not increase as we expect.***

The success of our business model depends to a significant extent on increasing online penetration of the new car market in Germany, which we believe will occur in the coming years. However, the German car market continues to be dominated by traditional offline businesses and there is no guarantee that consumers will be increasingly willing to purchase their cars online in the future.

Customers may decide against purchasing new cars online for a number of reasons, including reluctance or concerns about purchasing cars without a physical storefront or face-to-face interaction with sales personnel (e.g., due to an inability to physically test-drive and examine cars) or an actual or perceived lack of security of online transactions and concerns regarding the privacy of personal information. In addition, they may be deterred by the inconvenience of dropping off, returning or exchanging cars purchased online.

If the acceptance of our online offering as a suitable platform for the purchase of new cars does not increase as we expect, or even declines, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.1.5 *We may not have the resources required to successfully meet the challenges posed by our existing and future competitors.***

The vehicle subscription and mobility services market in Germany continues to be dominated by various providers affiliated either with manufacturers or banks. On the one hand, our competitors controlled by banks may benefit from better refinancing terms; on the other hand, our competitors controlled by manufacturers may benefit from more attractive purchasing terms. As a result, there is intense competition in the vehicle subscription market on price and other conditions, which can have a negative effect on the margins that can be achieved and, as a consequence, on our results of operations.

Furthermore, large internet players such as Google or Amazon could change their models to directly compete with us. In addition, automobile manufacturers could change their sales models to better compete with our model with technology and infrastructure investments. We also compete in the online market through companies that provide listings, information, lead generation and car buying services designed to reach customers and enable dealers to reach these customers and providers of offline, membership-based car buying services.

New competitors have entered and will likely continue to enter the traditional and e-commerce automotive retail industry with competing brands, business models and products and services, which could have an adverse effect on our business and market position. For example, in addition to online start-ups, traditional car dealers could migrate their selling efforts to the internet, allowing them to compete directly with our online offering and no-negotiating pricing model.

Some of our current and potential future competitors may have longer operating histories, more experience, higher brand recognition, a larger customer base and greater financial, technical or marketing resources than we do. This is particularly true of vehicle manufacturers with which we already compete, but may be true of other current or future participants in the vehicle subscription and mobility services market or the e-commerce market as well. Our current competitors may also be acquired by, merge with, receive investments from or enter into strategic relationships with well-established and well-financed companies or investors, which could enhance their competitive positions. A contraction of the overall market may result in reduced revenues, lower profit margins and price reductions as well as in a potential loss of market share, each of which could have a material adverse effect on the vehicle subscription business and mobility services solutions. On the other hand, new entrants into the industry could result in increased competition in the market for mobility services similar to those provided by us.

There is no assurance that we will have the resources required to successfully meet the challenges of changes in market conditions or market prices, the concentration process or the potential entry of new competitors in our market.

Our inability to meet one or more of the described challenges or the materialization of any of the risks described above in the future could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2 Risks Related to Our Business**

**1.2.1 *We may not be able to re-sell returned vehicles at attractive prices, and we face risks related to the residual value of our vehicles.***

We generally re-sell vehicles returned to us by customers at the end of their subscription agreements, unless the respective vehicle is sold under a buy-back agreement. As of December 31, 2020, approximately 52% of our fleet was covered by such buy-back agreements or similar arrangements under which dealers or other counterparties are required to repurchase the vehicles they sell to us at a pre-agreed price at the end of the subscription period. The price at which we

are able to sell a vehicle not covered by such agreements, and so the revenue we are able to generate from that sale, is primarily determined by prevailing market prices for the particular make, model, mileage, age and general condition of the vehicle at the time of the sale, while the profitability of the sale is determined by the difference between that price and the estimated residual value of the vehicle, which is generally determined at the beginning of a subscription period. Any change in prevailing market prices compared to our expectations can therefore have an adverse effect on the prices we are able to generate from our vehicle sales and the profitability of those sales. As there are significant uncertainties regarding the development of the used car market over the term of the vehicle subscription, we may be unable to set appropriate residual values for vehicles corresponding to their actual market value at the end of the subscription term, exposing us to market price risk. In connection with such sales, we also are at risk of statutory liability to the buyer. Furthermore, we may not be able to dispose of our vehicles at desirable prices if any of our sales partners were to cease working with us and we were not able to replace them with new partners or if we are not able to sell our cars due to the shutdown of our and our partners' stores, as was and is the case due to the lockdowns during the COVID-19 pandemic.

In addition, the counterparties to buy-back agreements, and dealers in particular, may not be able, or may refuse, to meet their repurchase commitments in full or at all, for example if they become insolvent or if they were to cease to conduct business with us, which may require us to sell the relevant vehicles in the used vehicle market, resulting in additional costs and often lower prices. Furthermore, even if a counterparty remains solvent, we may be required to engage in lengthy litigation to enforce these repurchase agreements if they refuse to satisfy their obligations, and there is a risk that a court could determine such agreements to be unenforceable. In cases where we have not entered into a buy-back agreement, we are fully exposed to the risk that the price we are able to realize upon a sale is lower than the estimated residual value of the vehicle at the end of the relevant subscription, which would result in us incurring a loss. As a result, if the number of our vehicles not covered by buy-back agreements increases in the future, our exposure to residual value risk will increase accordingly.

Furthermore, we operate a significant number of vehicles under our asset light concept. In 2020, approximately two thirds of the vehicles we offer under our Athletic Sport Sponsoring brand to customers were leased from third parties. We are therefore dependent on these third parties to enter into leasing agreements with us. If these third parties would no longer enter into leasing agreements with us, we would be required to re-market the respective vehicles ourselves any failure to enter into new leasing agreements or extend our existing framework agreements could therefore have a material adverse effect on our vehicle subscription operations.

The residual value profile for electronic vehicles is currently uncertain, and, therefore, remarketing such cars is more complex and may be more challenging. Due to the high level of innovation, value loss for these cars can be significantly higher than for cars with internal combustion engines. Furthermore, if more customers were to decide to buy electronic vehicles, this could have an adverse effect on the remarketing of our vehicles with internal combustion engines.

If we are not able to re-sell returned vehicles at attractive prices, this could have a material adverse effect on our business, net assets, financial conditions, cash flows and results of operations.

### ***1.2.2 Our customers may fail to make timely payments or may discontinue using our services.***

There is a risk that our customers may fail to meet their payment obligations during the term of the contract or only pay parts thereof, for example, if they become insolvent. We are especially vulnerable to this risk in our B2B segment, although the risk exists in the B2C segment as well. When deciding whether to provide financing to customers, we analyze their creditworthiness by relying, among other things, on the assessments of third-party credit agencies to complement our own credit scoring tools. Our procedures and policies may not be adequate to eliminate this counterparty risk, and the reports we receive from private credit bureaus may not reflect recent changes in a customer's solvency or may otherwise be unreliable. Counterparty default risk in the customer business generally increases with a worsening economic climate, as it can result in

the deterioration of the liquidity of individual customers, triggering more payment defaults of vehicle subscription and mobility services customers.

In addition, a small number of customers account for a substantial portion of our B2B contracts, which generated approximately 43% of our adjusted revenues in 2020. Our B2B framework agreements can often be terminated with three to six months' notice at the end of a one year term. Our customers may decide not to extend or continue using our services or decide to terminate their framework agreements with us. Any loss of, or default by, a customer, or any failure to renew or enforce a contract with a customer, especially by or with one of our ten largest B2B customers by fleet, could have a material adverse effect on our business.

### ***1.2.3 We may not be able to retain volume bonuses we negotiate.***

In the ordinary course of business, we enter into agreements with suppliers, including vehicle manufacturers and service providers, that provide us with volume-based bonuses or other bulk purchase discounts. Some bonuses granted by our suppliers and service providers are based on volume targets. Accordingly, if we do not reach these targets, they will not grant us these bonuses and discounts as in the past. Furthermore, with regard to our closed user groups, we have systems and processes in place to determine that each relevant customer is part of the target group. However, if our systems or processes fail or are not as precise as we think they are, we could be servicing customers that are not part of the target group and our suppliers and service providers could demand us to repay them the value of these bonuses and discounts. Under German law, we are obligated to pass on certain bonuses or discounts which we immediately obtain in performing services to our customers. For bonuses which are not immediately connected to the performance of services for our clients, our contracts generally stipulate that we are under no obligation to pass these on to our customers. However, such provisions may be subject to different interpretations and could potentially be challenged by our customers and certain of our contracts may omit these provisions altogether.

We also received certain promotion payments for electric-powered vehicles from the Federal Office for Economic Affairs and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*). Since the directive to grant such payments has been changed several times by the Federal Ministry for Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*) we could be obliged to repay promotion payments we received prior to such amendments due to filing mistakes or judgments on eligibility.

While we believe that we are not required to pass on such bonuses to our customers, if these provisions were determined to be unenforceable or if we were otherwise no longer permitted or able to retain such bonuses for ourselves or were required to repay them, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

### ***1.2.4 A deterioration in the reputation of the MeinAuto Group brands, or in our reputation, could have a material adverse effect on our relationships with customers, suppliers, third-party service providers and investors.***

The success of our business depends on the recognition and reputation of the MeinAuto Group brands, trademarks and domain names, including "MobilityConcept", "MeinAuto.de", "MeinAuto.de Gebrauchtwagen" and "Athletic Sport Sponsoring". The recognition and reputation of these brands, trademarks and domains among customers, suppliers and third-party service providers are important for the growth and success of our business and are critical to maintaining our competitiveness. Our business model is based on our ability to provide customers with a transparent and simplified solution to car buying or subscribing that will save them time and money. Accordingly, our reputation as a company that is founded on the fundamental principle of integrity is critical to our success. If we fail to maintain the high standards on which our reputation is built, or if an event occurs that damages this reputation, it could adversely affect customer demand and have a material adverse effect on our business, sales and results of operations. Even the perception of a decrease in the quality of our brand could impact results.



Furthermore, pursuant to some affiliation agreements, especially our cooperation agreement with Allgemeiner Deutscher Automobil-Club e.V. (“ADAC”) we have entered into with our partners, our signage and logo are displayed alongside the signage and logos of these partners. As a result, negative publicity involving our partners, including for example due to a deterioration in the quality of services provided by ADAC may also harm our brand image.

Regardless of developments in the MeinAuto Group’s reputation or the value of its brands, public perception that we or our third-party service providers do not provide quality products or customer service, even if factually incorrect or based on isolated incidents, could damage our reputation, undermine the trust and credibility we have established and have a negative impact on our ability to attract new, or retain existing, customers.

Complaints or negative publicity about the MeinAuto Group and other persons currently or in the past affiliated to it, even if untrue or inaccurate, may harm our reputation, limit our ability to execute our strategic plan and to raise additional funds as well as diminish customer confidence in our platforms. In addition, such publicity may negatively impact our ability to enter into, or continue, our cooperation agreements with suppliers and third-party service providers. The growing use of social media increases the speed at which information and opinions can be shared and, thus, the speed at which reputation can be affected and we become more dependent on good rankings of our platforms.

A deterioration in the reputation of the MeinAuto Group brands, or in our reputation could therefore have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.5 *Our pricing structure and assumptions regarding the future costs of the vehicles in our fleet over the term of the vehicle subscription may prove to be inaccurate resulting in losses.***

Substantially all of our vehicle subscription and mobility services are provided under contractual arrangements with our customers, under which we cover maintenance, wear and tear costs and costs of breakdown, damage and service management and insurance. Therefore, the pricing structure for our business is based on certain assumptions regarding capital costs, the scope of services, maintenance expenses over the life of the contract, residual values, productivity and the mix of fixed and variable costs, many of which are derived from historical data and trends. At the same time, the prices of supplies needed to service our vehicles, in particular the price of tires, may fluctuate. In addition, actual maintenance costs incurred during the subscription period may exceed the costs we forecasted when we entered into such subscription agreement.

If we are incorrect in our assumptions, or as a result of subsequent changes in our customers’ business needs or operations or market forces that are outside of our control, our margins could be negatively impacted. Our business performance is particularly sensitive to the risk of fluctuating costs in our vehicle subscription and mobility services business, where we are responsible for the provision of a wide range of services in exchange for a monthly payment that is guaranteed to remain constant over the term of the contractual agreement. Although certain of our contracts provide for renegotiation upon a material change, there is no assurance that we would be successful in obtaining the necessary price adjustments.

If our pricing structure and assumptions regarding future costs of vehicles in our fleet were inaccurate, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.6 *We may be unable to improve and market our existing service offering or maintain an attractive service offering that meets the expectations of our customers.***

Our ability to meet the expectations of our customers depends on our ability to continuously improve our existing service offering and to develop new products, systems and software that meet the evolving needs of our customers. We may not be able to improve and successfully market our existing product range in order to compete successfully in the future. For example, there is no assurance that our partnership with ADAC will attract as many customers as we expect.

In an environment of changing market conditions and customer requirements, we must continuously develop new product ideas, whose introduction and penetration in our German market as well as other future European markets can result in substantial upfront costs. Relevant market analyses and plans cannot guarantee that the products as offered will meet the expected acceptance and demand. We believe that the German retail new car market shifts from ownership to usership. However, there is no assurance that our market assessment is correct; thus customers could decide to choose different mobility services than we offer. In addition, if our efforts to maintain a high level of customer satisfaction, especially through our technology platforms, are not successful, we may not be able to attract or retain customers.

Furthermore, demand for certain types of cars may suddenly shift due to the introduction of innovative technologies for vehicles, such as autonomous driving systems or electronic vehicles. The vast majority of the cars we operate with do not offer such innovative features and there is no guarantee that we will be able to quickly source (more) innovative vehicles. This could be exacerbated in the event of short-term supply shortages due to the high demand for innovative vehicles. Consequently, we may not be able to adapt our offering accordingly which could result in a decline of purchases of cars via our platforms. In addition, remarketing of certain types of cars may be more complex.

If we are not able to improve and market our existing service offering or maintain an attractive service offering that meets the expectations of our customers, we may not be able to attract or retain our customers, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.7 *We may not be able to maintain our recent growth rates or successfully manage our future growth.***

Our B2C business has a history of stable growth during the past three years. Despite this historic growth, we may not be able to maintain our current growth or achieve our rates of expected future growth rates.

We aim to grow our business in particular through an increased number of active subscribers and our future success and growth depends on our ability to retain our current customers and to attract new customers. However, if the acceptance of our online offering decreases or fails to improve, we will not be able to achieve the future growth we target. If our customer experience fails to meet the expectations of existing or future customers, this could also deter such customers from purchasing new cars through our various online platforms and adversely affect our business.

In March 2021, we launched a branding campaign to increase our brand recognition. Our investments to increase brand awareness may not be effective and, therefore, may not generate the increase in platform visits and propensity to purchase new cars that we expect. In addition, our *ex ante* assessment of the benefits of our marketing campaign may not be accurate due to our lack of experience in brand marketing. If our marketing measures would fail could hinder our future growth that we target.

We may also consider opportunistic acquisitions of companies or contract portfolios that we believe will be incremental to our organic growth. We may, however, be unable to successfully integrate any acquired companies or contract portfolios and may not be able to achieve any expected benefits from such transactions. To the extent we would decide to pursue acquisitions outside of Germany, we may not be able to successfully expand our position in foreign markets. Future expansion might be limited, among other things, by the availability and costs of financing such expansion.

In addition, future growth may place increasing demands on our management, and we may not be able to effectively manage our growth going forward. For examples, we may need to improve and upgrade our systems and infrastructure to deal with greater scale and complexity from future growth. Such growth may also require us to commit substantial management, operational and other resources in advance of any increase in the size of the business, with no assurance that our revenue and profitability would increase accordingly. Although the process of integrating MeinAuto GmbH, Mobility Concept GmbH and ASS Athletics Sport Sponsoring into the Group

is completed, the implementation of certain systems is still in process and is likely to continue in the medium term. There is no assurance that we will benefit from cost savings and synergies from integration as expected, which could slow our growth.

If we are not able to maintain our recent growth rates or successfully manage our future growth, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.8 *We rely on third-party suppliers to stock and service our fleet, and we may suffer from adverse developments affecting any of their businesses or from a deterioration in our relationships with them.***

We obtain the vehicles we subscribe and sell to our customers from car manufacturers and dealers. We depend on these manufacturers and dealers and our good relationships with them for the supply of vehicles on competitive terms, in sufficient quantities, with satisfactory quality and on a timeline compatible with our business model. There is no assurance that we will be able to continue to negotiate attractive purchase conditions in the future. In addition, if any of the manufacturers or dealers that supply us with cars were to run out of business, or if our relationship with any of them were to deteriorate, we might not be able to find another manufacturer or dealer to adequately meet our supply needs. Therefore, we are additionally dependent on strategic considerations of the manufacturers or dealers or changes in market conditions in the automobile industry.

During the term of a vehicle subscription or of mobility services, we rely on third parties for the provision of certain goods, such as tires, and certain services, such as insurance, roadside assistance and automobile repair services. If our relationships with any of these suppliers or service providers were to deteriorate, or if their business were to be adversely affected by external events or become insolvent, this could have an adverse impact on our business. In addition, if any of our suppliers were to become insolvent, we may be required to satisfy warranty claims that our subscription customers have against such suppliers.

If the businesses of our suppliers were adversely affected, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.9 *Our insurance coverage may be insufficient to cover certain risks related to our vehicles, operations and potential liability to our customers.***

We may suffer from insufficient insurance coverage for our vehicles and our operations. Our vehicles may suffer damage as a result of accidents, vandalism, flood or otherwise. Our contracts typically provide that the customer is responsible for damage to or loss of (including certain loss through theft) the vehicle during the subscription period and is contractually obliged to insure the vehicle. However, we bear the risk of damage while the vehicle is parked at one of our facilities waiting to be picked up by the customer and upon its return at the conclusion of the subscription period. Though we believe the amounts and nature of the coverage we obtain are adequate in light of the risks involved, this coverage may not be sufficient to cover all damage that our vehicles could potentially sustain. Furthermore, our insurance coverage could lapse due to unintentional nonpayment of insurance premiums.

Further, if any customer damages or loses one of our vehicles, the customer may not be able to compensate us for all of our losses, or at all. Pursuing claims against insurers or customers may prove costly and time consuming and could lead to delays in settling claims, thereby increasing claim costs. In addition, substantial uninsured claims filed against us or the inability of our insurance carriers to pay otherwise-insured claims would have an adverse effect on our financial condition.

In addition, we may become subject to claims for personal injury, death and property damage related to the use of our vehicles. Although insured against such events, liabilities in respect of existing or future claims may exceed the level of our insurance coverage and our reserves.

If our insurance coverage were insufficient, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.10 *We are dependent on the smooth functioning of our software systems, of our websites and of and on our ability to continue to adapt them to future technological developments. Any disruption to our supply chain, logistics infrastructure or information technology systems could adversely impact our business.***

Our ability to provide reliable services, competitive pricing and accurate and timely reporting for our customers depends on the efficient operation and user-friendly design of our software and websites. In addition, we also rely upon the proper functioning of our supply chain, logistics and technology platform on which we are dependent in all aspects of our operations, including transaction processing, mobility services and payment processing. Our business may be impaired if we are unable to maintain and improve the responsiveness, functionality and features of our technology and systems, which could result in a loss of customer data or other adverse consequences. Furthermore, our car configurator tools and several other business applications rely on continued access to data provided by third-party service providers and on the accuracy of such data, which cannot be guaranteed. If these service providers were to cease working with us, it could be time-consuming and expensive, and it may not be possible, to find a suitable replacement. For some business activities we use our own software solution and the development of websites and other proprietary technology entails significant technical and business related risks. The failure-free operation and further development of websites and software systems are essential for the efficient conduct of our operations.

Additionally, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or upgrade our websites and mobile applications. Our competitors may use new technologies more effectively, may develop more appealing and popular websites and mobile applications, or may adapt more quickly than we do to evolving industry trends or changing market requirements.

System malfunctions and faults in the computer systems, hardware and software, including server failures or possible attacks from the outside, for instance, attacks originating from criminal hackers or computer viruses, can cause considerable problems in operating processes and, in serious cases, even bring them to a standstill. Any system malfunction, unauthorized usage, or cybersecurity attack that results in the publication of our trade secrets or other confidential business information could negatively affect our competitive position or the value of our investments in our products or our research and development efforts.

In addition, when implementing new, replacement or supplementary hardware or software, the high complexity of our information technology system places high demands on compatibility with existing systems so as to guarantee smooth continuation for our customers.

Any disruption of our software systems and websites, affecting our supply chain, logistics infrastructure or information technology systems could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.11 *Third-party attempts to breach our networks or data security, or the existence of any other security vulnerabilities, may damage our reputation, increase our costs and expose us to liability.***

Our information technology may be subject to cyber-attacks, viruses, malicious software, break-ins, theft, computer hacking, phishing, employee error or malfeasance or other security breaches. Hackers and data thieves are increasingly sophisticated and operate large-scale and complex automated attacks. Experienced computer programmers and hackers may be able to penetrate our security controls and misappropriate or compromise sensitive personal, proprietary or confidential information, create system disruptions or cause shutdowns. They also may be able to develop and deploy malicious software programs that attack our systems or otherwise exploit any security vulnerabilities. Our systems and the data stored on those systems also may be vulnerable to security incidents or security attacks, acts of vandalism or theft, coordinated attacks by activist entities, misplaced or lost data, human errors, or other similar events that could negatively affect our systems and the data stored on or transmitted by those systems, including the data of our customers or business partners. Further, third parties, such as hosted solution providers, that provide services to us, also could be a source of security risks in the

event of a failure of their own security systems and infrastructure. Our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with third-party services, including cloud services, and/or failures by such third parties, which may be out of our control.

As part of our day-to-day operations, we gather and store personal information, credit card information, fuel card information and bank details from our corporate and private customers. Any security breaches might result in confidential or sensitive personal information of our customers being revealed to unauthorized persons.

If third parties are able to penetrate our network security or otherwise misappropriate our customers' personal, credit card or fuel card information, or if we give third parties improper access to our customers' personal, credit card or fuel card information, we could be subject to reputational harm and liability. This liability could include claims for unauthorized purchases with credit card information, impersonation or other similar fraud claims. This liability could also include claims for other misuses of personal information, including unauthorized marketing purposes. These claims could result in litigation. Liability for misappropriation of this information could adversely affect our business. In addition, enforcement actions taken by the European Union data protection authorities as well as audits or investigations by one or more individuals, organizations, or foreign government agencies can result in penalties and fines for non-compliance or direct claims against us in the event of any loss or damage as a result of a breach of these regulations. In the case of the European Union's General Data Protection Regulation ("GDPR"), violations carry fines of up to 4% of the Company's global turnover and the GDPR grants individual data subjects the right to claim damages for violations of their rights under the GDPR.

The costs to eliminate or address the foregoing security threats and vulnerabilities before or after a cyber-incident could be significant. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service and loss of existing or potential suppliers or customers. As threats related to cyber-attacks develop and grow, we may also find it necessary to make further investments to protect our data and infrastructure, which may impact our results of operations. Although we have insurance coverage for losses associated with cyber-attacks, as with all insurance policies, there are coverage exclusions and limitations, and our coverage may not be sufficient to cover all possible claims, and we may still suffer losses that could have a material adverse effect on our business (including reputational damage). The number and complexity of security threats continue to increase over time. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls, and processes require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, the possibility of these events occurring cannot be eliminated entirely, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

***1.2.12 We may not be able to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties.***

We rely on copyright and trademark, patent and trade secret laws to protect our intellectual property, such as domain names and software. The complexity of international copyright, trademark, patent and trade secret law creates a risk that efforts to protect such rights will prove inadequate. It is also possible that third parties may develop similar intellectual property independently. We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of the trademarks and other proprietary rights that are licensed to us. Any failure to adequately protect the intellectual property crucial to us could lead to a loss of customers to competitors and a corresponding loss in revenue. In addition, there are certain trademarks that are currently not registered with the German Patent and Trade Mark Office or elsewhere and the lack of trademark protection may mean that an infringement of our rights in that name and designation or specific logos could be more difficult to prove or enforce against a third party using an identical or confusingly similar designation. Even after registration, third parties may oppose our trademark applications, or otherwise challenge our use of our trademarks. In the event that our trademarks are successfully

challenged, we could be forced to rebrand our services and solutions, which could result in loss of brand recognition, and could require us to devote additional resources to advertising and marketing new brands. This could have a material adverse effect on our business and results of operations.

At the same time, there is a risk that third parties may assert claims against us based on their patents and other intellectual property rights. We may have to pay substantial damages if we infringe third-party patents or other intellectual property rights. We may have to obtain a license if it is determined that the offering of our services infringes on another person's intellectual property, and we may be forced to change our goals, operations or strategies based on infringement or potential infringement of third-party intellectual property. We might be prohibited from offering our services before we obtain a license, which, if available at all, may require us to pay substantial royalties. We may already license content from third parties, and it is possible that we could become subject to infringement actions based upon the content licensed from those third parties. Claims could be made against us for use of standard software if we fail to pay license fees. Representations as to the ownership of such licensed content may not adequately protect us. Even if infringement claims against us are without merit, defending these types of lawsuits takes significant time, is expensive and may divert management attention from other business concerns, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.13 *We may not be able to recruit and retain qualified and motivated staff.***

Our future success depends, in part, on our ability to recruit and retain highly qualified and motivated staff. Particularly as our business grows and new staff is recruited, we are dependent on having a sufficient number of suitable staff who are able to perform the required work to a satisfactory standard. If, for instance, there is a higher turnover and therefore a loss of know-how, this could affect the quality of service in our businesses. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them.

Furthermore, our success is dependent on our personnel in key positions, in particular on Mr. Rudolf Rizzolli, our chief executive officer, and Mr. Guus Stoelinga, our appointed chief financial officer. There is no guarantee that we will be able to retain key personnel or to recruit appropriate successors.

In addition, we will need additional employees for legal, investor relations and branding as a listed company and there is no guarantee that we will be able to find qualified employees.

If we are not able to recruit and retain qualified and motivated staff, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.2.14 *The Company is a holding company with no material business operations of its own and relies on operating subsidiaries to provide the Company with the funds required to meet its financial obligations and make dividend payments.***

The Company is a holding company with no material business operations of its own. The principal assets of the Company are its direct and indirect equity interests in its operating subsidiaries. As a result, the Company is dependent on these subsidiaries in order to generate the funds required to meet the Company's financial obligations and make dividend payments, if any.

The ability of the Company's subsidiaries to make distributions and other payments to the Company depends on the subsidiaries' earnings and is subject to various contractual and statutory limitations. Such distributions may not arrive in time for the dividend payments of the Company and the Company would have to draw on its reserves to pre-fund dividend payments. As a (direct or indirect) shareholder in its subsidiaries, the Company's right to receive assets upon liquidation or reorganization of such subsidiaries will be effectively subordinated to the claims of their respective creditors. Even if the Company is recognized as a creditor of its subsidiaries, the Company's claims will still be subordinated to any security interests that are senior to the Company's claims.

If the Company does not receive sufficient distributions and other payments from its direct and indirect subsidiaries at all or not in time, it may be unable to meet its financial obligations and to make dividend payments.

### 1.3 Financing Risks

#### ***1.3.1 We are dependent on the availability of financings and the failure to receive or extend such financings could materially affect our vehicle subscription operations.***

The Group's ordinary business activities are exposed to various financing risks. The operations of the Group are dependent on the availability of financings required for the ongoing financing of the vehicle subscription portfolio. The financing arrangements incurred at the level of Mobility Concept GmbH ("**Mobility Concept**") include secured term and revolving credit facilities and borrowing base facilities provided by banks in an amount of in aggregate approx. 607 million as of December 31, 2020 as well as an asset backed financing facility on the level of Mobility One S.A. in an aggregate amount of up to EUR 500 million (collectively, the "**MC Financing Agreements**"). The framework agreements for the MC Financing Agreements (including the asset backed financing facility) need to be extended and/or renewed from time to time. The MC Financing Agreements also comprise uncommitted credit facilities which means that the relevant lenders will be able to decide whether utilizations of such facilities are possible in their discretion on an individual basis. The operation and growth of the Group are dependent on the availability and extension of such financing arrangements, including the establishment of new secured facilities from time to time. Any failure to receive or extend such financing arrangements could materially affect our vehicle subscription operations.

The MC Financing Agreements provide for financial covenants and customary general covenants which may restrict our operational and financial flexibility. Any breach of the covenants and undertakings may entitle the relevant lender to demand early repayment of the corresponding debt which would entitle the lender to enforce the security (including the security over the relevant vehicles and vehicle subscription receivables) or result in a termination and/or early amortization under the asset backed financing facility.

Any failure to receive or extend necessary financings could materially affect our vehicle subscription operations and therefore could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

#### ***1.3.2 Our facilities agreement at the level of MeinAuto Management GmbH contains financial covenants and customary general covenants that may restrict our operational and financial flexibility.***

The financing structure of the Group further comprises a secured €150 million facilities agreement at the level of MeinAuto Management GmbH (former Mobility Holding GmbH), which is the holding company of our operating entities (the "**Financing Facility**"). The security for this facilities agreement includes, *inter alia*, security over the shares in MeinAuto Management GmbH, Mobility Concept and ASS Athletics Sport Sponsoring GmbH which are pledged in favor of the lenders under the Financing Facility. The Financing Facility contains financial covenants and customary general covenants, such as negative pledges, limitations of our financial indebtedness as well as restrictions on acquisitions, disposals and mergers, subject to certain exceptions and baskets. Such covenants may restrict our operational and financial flexibility and there can be no assurance that we will be able to comply with our covenants in the future. Ongoing obligations under the Financing Facility may substantially affect our capital management and business operations as any breach of the covenants and undertakings may entitle our creditors to demand early repayment of the corresponding debt or enforce the security (including the pledges over the shares in our subsidiaries).

#### ***1.3.3 We are exposed to interest rate fluctuations.***

We are exposed to the interest rate risk resulting from vehicle subscription contracts being based on fixed interest rates and external financing partially being based on floating interest rates. Differences between fixed interest rates under vehicle subscription 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 our vehicle subscription contracts. Increased costs of borrowings have a material impact on our cost base, which we may not be able to pass on to our customers. While we may from time to time enter into derivative contracts to hedge some of our interest rate exposure, there can be no guarantee that that losses will be completely avoided or that there are no open interest rate risk position that is not hedged, which could have a material adverse effect on our financial condition.

**1.3.4 *A mismatch between the maturities and interest rates applicable to our assets and liabilities could negatively affect our results from operations.***

The rate we charge our customers to subscribe a vehicle contains a component for financing the subscribed car (including an interest payment). The interest rate we use to calculate the interest payments is based on our cost of debt plus an internal margin. Our cost of debt depends, among other things, on prevailing interest rates and the term of the respective financing agreement. As the average term of our financing agreements and the average term of our vehicle subscription contracts may not always match, they are subject to different interest rates and interest rate changes resulting in a mismatch between the interest rates charged on our assets and liabilities. If the interest rate on our liabilities were to be higher than the interest rate we charge to our customers for subscribing our assets, we would incur a loss equal to the difference between these two interest rates, which would negatively affect our results from our vehicle subscription business. The risk that a maturity mismatch would lead to reduced margins or even losses on vehicle subscription contracts increases in an environment of increasing interest rates. Given the historically low interest rate environment, increasing interest rates cannot be excluded in the future and can even be considered to be likely.

A mismatch between the maturities and interest rates applicable to our assets and liabilities could therefore negatively affect our results from operations.

**1.3.5 *Our ability to fund our operations may be impaired by changes in the regulation of the financial services sector.***

As a result of ongoing changes in the regulation of the banking industry, among others, higher equity requirements for credit operations and more stringent risk weightings, financial institutions may change their financing policies and return requirements. Increased regulatory or capital requirements may make refinancing more difficult or more expensive. In certain cases these regulatory changes could lead to the liquidation of banks, resulting in the withdrawal of credit facilities or the takeover of troubled banks by other banks that have already extended credit facilities to us.

The potential increase of risk premium and return requirements assumed by banks in their own financing policies could be passed on to customers taking out loans. This may result in higher interest rates or less advantageous economic terms for our outstanding or future loans, and an inability to refinance our debt in the future when needed. It is possible that banks or financial services institutions will apply a more restrictive lending policy in the future and provide us access to credit lines or financing facilities in an amount that is lower than we expected and insufficient for our operating plans. This could adversely affect our financial condition.

## **1.4 Regulatory, Legal and Tax Risks**

**1.4.1 *Standard clauses used in our vehicle subscription agreements and in our contracts with our customers and third-party suppliers and service providers may be invalid, and we thus may not be able to enforce such clauses or the contracts in which such clauses are found.***

As each of our vehicles is subscribed under a separate contract, we have a large number of customer contracts. In addition, each sales contract is separately concluded and we maintain contractual relationships with numerous manufacturers, dealers and service providers. The efficient management of such a large number of contracts is only possible on the basis of a predominant use of standardized terms and conditions.

Standardized terms under German laws have to comply with statutory law on general terms and conditions, which means they are subject to rigid fairness control by the courts regarding their



content and the way they, or legal concepts described in them, are presented to the other contractual party by the person using them. Since most of our contracts are based on e-commerce, the standard is even stricter. Due to the frequent changes to the legal framework, particularly with regard to court decisions relating to general terms and conditions, we may not be able to fully protect ourselves against the risk that a court could invalidate such standardized contractual terms or declare them unenforceable, even if prepared with legal advice, which could impact a significant number of our agreements. In particular, almost all contracts we conclude with our online retail or private customers contain standardized terms. Should a court determine that any of these terms violate consumer protection laws, it could hold that the consumer has the right to withdraw from the agreement or declare the contract invalid altogether.

Furthermore, there is no decision of the German Federal Court of Justice (*Bundesgerichtshof*) whether mileage based leasing agreements with private customers are considered a fee-based financing aid (*entgeltliche Finanzierungshilfe*) within the meaning of Section 506 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) (“**Consumer Loan Contracts**”) or if our contracts are considered to be distance contracts (*außerhalb von Geschäftsräumen geschlossene Verträge*) within the meaning of Section 312g of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*). Consumer Loan Contracts and distance contracts each impose different information obligations and requirements in the event of a contract being concluded with a consumer. Until the German Federal Court of Justice (*Bundesgerichtshof*) reaches a decision which type of contract to apply, there is a great uncertainty as to which requirements we have to fulfill. In the event of a decision by the Federal Court of Justice (*Bundesgerichtshof*), some of our contracts or individual clauses could be invalid if we have chosen the other type of contract. This could lead, in particular, to our customers having an extended withdrawal period of 12 months and 14 days.

If we are not able to enforce standard clauses or the contracts in which such clauses are found, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.2 *Our subsidiary Mobility Concept may be found to have failed to fulfill certain ongoing regulatory requirements applicable to Mobility Concept as a financial services institution.***

Our subsidiary Mobility Concept provides vehicle subscription services and is therefore engaged in the business of leasing motor vehicles to third parties on a commercial basis, which requires a valid license for conducting financial leasing business under the German Banking Act (*Kreditwesengesetz*). Mobility Concept has received such license by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, “BaFin”*) effective as of December 25, 2008. As a BaFin-licensed institution, Mobility Concept has to comply with certain ongoing regulatory requirements. Any failure to comply with such requirements could result in sanctions including, in the case of significant breaches, the suspension or revocation of our leasing license. If the leasing license of Mobility Concept in Germany was to be suspended or revoked, we will not be able to continue our financial leasing business in Germany, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.3 *We may be found to be required to hold additional regulatory licenses.***

The operation of our business requires certain licenses. We cannot exclude that certain services already provided by us to date or potentially provided in the future might be found to require additional regulatory licenses. In particular, the provision of fleet management or leasing services frequently includes making certain payments to third parties (such as tax authorities or car repair workshops) which – depending on the specific circumstances – might be deemed by governmental authorities to require an additional license for the provision of payment services. By way of precaution, Mobility Concept is considering the filing of an application to obtain a corresponding license.

Should we not be able to obtain potentially required additional licenses, we might have to cease providing the respective services, which could have a material adverse effect on our business.

Additionally, the provision of regulated banking business, payment services or financial services without a corresponding license might lead to fines and/or criminal sanctions.

Furthermore, if we were to extend our service offering or our business to certain countries, we could be required to obtain additional licenses to provide our services. There is, however, no guarantee that we will be able to obtain all required licenses or that we will manage to comply with all requirements imposed on us thereunder, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.4 *We may be adversely affected by changes to the general regulatory environment.***

We are subject to a wide variety of laws and regulations relating to, *inter alia*, the purchase of, or the subscription to, cars, the state of such cars, the use of the internet in general and the e-commerce sector in particular, online payments, consumer protection, data protection, environmental protection, competition, tax and employment matters. In addition, we are subject to the issuance of new laws and regulations or changes in the interpretation of existing laws and regulations by a court, regulatory body or governmental official in each of the jurisdictions in which we operate or may operate in the future. Those changes have the potential to materially alter our business practices, financial condition and results of operations.

As an example, legal requirements relating to environmental protection, which are growing in importance in the European Union, can, when combined with widespread public debate, result in changes in mobility patterns. A change in the mobility patterns of the general population could result in decreased demand for vehicles and mobility services offered by the MeinAuto Group. For example, driving restrictions in cities and the introduction or increase of a CO<sub>2</sub> tax could negatively affect the willingness of our customers to own or use a car. Additionally, restrictions on new vehicle registration and more stringent requirements for vehicle inspections could directly increase the costs of our operations.

Possible extensions of the scope of laws permitting anti-competitive behavior in the automobile industry (*Gruppenfreistellungsverordnung*) could detrimentally affect our business, in particular, if manufacturers were permitted to restrict their distributors from selling their vehicles to us. If these provisions were to be amended, this could materially impair our ability to conduct our business. We could also be materially affected if, as recently occurred in Italy, laws were adopted in our markets prohibiting the imposition of fees for early termination of a consumer contract.

Since the GDPR took effect in May 2018, the public awareness for data protection has been growing and many countries have amended their data protection regulations or have new data protection regimes in preparation. If the data protection regime in Germany or Europe were to change, this could adversely affect our business and could interfere with our strategy to collect and use personal information as part of our data-driven approach.

Any changes to the general regulatory environment could therefore have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.5 *We may be found to have failed to comply with laws and regulations to which we are subject, including, but not limited to, consumer protection laws, consumer loan regulations, regulations governing the sale of goods, privacy and data protection laws, e-commerce and competition laws, and future regulation may impose additional requirements and other obligations on our business.***

Our business is subject to a variety of laws and regulations in each of the jurisdictions in which we operate, most importantly consumer protection laws, regulations governing the sale of goods, privacy and data protection laws, regulations governing e-commerce and competition laws. These laws and regulations are evolving at a rapid pace and can differ, or be subject to differing interpretation, from jurisdiction to jurisdiction. For example, the GDPR imposes stringent compliance obligations regarding the handling of personal data and has resulted in the issuance of significant financial penalties for non-compliance.

We cannot guarantee that our practices have complied or will comply fully with all applicable laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and a loss of revenue. Pursuant to consumer protection laws we are subject to various information obligations which, if violated, grant consumers the right to withdraw from agreements or may allow for other contractual adjustments which could be detrimental to us. Furthermore, if the effective rate stated in the consumer subscription contract is too low, the relevant nominal interest rate is reduced by the percentage difference between the stated effective rate and the actual effective rate as the consumer protection requirements applicable to loans apply to subscriptions as well. As another example, if the relevant consumer is not properly informed about his or her revocation right, the consumer may revoke the relevant agreement at any time. In particular, data protection is a sensitive and politically charged issue in Europe, and any actual or alleged failure by us to comply with applicable laws or regulations could have a material adverse effect on our reputation and popularity with existing and potential customers and could result in the imposition of fines or other penalties. This risk is particularly pertinent in our case as our customers share a great variety of their personal data with us.

**1.4.6 *Our vehicles may become subject to safety recalls by their manufacturers or by the government, which would negatively impact our business and our reputation.***

Our business and reputation could be negatively impacted if any parts, components or equipment from one of our suppliers suffers from broad-based quality control issues or becomes the subject of a product recall. As a vehicle subscription and mobility services provider of vehicles, we may be required to participate in a product recall by retrieving recalled cars from customers and declining to subscribe these cars until we have taken all of the steps described in the recall. If a large number of vehicles is subject to simultaneous recalls, we may not be able to subscribe those vehicles to our customers for a significant period of time, and we may be unable to obtain adequate replacement parts or vehicles from another supplier in a timely manner. These recalls, depending on their severity, could materially affect our fleet utilization rate and revenues, damage our customer relations and brand image, and reduce the residual value of the vehicles involved and therefore have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.7 *The control and prevention mechanisms of our compliance structure might not be sufficient to adequately protect us from all legal, financial or organizational risks.***

The control and prevention mechanisms of our compliance and internal control structure may prove insufficient to manage the risks to which we are exposed. For example, we are subject to numerous environmental regulatory requirements related to the ownership, storage or use of petroleum products such as gasoline, diesel fuel and motor oil. Many of these environmental regulations impose strict liability regardless of our knowledge of the violation. Such is the case, for example, if a customer returns a subscribed vehicle to one of our parking facilities and motor oil leaking from the vehicle contaminates the groundwater before we have the opportunity to examine the vehicle for potential damage.

Moreover, we may be subject to the various anti-money laundering laws in force in Germany. As our contracts are generally distance contracts where the customer has not been physically present for identification purposes, we are considered a high-risk business under the German Anti-Money Laundering Act (*Geldwäschegesetz*) and are required to conduct enhanced due diligence of our customers. In particular, if we do not take sufficient measures to establish the customer's identity, or if we do not have appropriate risk-based procedures in place to determine whether the customer is a so-called "politically exposed person" (*i.e.*, natural persons who are or have been entrusted with prominent public functions and immediate family members or persons known to be close associates of such persons), we may be found to be in violation of the German Anti-Money Laundering Act (*Geldwäschegesetz*). Moreover, although of decreasing importance, cash purchases of used vehicles remain common place and are a primary focus of anti-money laundering investigations. While we have implemented a group-wide compliance program to address compliance risks and continuously work to improve the effectiveness and efficiency of this program, this program may not be adequate under anti-money laundering laws to which we are subject.

There is a risk that our compliance and control procedures may fail to prevent us from incurring liability to or by our customers or other business partners, such as if our employees intentionally or unintentionally fail to comply with our best practice standards, such as our “double-check” principle. For example, in the course of our day-to-day advisory services, we provide customers with information, including information relating to gross vehicle prices, which customers require in order to be able to correctly assess the tax implications of their vehicle subscription decisions. If we provide incorrect information we could incur liability to our customers. In addition, there is a risk that we may fail to identify fraudulent invoices that we review for our customers as part of the invoice management services we provide, or as a result of accounting mistakes that result in overpayment of our bills. If we then charge the relevant amount to our customers, there is a risk that those customers may subsequently claim damages from us for the loss they suffer as a result and that those customers may cease to conduct business with us.

If the control and prevention mechanisms of our compliance structure were not sufficient to adequately protect us from all legal, financial or organizational risks, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.8 *Pending and future tax audits could lead to additional tax liabilities.***

We are subject to routine audits by various tax authorities. The German tax authorities are currently conducting tax audits for the assessment periods 2016 through 2018 for MeinAuto GmbH and 2013 through 2016 for Mobility Concept. While we are of the strong opinion that we have assessed and paid all taxes correctly, it is possible that upon conclusion of these or future audits, the relevant tax authorities and/or courts may require us to pay additional taxes if they disagree with our tax treatment of various aspects of our operations.

Certain aspects of our operations expose us to particular tax risks in connection with such audits. For example, while we believe that our depreciation practices and deduction of financing costs complied with applicable rules and regulations, the relevant tax authorities might determine that we wrongly depreciated the total purchase price of vehicles covered by buy-back agreements or that the deduction of financing costs was limited due to legal requirements. In addition, the relevant tax authority might treat sale-and-leaseback transactions differently than we have. We are of the strong opinion that we have correctly assessed the corporate and trade income tax and value-added tax applicable to the aforementioned cases. Nevertheless, we cannot rule out with certainty that tax authorities might challenge such assessment.

We also face several tax risks in connection with the services and products we offer to our customers, in particular relating to the accounting treatment of the vehicles we provide to customers. Furthermore, the tax treatment of the services and products we offer to our customers might raise complex issues with regard to indirect taxes (*Verkehrssteuern*). While we are of the strong opinion that our indirect tax practices comply with all applicable rules and regulations, we nevertheless cannot rule out with certainty that tax authorities might challenge such assessment.

If the tax authorities were to successfully challenge any of the tax practices described above, or our tax treatment of any other aspect of our business, we may be required to make additional tax and interest payments, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

**1.4.9 *Adverse developments in tax laws and regulations may adversely affect demand for our services and could increase our tax burden.***

Changes in tax regulation or interpretation, such as the taxation of leasing transactions, company cars, vehicle fuels and motor vehicle emissions, could directly impact the investment behavior of our customers, decreasing demand for vehicle subscription and mobility services. In particular, tax laws may be amended in the future so as to prohibit our customers from writing off as an operating expense their subscription installments related to vehicles used for business purposes, which could have a material adverse effect on our financial position.

Further, changes in tax laws or their interpretation could increase our tax burden. Our ability to use tax loss carryforwards and other deferred tax assets and, thus, the recoverability of deferred tax assets accounted for in the MeinAuto Group's audited consolidated financial statements depend on the national tax legislation of the countries where we are subject to taxation. In addition, ongoing and future tax audits may have a detrimental impact on the amount of tax loss carryforwards and other tax benefits and related recognized deferred tax assets. Deferred tax assets are recognized if it is expected that sufficient future taxable profit is available. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account. Future interpretations and developments of tax regimes may thus affect our tax liability. This could be the case with regard to interpretation of the accounting treatment of lease assets, which could lead to tax risks, in particular with respect to VAT.

## 1.5 Risks Related to the Shares and the Offering

### 1.5.1 *The Selling Shareholder continues to exercise significant influence over us, and the interests of the Selling Shareholder may conflict with the interests of our other shareholders.*

Upon completion of the initial public offering of shares in the Company (the "**Offering**"), Salvator Mobility Holding MidCo S.à r.l. (the "**Selling Shareholder**") will continue to hold at least 65.35% of the Company's share capital (assuming placement of the maximum number of the offered shares and full exercise by the banks to acquire additional shares in the Company from the Selling Shareholder). The interests of the Selling Shareholder (and any affiliated companies) could conflict with the interests of the other shareholders. In light of expected attendance at the shareholders' meetings, the size of its stake means that the Selling Shareholder will likely be in a position to pass resolutions at our general shareholders' meeting regardless of how other shareholders vote. In particular, it can determine the allocation of profit and hence our dividend policy. In addition, the Selling Shareholder can determine the future composition of the Supervisory Board and therefore, indirectly, of the Management Board, and also adopt certain resolutions on other significant matters such as major capital measures or the conclusion of a domination and profit/loss transfer agreement, regardless of how other shareholders vote.

German company law requires the approval of at least three-quarters of the share capital represented at the time a vote is taken to pass resolutions on certain matters, such as creating authorized or conditional capital, changing the corporate purpose (*Unternehmensgegenstand*), mergers, spin-offs and conversions to a different form of legal entity. If due to low participation by other shareholders at a general shareholders' meeting at least three-quarters of the share capital represented at the time a vote is taken belong to the Selling Shareholder, it will be able to pass with its own votes resolutions which require a qualified majority of votes cast or of the share capital represented. The Selling Shareholder will also be able to block resolutions at the general shareholders' meeting, including resolutions requiring a qualified majority of votes cast or share capital represented.

The mere potential for the Selling Shareholder to exert influence and especially actual voting at the general shareholders' meeting or the exertion of influence in any other way that conflicts with the interests of our other shareholders may have a significant adverse impact on the Company's share price and may, in turn, make it more difficult for us to raise further capital or only allow us to do so on unfavorable terms. Even if the Selling Shareholder does not participate in a future capital increase, it could become more difficult for us to raise new capital.

### 1.5.2 *The Company may fail to comply with the additional requirements, which will be applicable to it as a public company.*

Following the Offering, the Company will for the first time be subject to the legal requirements of German companies listed on a regulated market. The Company's management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relations issues. While the Company

was a subsidiary of the Selling Shareholder, it was indirectly subject to requirements to maintain an effective system of internal control over financial reporting under German law. However, as a public company, the Company's management will have to evaluate the internal control system independently with new thresholds of materiality, and to implement necessary changes to the Company's internal control system. In addition, the Company may have to employ additional personnel or outsource some work to service providers in order to manage its financial reporting requirements. There can be no guarantee that the Company will be capable of responding to these additional requirements without difficulties and inefficiencies that could cause it to incur significant additional costs and/or could expose it to regulatory or civil litigation or penalties.

**1.5.3 *We may not be able to pay dividends in the foreseeable future or ever.***

We currently do not intend to pay dividends in the foreseeable future and we may not be able to generate sufficient unappropriated retained earnings to be able to distribute dividends under requirements of German corporate law in the future. Under German corporate law, a company may only pay dividends if it shows unappropriated retained earnings in its unconsolidated German Commercial Code (*Handelsgesetzbuch (HGB)*) financial statements.

The materialization of the risk described above could cause the price of the shares in the Company to fall, in which case investors could lose some or all of their investment.

**1.5.4 *The Company's shares have not previously been publicly traded, and there can be no assurance that a liquid trading market will develop. As a result, the price and trading volume of the Company's shares could fluctuate significantly, and investors could lose all or part of their investment.***

Prior to the Offering, there was no public market for the shares in the Company and they have never been offered to the public. There is no guarantee that an active, liquid trading in the shares will develop and become established. Investors may not be in a position to sell their shares in the Company quickly or at the market price if there is no active trading in the Company's shares. If an active market for the shares does not develop after the listing, the liquidity and market price of the shares may be adversely affected.

The trading volume and price of the shares in the Company may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities and other markets in Germany and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Germany that have listed their securities in Frankfurt may affect the volatility in the price of and trading volumes for the shares in the Company. In addition, the Company's share price may be affected by general stock market plunges, such as several times in 2020 as a reaction to new developments in relation to the COVID-19 pandemic, and other factors. These broad market and industry factors may significantly affect the market price and volatility of the shares in the Company, regardless of our actual operating performance, and could cause the price of the shares in the Company to fall, in which case investors could lose some or all of their investment.

**1.5.5 *Any future sales of the shares in the Company by the Company's shareholders or the Selling Shareholder could depress the market price of the shares.***

Sales of a substantial number of the Company's shares in the public market following the listing of the Company's shares, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

Upon completion of the Offering, the Selling Shareholder will continue to hold at least 65.35% of the Company's share capital (assuming placement of the maximum number of the offered shares and full exercise by the banks to acquire additional shares from the Selling Shareholder). The shares owned by the Selling Shareholder are subject to a customary lock-up period following the listing of the Company's shares, subject to certain exemptions (including the right to pledge Company shares in connection with a potential margin loan facility). The Selling

Shareholder, whose interests may not be aligned with those of other shareholders of the Company, may dispose of its shares of the Company under such exemptions, including as a result of an enforcement of the security pursuant to a potential margin loan facility or upon expiration of the lock-up period. There may be a significant adverse effect on the market price of the shares in the Company if the Selling Shareholder or any other major shareholder were to sell substantial amounts of the shares on the public exchange or if market participants were to become convinced that such sales might occur.

Any future sales of the shares in the Company by the Company's shareholders or the Selling Shareholder could depress the market price of the shares.

**1.5.6 *Future capitalization measures may lead to substantial dilution, i.e., a reduction in the value of the shares in the Company and the control rights of existing shareholders' interests in us. Future offerings of debt or equity securities may adversely affect the market price of the shares.***

We may require additional capital in the future to finance our business operations and growth. The raising of additional equity through the issuance of new shares, the potential exercise of conversion or option rights by holders of convertible bonds or bonds with warrants or the fulfillment of conversion obligations relating to such bonds, which may be issued in the future, and the exercise of stock option rights which may be granted to the Management Board members and certain other employees, may dilute shareholder interests. The Company's articles of association currently provide for the issuance of up to 32,500,000 additional shares as authorized capital. The Company intends to create a new conditional capital equaling 50% of the share capital prior to the registration of the capital increase to create the new shares offered in the Offering. We may issue all of these shares without any action or approval by the shareholders, and under certain limited conditions, for example in the event of a capital increase against contributions in kind, without reserving any preemptive subscription rights for the shareholders. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of shares in the Company bear the risk that future offerings might reduce the market price of the shares and dilute their shareholdings in us, which could cause the price of the shares in the Company to fall, in which case investors could lose some or all of their investment.

**1.5.7 *Future sales of the shares in the Company by the Selling Shareholder or a capital increase carried out by us in which the Selling Shareholder does not participate could trigger change of control provisions in our contracts.***

Various agreements to which MeinAuto Group companies are party specify particular legal consequences if certain companies in the MeinAuto Group cease to be indirectly controlled by the Selling Shareholder (these are known as change of control clauses). Change of control is generally assumed to have taken place if the Selling Shareholder ceases to hold an indirect majority of share capital or voting rights in the relevant company, while other agreements define a change of control as only occurring if further events take place (e.g., certain competitors obtain a majority). Depending on the underlying agreements, the companies of MeinAuto Group are subject to various legal consequences in the event of a change of control, such as obligations to buy out the shares of other shareholders, obligations to sell certain holdings owned by companies in MeinAuto Group, termination rights of other parties to the contract and/or obligations to repay creditors.

We generally have no ability to influence the actions of the Selling Shareholder in respect of the disposal of its shares in the Company or nonparticipation in a capital increase by us which could result in the Selling Shareholder holding a smaller stake in us, possibly triggering change of control provisions in our contracts.

Future sales of the shares in the Company by the Selling Shareholder or a capital increase carried out by us in which the Selling Shareholder does not participate could trigger change of control provisions in our contracts and could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.





## 2. GENERAL INFORMATION

### 2.1 Responsibility Statement

MeinAuto Group AG, with its registered office at Grünwalder Weg 34, 82041 Oberhaching, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Munich, Germany, under docket number HRB 264916 (the “**Company**” and, together with its consolidated subsidiaries, the “**MeinAuto Group**,” “**we**,” “**us**” or “**our**”), and BofA Securities Europe SA, 51 rue La Boétie, 75008 Paris, France, LEI: 549300FH0WJAPEHTIQ77, telephone +33(0) 1 8770 0000 (“**BofA Securities**”); Barclays Bank Ireland PLC, One Molesworth Street, Dublin 2, D02 RF29, Ireland, LEI: 2G5BKIC2CB69PRJH1W31, telephone +353 (0)1 4283859 (“**Barclays**”); Citigroup Global Markets Europe AG, Reuterweg 16, 60323 Frankfurt am Main, Germany, LEI: 6TJCK1B7E7UTXP528Y04, telephone +49 (69) 13660 (“**Citigroup**”); and Jefferies GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, LEI: 5493004I3LZM39BWHQ75, telephone: +49 (69) 719 1870 (“**JEG**”), Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, United Kingdom, LEI: S5THZMDUJCTQZBTRVI98, telephone: +44 20 7029 8000 (“**JIL**”, and together with JEG “**Jefferies**”); and UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany, LEI: 2ZCNRR8UK83OBTEK2170, telephone: +49 89 378 15050 (“**UniCredit Bank AG**” and, together with BofA Securities, Barclays, Citigroup and Jefferies, the “**Joint Global Coordinators**” or the “**Underwriters**”), have assumed responsibility for the contents of this prospectus (the “**Prospectus**”) pursuant to Article 11 (1) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and hereby declare that, to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Neither the Company nor the Underwriters are required by law to update the Prospectus subsequent to the date hereof, except in accordance with Article 23 of the Prospectus Regulation, which stipulates, among other things, that every significant new factor, material mistake or material inaccuracy relating to the information included in a prospectus which may affect the assessment of the securities and which arises or is noted after approval of the prospectus and before closing of the offer period or when trading on a regulated market begins, whichever occurs later, shall be disclosed in a supplement to the prospectus without undue delay.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

### 2.2 Purpose of the Prospectus

For the purpose of the public offering of securities, the Prospectus relates to 25,774,375 ordinary bearer shares with no par value (*Stückaktien*) of the Company, each representing a notional value of €1.00 and with full dividend rights since January 1, 2021 (the “**Offering**”), consisting of:

- 9,375,000 newly issued ordinary bearer shares with no par value (*Stückaktien*) from a capital increase against cash contributions (the “**IPO Capital Increase**”) to be resolved by an extraordinary shareholders’ meeting of the Company on or about May 4, 2021 (the “**New Shares**”);
- 11,000,000 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of Salvator Mobility Holding MidCo S.à r.l., 1, rue Hildegard von Bingen, L – 1282 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg commercial register (*Registre de Commerce et des Sociétés*) under RCS number B218274, LEI: 22210052SX652LBFZ157 (the “**Selling Shareholder**”) (the “**Existing Base Shares**” and together with the New Shares, the “**Base Shares**”);
- up to 2,037,500 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder subject to the exercise of an upsize option upon decision of the Selling Shareholder, in consultation with the Joint Global Coordinators, based on market demand on the date of pricing (the “**Upsize Shares**” and, together with the Existing Base Shares, the “**Existing Shares**”); and
- 3,361,875 existing ordinary bearer shares with no par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a possible over-allotment (the “**Over-Allotment Shares**” and, together with the Base Shares and the Upsize Shares, the “**Offer Shares**”).

For the purpose of admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Prospectus relates to up to 9,375,000 New Shares and 65,000,000 existing ordinary bearer shares (being the entire share capital of the Company following the registration of the capital increase).

This Prospectus constitutes a prospectus for the purposes of Article 3 (3) of the Prospectus Regulation. This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”), as competent authority under Regulation (EU) 2017/1129, on May 3, 2021. BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. BaFin can be contacted at Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108-0, or via its website: [www.bafin.de](http://www.bafin.de).

### 2.3 Validity of this Prospectus

**The validity of this Prospectus will expire with the closing of the offer period or with the beginning of the trading of the Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), whichever occurs later. The closing of the offer period is expected to occur on May 11, 2021 and the time when trading on a regulated market begins is expected to occur on May 12, 2021. Accordingly, the validity of the prospectus is expected to expire at the end of the day on May 12, 2021, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.**

### 2.4 Forward-looking Statements

The Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of the Prospectus. This applies, in particular, to statements in the Prospectus containing information on the MeinAuto Group’s future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which the MeinAuto Group is exposed. Statements made using words such as “predicts”, “forecasts”, “plans”, “endeavors” or “expects” may be an indication of forward-looking statements.

The forward-looking statements in the Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company’s present knowledge. These forward- looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company’s actual results, including the financial condition and profitability of the MeinAuto Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in the Prospectus, particularly in the sections entitled “1. Risk Factors”, “9. Management’s Discussion and Analysis of Net Assets, Financial Condition, and Results of Operations”, “10. Markets and Competition”, “11. Business” and “23. Recent Developments and Outlook”, and wherever information is contained in the Prospectus regarding the MeinAuto Group’s intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which the MeinAuto Group is subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in the Prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in the Prospectus from third- party reports could prove to be inaccurate (for more information on the third- party sources used in the Prospectus, see “2.4 Sources of Market Data”).

Moreover, it should be noted that all forward-looking statements only speak as of the date of this Prospectus and that neither the Company nor any of the Joint Global Coordinators assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. The foregoing may prevent us from achieving our financial and strategic objectives.

## 2.5 Sources of Market Data

Except as otherwise indicated, the information contained in the Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets and segments in which the MeinAuto Group operates or which are served by the MeinAuto Group are based on the Company's assessments. These assessments, in turn, are based in part on internal observations of the markets and on various market studies.

In February, 2021, MeinAuto Group commissioned an independent market study from Roland Berger GmbH, Sederanger 1, 80538 Munich, Germany (“**Roland Berger**”) on the market, titled “MeinAuto Group commercial study” (the “**Roland Berger Report**”). The Roland Berger Report is not a report attributed to a person as an expert (within the meaning of Item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019). The Roland Berger Report was prepared in the context of the Company's initial public offering in accordance with the instructions of the Company. The statements taken from the Roland Berger Report are included in the Prospectus, in the form and context in which they are included, with the consent of Roland Berger. Neither the Company nor the Underwriters have verified any of the market data or other information included in the Roland Berger Report, nor have they asked Roland Berger to modify or otherwise adjust the Roland Berger Report. The following sources from third parties concerning markets and market trends were used in the preparation of this Prospectus:

- The Roland Berger Report (“MeinAuto Group commercial study”), February 2021, Roland Berger;
- Press Embargo: “New Passenger Car Registrations European Union”, January 19, 2021, European Automobile Manufacturers Association ([https://www.acea.be/uploads/press\\_releases\\_files/2021119\\_PRPC\\_2012\\_FINAL.pdf](https://www.acea.be/uploads/press_releases_files/2021119_PRPC_2012_FINAL.pdf));
- Euromonitor International Ltd. (“**Euromonitor**”), Apparel and Footwear 2020 edition, e-commerce share as % of total sales (incl. sales taxes), accessed in February 2021;
- Euromonitor, Consumer Appliances 2020 edition, e-commerce share as % of total sales (incl. sales taxes), accessed in February 2021;
- Euromonitor, Consumer Electronics 2020 edition, e-commerce share as % of total sales (incl. sales taxes), accessed in February 2021 (together with Euromonitor, Apparel and Footwear 2020 edition, and Euromonitor, Consumer Appliances 2020 edition, referred to as “**Euromonitor E-Commerce**”)
- IfA | DAT Händlergruppen Monitor 2020 - Die TOP 100 Automobilhändlergruppen in Deutschland, Institut für Automobilwirtschaft, 16., updated edition, August 2020;
- Kraftfahrt-Bundesamt (KBA): “Pressemitteilung Nr. 02/2021 - Fahrzeugzulassungen im Dezember 2020 – Jahresbilanz, 08.01.2021, Abteilung Statistik des Kraftfahrt-Bundesamtes (KBA)” ([https://www.kba.de/SharedDocs/Pressemitteilungen/DE/2021/pm\\_02\\_2021\\_fahrzeugzulassungen\\_12\\_2020.pdf?\\_\\_blob=publicationFile&v=6](https://www.kba.de/SharedDocs/Pressemitteilungen/DE/2021/pm_02_2021_fahrzeugzulassungen_12_2020.pdf?__blob=publicationFile&v=6)).

Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Research from Euromonitor should not be relied upon in making, or refraining from making, any investment decision.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company and the Underwriters (see “2.1 Responsibility Statement”), neither the Company nor the Underwriters have independently verified the figures, market data or other information on which third parties have based their studies, publications and financial information, or the external sources on which the Company's estimates are based. The Company and the Underwriters make no representation or warranty as to the accuracy of any such information from third-party studies included in the Prospectus.

The Prospectus also contains certain estimates of market and other data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on the Company's own market observations, the evaluation of industry information (from conferences, sector events, etc.) or internal assessments. The Company's management believes

that its estimates of market and other data and the information it has derived from such data assists investors in gaining a better understanding of the industry in which companies of the Group operate in and the Group's position therein. The Company's own estimates have not been checked or verified externally. The Company nevertheless assumes that its own market observations are reliable, whereby the internal assessments regarding future developments and trends in the markets described in this Prospectus are subject to additional uncertainties relating to the impact of the Coronavirus pandemic (“**COVID-19**”), a major disruptive factor, and its various related effects. In addition, prospective investors should note that the Company’s own estimates and statements of opinion and belief are not always based on studies of third parties. They may differ from estimates made by competitors of the Group or from future studies conducted by market research institutes or other independent sources.

## 2.6 Documents Available for Inspection

For the period during which the Prospectus is valid, the following documents will be available for inspection on the Company’s website [www.meinauto-group.com](http://www.meinauto-group.com):

- the Company’s articles of association (the “**Articles of Association**”);
- the MeinAuto Group’s audited consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the EU (“**IFRS**”) for the fiscal years ended December 31, 2018, 2019, 2020 (the “**Financial Statements**”); and
- the Company’s audited unconsolidated financial statements prepared in accordance with the German Generally Accepted Accounting Principles of the German Commercial Code (*Handelsgesetzbuch (HGB)*) (“**German GAAP**”) for the fiscal year ended December 31, 2020.

The Company’s future consolidated financial statements, unconsolidated financial statements and condensed consolidated interim financial statements will be available from the Company on its website after the Offering and from the paying agent designated in the Prospectus (see “*16.8 Notifications, Paying Agent*”). The Company’s future consolidated and unconsolidated financial statements will also be published in the German Federal Gazette (*Bundesanzeiger*).

Information on the Company’s website [www.meinauto-group.com](http://www.meinauto-group.com) and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus, and such information has not been scrutinized or approved by BaFin.

## 2.7 Currency Presentation and Presentation of Financial Information

In the Prospectus, “**euro**”, “**EUR**” and “**€**” refer to the single European currency adopted by certain participating member states of the European Union (“**EU**”), including the Federal Republic of Germany (“**Germany**”).

Where financial data in the following tables is labelled “audited,” this means that such data has been taken from the audited financial statements mentioned above. The label “unaudited” is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above but has been taken or derived from the Company’s internal reporting system or has been calculated based on information contained in the audited consolidated financial statements or the Company’s internal reporting system. All of the financial data presented in the text and tables below is shown in millions of euro (in € million), except as otherwise stated. Certain financial data (including percentages) in the following tables has been rounded according to established commercial standards. As a result, the aggregate amounts in the following tables may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in the Prospectus. Furthermore, these rounded figures may not add up exactly to the totals contained in the tables. Financial information presented in parentheses denotes the negative of such number presented. A dash (“–”) signifies that the relevant figure is not available, while a zero (“0.0”) signifies that the relevant figure is available but has been rounded to zero.

## 2.8 Non-IFRS Financial Information

This Prospectus contains non-IFRS financial measures, including Adjusted Revenue, Adjusted Gross Profit, EBIT, EBT, Capital expenditures, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin as well as Adjusted Operating Cash Flow, Adjusted Free Cash Flow for Deployment and Adjusted Cash Flow from Investing Activities (each as defined below), that are not required by, or presented in accordance with, IFRS. In accordance

with the European Securities and Markets Authority (“**ESMA**”) Guidelines on alternative performance measures of October 5, 2015 (the “**ESMA Guidelines**”), the following sections set out information related to certain financial measures of the Company that are not defined by IFRS and which the Company regards as alternative performance measures (“**APMs**”) within the meaning of the ESMA Guidelines.

We present these APMs because we use such information in monitoring our business and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry and it may contribute to a more comprehensive understanding of our business.

These APMs are not defined by IFRS or any other internationally accepted accounting principles, and such items should not be considered as an alternative to the historical financial results or other indicators of our results of operations and financial position based on IFRS measures. In particular, they should not be considered as alternatives to the Group’s net income/loss as an indicator of the Group’s performance and profitability, or as alternatives to cash flow used in operating activities as an indicator of its financial strength. The APMs, as defined by us, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our APMs are calculated. Even though the APMs are used by management to assess ongoing operating performance and though these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results, cash flows or assets and liabilities as reported under IFRS.

We have defined the alternative performance indicators as follows:

- **Adjusted Revenue** means revenue of our reportable segments less (i) revenue from sales of previously subscribed vehicles, plus (ii) costs of sale in relation to direct vehicle sales (mainly from the “DriveOn” business, which was discontinued) and (iii) income from release of vehicle related provisions. The adjustments result in the exclusion of sales revenue from subscribed vehicles and the presentation of DriveOn sales net of associated costs in Adjusted Revenue. Adjusted Revenue is in line with the manner in which the Group monitors segment performance and provides an alternative measure that minimizes the volatility on revenue arising from estimates on residual value and useful lives on subscribed vehicles.
- **Adjusted Gross Profit** means consolidated gross profit adjusted for (i) deduction of depreciation and amortization not directly related to subscribed vehicles, (ii) deduction of sales bonuses, (iii) deduction/addition from the realignment of sales and business processes, and (iv) other adjustments, which mainly relate to the other adjustments included in Adjusted Revenue and further reclassifications of sales related costs for management reporting purposes. The Group considers this presentation in the segment reporting to more precisely reflect the actual economic substance.
- **EBIT** means earnings before interest and tax expense.
- **EBT** means earnings before tax.
- **Capital expenditures** means purchase of property, plant and equipment and purchase of intangible assets.
- **Consolidated EBITDA** means earnings before interest, tax, depreciation and amortization (after operating fleet interest used to maintain existing fleet).
- **Adjusted EBITDA** means net loss before interest, taxes, depreciation and amortization adjusted to include costs directly related to the subscribed vehicles, especially interest expenses for the financing of the vehicles and depreciation of the vehicles and excludes group refinancing structuring cost, legal and consulting fees related to non-ordinary course of business, structuring-/transaction costs, cost for the realignment of sales and business processes and other non-recurring adjustments (damage due to adverse weather conditions, impairment of receivables and adverse conditions of buy-back agreements with an insolvent dealer) which management does not believe reflect the regular operating performance of our core business.
- **Adjusted EBITDA Margin** means Adjusted EBITDA divided by Adjusted Revenue of the relevant period.

- **Adjusted Operating Cash Flow** means gross cash flow (as shown in our Consolidated statements of cash flows) adjusted for: (i) change in trade receivables and other assets not attributable to investing or financing activities, (ii) change in trade payables and other liabilities not attributable to investing or financing activities and (iii) other management adjustments (calculated as the reversal of cash and non-cash effective EBITDA management adjustments for the reporting period which management does not believe reflect the regular operating performance of our core business including group refinancing structuring cost, legal and consulting fees related to non-ordinary course of business, structuring-/transaction costs, cost for the realignment of sales and business processes and other non-recurring adjustments). Management uses Adjusted Operating Cash Flow information to manage the Group's business and presents Adjusted Operating Cash Flow to provide investors with additional information on the Group's adjusted cash flow which it deems helpful to a better understanding of the adjusted cash flow of the Group's business activities.
- **Adjusted Free Cash Flow for Deployment** means Adjusted Operating Cash Flow less (i) investments in intangible assets, including internally generated intangible assets and (ii) investments in property, plant and equipment, each as shown in our Consolidated statements of cash flows. Management believes that Adjusted Free Cash Flow for Deployment, which excludes non-fleet capital expenditures, shows the Group's adjusted free cash flow available for incremental fleet funding.
- **Adjusted Cash Flow from Investing Activities** means Cash flow used in investing activities adjusted for change in vehicle related line items. Management uses Adjusted Cash Flow from Investing Activities to manage the Group's business and presents it to provide investors with additional information on the Group's cash flow which it deems helpful to a better understanding of the cash flow of the Group's investing activities.

For additional information please see "9.9 Segment Reporting".

## 2.9 Non-Financial Key Performance Indicators

This Prospectus also includes certain Non-Financial Key Performance Indicators, including subscribers in the business-to-customer ("B2C") segment and subscribers and order book in the business-to-business ("B2B") segment, used by management in monitoring, evaluating and managing its business. The definitions of these operational metrics may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation. We have defined each of these operational metrics as follows:

### **B2C:**

- **Subscribers** refers to customers who are incurring ongoing monthly subscription payments as part of a subscription contract at the end of the period (excluding order book).
- **Order Book** refers to subscription orders placed (for which the car has not yet been delivered and subscription instalments have not yet started).
- **Orders** refers to vehicles ordered by the customer and by MeinAuto Group from the dealer.

### **B2B:**

- **Subscribers:** refers to customers who are incurring ongoing monthly subscription payments as part of a subscription contract at the end of the period (excluding order book).
- **Order Book:** refers to subscription orders placed (for which the car has not yet been delivered and subscription instalments have not yet started).

## 2.10 Identification of Target Market

Solely for the purpose of fulfilling the product governance requirements set forth in (i) Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended ("MiFID II"), (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of April 7,

2016 supplementing MiFID II and (iii) local implementing measures (together, the “**MiFID II Requirements**”), and disclaiming any and all liability, whether arising in tort, contract or otherwise, which a “manufacturer” (for the purposes of the MiFID II Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process. As a result of such process, it has been determined that the Offer Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, the price of the Offer Shares may decline and investors could lose all or part of their investment. The Offer Shares offer no guaranteed income and no capital protection, and an investment in the Offer Shares is only suitable for investors who:

- do not need a guaranteed income or capital protection;
- either alone or together with an appropriate financial or other adviser, are capable of evaluating the merits and risks of such an investment; and
- who have sufficient resources to be able to bear any losses that may result from such an investment.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions with respect to the Offering and does not constitute (i) an assessment of suitability or appropriateness for the purposes of MiFID II or (ii) a recommendation to any investor or group of investors to invest in, purchase, or take any other action with respect to, the Offer Shares.

### 3. THE OFFERING

#### 3.1 Subject Matter of the Offering

This Prospectus relates to the Offering of 25,774,375 bearer shares of the Company with no par value (*Stückaktien*), each such share representing a notional value of €1.00, comprising:

- 9,375,000 New Shares;
- 11,000,000 Existing Base Shares;
- up to 2,037,500 Upsize Shares; and
- up to 3,361,875 Over-Allotment Shares.

All Offer Shares will be offered in an initial public offering in Germany and private placements in certain jurisdictions outside Germany. In the United States, the Offer Shares will only be offered and sold to qualified institutional buyers (“**QIBs**”) as defined in, and in reliance on, Rule 144A, or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the United States Securities Act of 1933, as amended (the “**Securities Act**”). Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in compliance with Regulation S.

The Offer Shares have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred to or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

The IPO Capital Increase to create the New Shares, which is expected to be approved by the extraordinary shareholders’ meeting of the Company on or about May 4, 2021 and to be registered with the commercial register on May 11, 2021, would result in an increase in the Company’s share capital of up to €9,375,000. The New Shares will be issued upon registration of the IPO Capital Increase with the commercial register. Assuming the IPO Capital Increase is approved by the extraordinary shareholders’ meeting of the Company and registered with the commercial register of the Company in the maximum amount, the share capital of the Company will amount to €74,375,000. The share capital of the Company represented by the Offer Shares, including the Upsize Shares and the Over-Allotment Shares, will total €25,774,375. Thus, approximately 34.65% of the Company’s shares (after effectuation of the issuance of all New Shares and full exercise of the Upsize Option (as defined below) and the Greenshoe Option) will be offered (approximately 27.39% without the Upsize Shares and the Over-Allotment Shares).

Immediately prior to the Offering, the Selling Shareholder holds 100% of the Company’s share capital. Following completion of the Offering and assuming full placement of the maximum number of Offer Shares and full exercise of the Greenshoe Option (see “3.8 *Stabilization Measures, Over-Allotments and Greenshoe Option*”), the Selling Shareholder will hold 65.35% of the shares in the Company.

The Selling Shareholder will decide on the date of pricing, after consultation with the Joint Global Coordinators and in its free discretion, whether and which amount of the Upsize Shares shall be allocated to investors who have submitted orders during the Offer Period (as defined below) (the “**Upsize Option**”).

The Selling Shareholder will receive consideration for the sale of the Existing Shares and the shares from the exercise of the Greenshoe Option, if any (after deduction of fees and commissions). The Company will receive the proceeds from the sale of the New Shares (after deduction of fees and commissions), but will not receive any of the proceeds from the sale of the Existing Shares or the shares from the exercise of the Greenshoe Option, if any.

The Underwriters are acting in the following capacities: BofA Securities, Barclays, Citigroup, Jefferies and UniCredit Bank AG are acting as the Joint Global Coordinators and Joint Bookrunners. JIL will perform any and all regulated services outside the European Union on behalf of Jefferies as may be required in connection with the Offering, whereby the division of services between JIL and JEG in connection with the Offering will be



determined at Jefferies' absolute discretion, and whereby regulated services within the European Union or any member states of the European Economic Area ("EEA") will be undertaken by JEG only and not by JIL.

The Shares will be offered by the Company together with the Underwriters.

### 3.2 Price Range, Offer Period, Offer Price and Allotment

The price range within which purchase orders may be placed in the initial public offering in Germany and private placements in certain jurisdictions outside Germany is €16.00 to €20.00 per Offer Share (the "**Price Range**").

The period during which investors may submit purchase orders for the Offer Shares is expected to commence on May 4, 2021, and to expire on May 11, 2021 (the "**Offer Period**"), provided that the Offer Period will not commence prior to publication of this Prospectus. Offers to purchase Offer Shares may be submitted (i) until 12:00 p.m. (noon) Central European summer time by private investors and (ii) until 4:00 p.m. Central European summer time by institutional investors on the last day of the Offer Period. Multiple purchase orders are permitted.

Subject to the publication of a supplement to this Prospectus, if required, the Company, the Selling Shareholder and the Joint Global Coordinators reserve the right to reduce the total number of Offer Shares, to increase or decrease the upper limit and/or the lower limit of the Price Range and/or to extend or shorten the Offer Period.

Reductions in the number of Offer Shares, changes to the Price Range or an extension or shortening of the Offer Period will not invalidate any offers to purchase Offer Shares that have already been submitted. If such changes require the publication of a supplement to this Prospectus, investors who submitted purchase orders prior to the publication of the supplement have the right to withdraw these offers to purchase within two working days following the publication of such supplement pursuant to Article 23 para. 1 of the Prospectus Regulation in conjunction with Article 21 para. 2 of the Prospectus Regulation, provided that the significant new factor, material mistake or material inaccuracy requiring the publication of a supplement to this Prospectus arose or was noted before the closing of the Offer Period or the delivery of the Offer Shares. Instead of withdrawing their offers to purchase placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two working days following the publication of the supplement.

Any changes to the terms of the Offering will be published by means of electronic media such as Reuters or Bloomberg, and, if required, by Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, as amended ("**MAR**"), the German Securities Prospectus Act (*Wertpapierprospektgesetz*), or the German Securities Trading Act (*Wertpapierhandelsgesetz* ("**WpHG**")), as an ad-hoc release via an electronic information dissemination system, on the Company's website [www.meinauto-group.com](http://www.meinauto-group.com) under the "Investor Relations" section and as a supplement to this Prospectus. Investors who have submitted purchase orders will not be notified individually. Under certain conditions, the Underwriters may terminate the underwriting agreement, entered into between the Company, the Selling Shareholder and the Underwriters on May 3, 2021 (the "**Underwriting Agreement**"), even after commencement of trading (*Aufnahme des Handels*) of the Company's shares on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see "*19.5 Termination/Indemnification*"). Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The final price of the Offer Shares in the Offering (the "**Offer Price**") will be determined at the end of the bookbuilding process by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators. The Offer Price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a bookbuilding process. These orders will be evaluated according to the prices offered and the expected investment horizons of the respective investors. This method of setting the Offer Price is, in principle, aimed at achieving the highest possible Offer Price. Consideration will also be given to whether the Offer Price and the number of Offer Shares to be placed allow for the reasonable expectation that the share price will demonstrate a steady performance in the secondary market given the demand for the Company's shares as reflected in the order book. Attention will be paid not only to the prices offered by investors and the number of investors interested in purchasing shares at a particular price, but also to the composition of the Company's shareholder structure that would result at a given price, and expected investor behavior. The Company and the Selling Shareholder will not specifically charge any expenses and taxes related to the Offering to investors.

Also on the pricing date, the Selling Shareholder will, in their sole discretion and after consultation with the Joint Global Coordinators, determine if and to what extent it will exercise the Upsize Option, taking into account the market demand and using the order book prepared during the bookbuilding process. The Selling Shareholder may participate in the Offering on the same terms as any other investor.

The Offer Price and the final number of Offer Shares placed in the Offering (*i.e.*, the results of the Offering) are expected to be set on May 11, 2021. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the purchase orders then available. The Offer Price and the final number of Offer Shares (*i.e.*, the results of the Offering) are expected to be published on or about May 11, 2021, by means of an ad-hoc release on an electronic information dissemination system and on the Company's website [www.meinauto-group.com](http://www.meinauto-group.com) under the "Investor Relations" section. Investors who have placed orders to purchase Offer Shares with the Underwriters can obtain information from the Underwriters about the Offer Price and the number of Offer Shares allotted to them on the business day following the setting of the Offer Price. Book-entry delivery of the allotted Offer Shares against payment of the Offer Price is expected to take place two business days after commencement of trading. Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriters reserve the right to reject orders, or to only accept them in part.

Investors will not be charged expenses by the Company, the Selling Shareholder or the Underwriters in connection with the Offering. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

### 3.3 Expected Timetable for the Offering

The following is the expected timetable of the offering, which may be extended or shortened:

May 3, 2021 .....	Approval of the Prospectus by the German Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> , the " <b>BaFin</b> ")
	Publication of the approved Prospectus on the Company's website.
May 4, 2021 .....	Commencement of the Offer Period.
May 4, 2021 .....	Application for admission of the Company's shares to trading on the regulated market ( <i>regulierter Markt</i> ) of the Frankfurt Stock Exchange ( <i>Frankfurter Wertpapierbörse</i> ) and simultaneous admission to the sub-segment of the regulated market with additional post admission obligations (Prime Standard) of the Frankfurt Stock Exchange ( <i>Frankfurter Wertpapierbörse</i> ).
May 4, 2021 .....	Shareholders' resolution on the IPO Capital Increase for the issuance of the New Shares.
May 11, 2021 .....	Close of the Offer Period for retail investors (natural persons) at 12:00 noon (Central European Summer Time) and for institutional investors at 16:00 (Central European Summer Time).
May 11, 2021 .....	Determination of the Offer Price and final number of Offer Shares to be allocated.
	Publication of the Offer Price in the form of an ad-hoc release on an electronic information dissemination system and on the Company's website <a href="http://www.meinauto-group.com">www.meinauto-group.com</a> under the "Investor Relations" section.
May 11, 2021 .....	Registration of the IPO Capital Increase with the commercial register.
	Listing approval issued by the Frankfurt Stock Exchange ( <i>Frankfurter Wertpapierbörse</i> ).
May 12, 2021 .....	Commencement of trading in the Company's shares on the Frankfurt Stock Exchange ( <i>Frankfurter Wertpapierbörse</i> )
May 14, 2021 .....	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing)

The Prospectus will be published on the Company's website at [www.meinauto-group.com](http://www.meinauto-group.com) under Investor Relations after approval by the BaFin on May 3, 2021.

### **3.4 Information on the Shares**

#### **3.4.1 Voting Rights**

Each share in the Company carries one vote at the Company's shareholders' meeting. All of the Company's shares confer the same voting rights. There are no restrictions on voting rights.

#### **3.4.2 Dividend, Paying Agent and Liquidation Rights**

Each share in the Company carries full dividend rights since January 1, 2021.

The paying agent of the Company is Baader Bank AG, Germany.

In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Company's shares in proportion to their interest in the Company's share capital.

#### **3.4.3 Form and Certification of the Shares**

All of the Company's shares are ordinary bearer shares with no par value. The Company's current share capital in the amount of €65,000,000 is represented by one global share certificate, which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**"). The New Shares will be represented by a second global share certificate, which will also be deposited with Clearstream.

Section 5(2) of the Articles of Association excludes the shareholders' right to receive individual share certificates unless mandated by the rules of a stock exchange to which the shares are admitted. Pursuant to Section 5(3) of the Articles of Association, the Company's management board (the "**Management Board**") determines the form of the share certificates. The Offer Shares provide holders thereof with the same rights as all of the other shares of the Company and do not provide any additional rights or advantages.

#### **3.4.4 Currency of the Securities Issue**

The Company's shares are denominated in Euros.

#### **3.4.5 Delivery and Settlement**

The Delivery of the Offer Shares against payment of the offer price is expected to take place on May 14, 2021. The Offer Shares will be made available to the investors as co-ownership interests in the global share certificate.

The Offer Shares purchased in the offering will be credited to a securities deposit account maintained by a German bank with Clearstream.

#### **3.4.6 ISIN/WKN/Common Code/Ticker Symbol**

International Securities Identification Number (ISIN) .....	DE000MAG0008
German Securities Code ( <i>Wertpapierkennnummer</i> , WKN) .....	MAG000
Ticker Symbol .....	MEIA

### **3.5 Transferability of the Shares**

The Company's shares are freely transferable in accordance with the legal requirements for bearer shares. Except for the restrictions set forth in "*3.9 Lock-up Agreement, Limitations on Disposal*" and "*19.6 Selling Restrictions*," there are no prohibitions on disposals or restrictions with respect to the transferability of the Company's shares.

### 3.6 Selling Shareholder

Immediately prior to the offering, the Selling Shareholder holds 100% of the Company's outstanding share capital. Following completion of the Offering and assuming full placement of the maximum number of Offer Shares and full exercise of the Greenshoe Option (see "3.8 Stabilization Measures, Over-Allotments and Greenshoe Option"), the Selling Shareholder will hold 65.35% of the Shares in the Company. For a discussion of the ownership structure of the Selling Shareholder, see "14.1 Shareholder Structure (Before and After the Offering)".

### 3.7 Allotment Criteria

The allotment of Offer Shares to private investors and institutional investors will be determined by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators. The decision ultimately rests with the Selling Shareholder and the Company. Allotments will be made on the basis of the quality of individual investors (e.g., the expected investment horizon and trading behavior) as well as individual orders and other important allotment criteria to be determined by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators.

The Selling Shareholder may purchase Offer Shares in the Offering, and such Offer Shares would not be subject to any lock up restrictions.

### 3.8 Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, BofA Securities or its affiliates (the "**Stabilization Manager**"), acting for the account of the Underwriters, will act as stabilization manager and may, as stabilization manager, make over-allotments and take stabilization measures in accordance with Article 5 paras. 4 and 5 of the MAR in conjunction with Articles 5 through 8 of Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 supplementing the MAR.

Stabilization measures may be taken on any trading venue where the Company's shares are traded. Such measures aim at supporting the market price of the Company's shares during the Stabilization Period, thereby alleviating selling pressure generated by short-term investors and maintaining an orderly market in the Company's shares. These measures may result in the market price of the Company's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may start from the date the Company's shares commence trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must end no later than 30 calendar days thereafter (the "**Stabilization Period**").

As a result of these stabilization measures, investors may, in addition to the Base Shares and Upsize Shares, if any, be allocated up to 3,361,875 Over-Allotment Shares as part of the allocation of the Offer Shares ("**Over-Allotment**"). For the purpose of such potential Over-Allotment, the Stabilization Manager will be provided with up to 3,361,875 Over-Allotment Shares from the holdings of the Selling Shareholder in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the final number of New Shares and Existing Shares placed in the Offering.

The Selling Shareholder has granted the Stabilization Manager an option to acquire up to 3,361,875 shares of the Company at the Offer Price, less agreed commissions (the "**Greenshoe Option**"). The Greenshoe Option may only be exercised during the Stabilization Period and will terminate 30 calendar days after the commencement of trading of the Company's shares.

The Stabilization Manager may exercise the Greenshoe Option to the extent Over-Allotment Shares were allocated to investors in the Offering. The number of Over-Allotment Shares acquired under the Greenshoe Option is to be reduced by any shares of the Company held by the Stabilization Manager when the Greenshoe Option is exercised, if such shares were acquired by the Stabilization Manager in the context of stabilization measures.

Public announcements regarding stabilization measures will be made (i) prior to the start of the Offering, (ii) by the end of the seventh daily market session following the date any stabilization measures were taken, and (iii) within one week after the end of the Stabilization Period.

Within one week after the end of the Stabilization Period, the Stabilization Manager will ensure adequate public disclosure as to whether stabilization measures were taken, the date on which stabilization measures started and last occurred, and the price range within which stabilization measures were carried out, for each of the dates during which stabilization measures were carried out and the trading venue(s) on which the stabilization measures were carried out, where applicable.

Exercise of the Greenshoe Option will be disclosed to the public promptly, together with all appropriate details, including the date of exercise of the Greenshoe Option and the number and nature of Over-Allotment Shares involved, in accordance with Article 8 lit. (f) of Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 supplementing the MAR.

### **3.9 Lock-up Agreement, Limitations on Disposal**

In the Underwriting Agreement, the Company has agreed with each Underwriter that, for a period of 180 days after the Shares are first traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on May 12, 2021), to the extent legally permissible, without the prior written consent of the majority of the Joint Global Coordinators, which may not be unreasonably withheld or delayed, the Company, its Management Board or its supervisory board will not, and will not agree to:

- announce or effect an increase of the Company's share capital from authorized capital or contingent capital; or
- propose to its shareholders' meeting an increase of the Company's share capital (*Direktkapitalerhöhung*); or
- announce, effect or propose the issuance of securities with conversion or option rights on Shares or economically similar transactions; or
- enter into any transaction or perform any action with a similar economic effect to those described in the bullet points above.

The Company may, however, (i) issue or sell any shares or other securities to employees and members of executive bodies of the Company or its subsidiaries under management participation plans and (ii) pursue any corporate actions undertaken by the Company for the purposes of entering into any agreement regarding, or resolution upon, the entering into any joint venture or the acquisition of any companies, provided that the parties to the joint venture or acquiring entity to which such shares will be issued agree to be bound by the same lock-up undertaking as the Company.

For the period of 180 days after the Shares are first traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on May 12, 2021), the Selling Shareholder has undertaken to each Underwriter that it will not, and will not agree to, without prior written consent of the majority of the Joint Global Coordinators, which consent may not be unreasonably withheld or delayed,

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into Shares of the Company), any shares of the Company;
- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;
- propose, directly or indirectly, any increase in the share capital to the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed capital increase;
- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into Shares of the Company; or
- enter into a transaction or perform any action with a similar economic effect to those described in the bullet points above, in particular enter into any swap or other arrangement that transfers to

another, in whole or in part, the economic risk of ownership of shares of the Company, whether any such transaction is to be settled by delivery of shares of the Company, in cash or otherwise, in each of the bullets above other than for the purposes of the Offering and other than as expressly described in this Prospectus.

The foregoing lock-up restrictions for the Selling Shareholder will not restrict (i) the tender, sale and transfer of the Shares in a takeover bid for the shares of the Company pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), (ii) the over-the-counter (*außerbörsliche*) transfer of the Shares by the Selling Shareholder to any of its affiliates and the transfer of the Shares by any Authorized Recipient (as defined below) to another Authorized Recipient, and (iii) any allotments or distributions of the Shares to direct or indirect shareholders or other securities holders of the Selling Shareholder or any affiliates of such shareholders or securities holders (together with any affiliates under (ii), the Authorized Recipients), provided that in each case mentioned in (ii) and (iii) the Authorized Recipient shall assume towards the Joint Global Coordinators the obligation to comply with the restrictions applicable to the Selling Shareholder thereunder for the then remaining part of the lock-up period. The foregoing lock-up restrictions shall further not apply to (i) any disposal for the purpose of pledging or granting of any other security interest over the Shares in connection with any margin loan facility or (ii) any disposal for the purpose of transferring any of the Company's Shares to any enforcement of security over any Shares of the Company to or for the benefit of a margin loan lender in connection with a margin loan, provided that any proposed transferee of such Shares pursuant to an enforcement of security shall have agreed, for the remainder of the lock-up period, to be bound by the same lock-up restrictions as the Selling Shareholder.

### **3.10 Admission to the Frankfurt Stock Exchange and Commencement of Trading**

The Company, together with UniCredit Bank AG, expects to apply for the admission of its shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub segment thereof with additional post admission obligations (Prime Standard) on or about May 4, 2021. The listing approval (admission decision) for the Company's shares is expected to be granted on May 11, 2021. Trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on May 12, 2021.

The underwriters for an issuance often make purchase offers at the time of first trading in order to support the development of the initial share price. Such purchase offers, when made by the Stabilization Manager, may lead to the development of a higher initial share price than would have been the case in the absence of such measures.

### **3.11 Designated Sponsors**

BofA Securities has agreed to assume the function of a designated sponsor of the Company's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for a period of at least two years. Pursuant to the designated sponsor agreement expected to be concluded among each of the designated sponsors and the Company, the designated sponsors will, among other things, place limited buy and sell orders for the Company's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Company's shares. The designated sponsors may be authorized under the designated sponsor agreements to delegate their duties under the designated sponsors' agreements to authorized third parties.

### **3.12 Interests of Parties Participating in the Offering**

In connection with the Offering and admission of the Company's Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard), the Underwriters have a contractual relationship with the Company and the Selling Shareholder. The Joint Global Coordinators are advising the Company on the transaction and are coordinating the structuring and execution of the transaction. In addition, BofA Securities has been mandated to act as designated sponsor for the Company's shares and Baader Bank AG has been appointed to act as paying agent. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the successful completion of the Offering.

Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates may take up a portion of the shares in the Offering as a principal position and in that capacity may retain,

purchase, or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering.

Accordingly, references in the Prospectus to shares being offered or placed should be read as including any offering or placement of shares to any Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps, warrants, or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold, or dispose of shares of the Company, the Selling Shareholder, or their affiliates, for their own account or the account of customers. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Selling Shareholder will receive the proceeds from the sale of the Existing Shares and, potentially, the Over-Allotment Shares (to the extent the Greenshoe Option is exercised), after deducting fees and commissions. Assuming a placement of 9,375,000 New Shares and 16,399,375 Existing Shares (including a full exercise of the Upsize Option) at the mid-point of the Price Range, full exercise of the Greenshoe Option, and payment in full of a discretionary fee, net proceeds to the Selling Shareholder would amount to approximately EUR 275 million, or 62.96% of the total net proceeds from the Offering (see also “4. *Proceeds of the Offering and Costs of the Offering and Listing*”). Accordingly, the Selling Shareholder has an interest in the successful completion of the Offering. For an overview of direct and indirect shareholders of the Selling Shareholder, see “14. *Information on the Selling Shareholder*”.

Also, one or more Underwriters and/or their respective affiliates may enter into financing documentation to act as lenders under a potential margin loan facility, in respect of which the respective Underwriter(s), as the case may be, may in the future receive fees and commissions. Pursuant to such potential margin loan facility, the Selling Shareholder would grant a security interest to the margin loan lenders over Shares held by the Selling Shareholder. In case of a default of the Selling Shareholder under such facility, the lender(s) would be in a position to enforce their security interest over such Shares, which may therefore result in a disposal or sale of Shares by the lender(s).

Certain members of the Supervisory Board, Justin von Simson and Dr. Florian Wolff, hold functions at affiliates of the Selling Shareholder; see “17.3.1 *Members of the Supervisory Board*”. Accordingly, their interests with respect to the Offering and admission of the Company’s Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) may not be aligned with those of the Company or the Company’s other shareholders, which constitutes a potential conflict of interest.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations (including commercial banking, investment banking, advisory, and ancillary activities) with, and may perform services for MeinAuto Group, the Selling Shareholder, or their affiliates, in the ordinary course of business and for which they may receive customary compensation, fees, and/or commissions. In particular, an affiliate of BofA Securities is purchaser of the Senior Note No. 1 (as defined below) and an affiliate of Citigroup is purchaser of the Senior Note No. 2 (as defined below) in the ABS Facility (as defined below) of the Company. Furthermore, we have several financing agreements with UniCredit Bank AG and certain affiliates. For additional information see “12. *Material Agreements*”.

Mr. Rudolf Rizzolli, as current member of the Management Board, and Mr. Guus Stoelinga, as appointed member of the Management Board, as well as certain other employees of the Group, are indirectly invested in the Company and expected to indirectly receive certain proceeds of the Selling Shareholder from the Offering (see “14.3 *Indirect Shareholders and Management Equity Program*”). In addition, one member of the Supervisory Board, Dr. Martin Enderle, holds options to acquire, in total, 0.875% of the shares in the Company. Mr. Rizzolli and Mr. Stoelinga will receive a one-time bonus of €550,000 and €250,000, respectively, subject to the condition that the Listing takes place by December 2021. Accordingly, all these individuals, as well as the Company, have an interest in the success of the Offering at the best possible terms.

Except for the potential conflict of interest described in relation to certain members of the Supervisory Board that hold functions at affiliates of the Selling Shareholder above, none of the aforementioned interests in the Offering constitute a conflict of interests or a potential conflict of interests.

#### 4. PROCEEDS OF THE OFFERING AND COSTS OF THE OFFERING AND LISTING

At the mid-point of the Price Range, gross proceeds from the offering are expected to total approximately €464 million (assuming placement of all Offer Shares). Assuming expenses related to the Offering and commissions payable to the Underwriters of a total of approximately €27 million, the total net proceeds from the offering would amount to approximately €437 million.

The Company will receive only the proceeds of the offering resulting from the sale of New Shares. The Company will not receive any proceeds from the sale of Existing Shares and the shares from the exercise of the Greenshoe Option, if any.

Assuming that the maximum number of New Shares (9,375,000 shares) is placed, the Company will, at the low end, mid-point and high end of the Price Range, receive gross proceeds of approximately €150 million, €169 million and €188 million, respectively, and estimated net proceeds of approximately €144 million, €162 million and €180 million, respectively. However, the Company together with the Selling Shareholder reserves the right not to issue all of the New Shares in case of a pricing above the low end of the Price Range. Therefore, the gross proceeds and net proceeds to the Company may not reach the amount of €169 million and €162 million at the mid-point or of €188 million and €180 million at the high-end end of the price range.

At the low end, mid-point and high end the offer price will amount to €16.00, €18.00 and €20.00, respectively, and gross proceeds to the Selling Shareholder (assuming placement of the maximum number of Existing Shares and full exercise of the Greenshoe Option, *i.e.*, 16,399,375 shares in total) will amount to approximately €262 million, €295 million and €328 million, respectively, and estimated net proceeds will amount to approximately €244 million, €275 million and €307 million, respectively.

Assuming an (i) offer price at the low end, mid-point and high end of the Price Range, (ii) placement of the maximum number of Offer Shares, (iii) full exercise of the Greenshoe Option and (iv) full payment of the discretionary fee (1.75% of the aggregate gross sales proceeds) of up to €7.2 million, €8.1 million and €9.0 million, at the low end, mid-point and high end of the Price Range, respectively, the total commission payable to the Underwriters will amount to €15.5 million, €17.4 million and €19.3 million, respectively. Of that total, €5.6 million, €6.3 million and €7.0 million, respectively is attributable to the placement of the New Shares and will be borne by the Company. €7.8 million, €8.8 million and €9.8 million, respectively, is attributable to the placement of the Existing Shares and €2.0 million, €2.3 million and €2.5 million, respectively, is attributable to the placement of the Over-Allotment Shares and will be borne directly by the Selling Shareholder. Other offering and listing-related costs of the Company are expected to amount to around €9.2 million. The Selling Shareholder will bear a percentage of these offering and listing-related costs of the Company equal to the ratio of (i) the gross proceeds from the Existing Shares placed in the offering to (ii) the sum of the gross proceeds from the New Shares and Existing Shares placed in the offering.

None of the Company, the Selling Shareholder or the Underwriters will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.



## 5. REASONS FOR THE OFFERING AND LISTING

The Company intends to list its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) to access the capital markets. The Company also intends to pursue the offering to receive the proceeds from the placement of the New Shares.

Assuming that the maximum number of New Shares (9,375,000 shares) is placed, the Company will, at the low end, mid-point and high end of the Price Range, receive gross proceeds of approximately €150 million, €169 million and €188 million, respectively, and estimated net proceeds of approximately €144 million, €162 million and €180 million, respectively. However, the Company together with the Selling Shareholder reserves the right not to issue all of the New Shares in case of a pricing above the low end of the Price Range. Therefore, the gross proceeds and net proceeds to the Company may not reach the amount of €169 million and €162 million at the mid-point or of €188 million and €180 million at the high-end end of the price range.

Assuming completion of the Offering at the mid-point of the Price Range and payment of the discretionary fee in full, the Company would receive net proceeds of approximately €162 million from the Offering. Assuming an Offer Price at the mid-point of the Price Range, the Company intends to use the net proceeds of the offering of the New Shares in an amount of approximately €162 million in the following order of priority: (i) €25 million for the partial repayment of our Financing Facility, reducing the utilized amount from currently €140 million to €115 million, (ii) approximately €137 million to finance further growth, of which approximately 50% for investments in online marketing and branding and approximately 50% to meet growth-related cash flow needs, in particular to expand its fleet.

At the low end, mid-point and high end of the Price Range, gross proceeds to the Selling Shareholder (assuming placement of the maximum number of Existing Shares and full exercise of the Greenshoe Option, *i.e.*, 16,399,375 shares in total) will amount to approximately €262 million, €295 million and €328 million, respectively, and estimated net proceeds will amount to approximately €244 million, €275 million and €307 million, respectively.

The Company will not receive any proceeds from the sale of the Offer Shares from the holdings of the Selling Shareholder.

The Selling Shareholder will offer its shares to partially divest its stake in the Company and to ensure a sufficient free float and trading liquidity in the Company's shares.

## **6. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS**

### **6.1 General Provisions Relating to Profit Allocation and Dividend Payments**

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. For a German stock corporation (*Aktiengesellschaft* – "**AktG**") under German law, the distribution of dividends for a given fiscal year and the amount and payment date thereof are resolved by the general shareholders' meeting (*Hauptversammlung*). Such resolution is the responsibility of the general shareholders' meeting of the following fiscal year, which must take place in the first eight months of the fiscal year and which decides on the proposal adopted by the Management Board and the Supervisory Board for the appropriation of profits.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company. The distributable profit is calculated based on the Company's unconsolidated annual financial statements prepared in accordance with German GAAP as laid down in the German Commercial Code (*Handelsgesetzbuch*). German GAAP differs from IFRS in material respects.

When determining the amount available for distribution, net income for the fiscal year must be adjusted for profit/loss carry-forwards from the prior fiscal year and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating profit available for distribution. Certain additional limitations apply if self-created intangible assets or deferred tax assets have been capitalized or certain plan assets that exceed corresponding pension liabilities have been capitalized. The Management Board must prepare the annual financial statements (balance sheet, income statement and notes to the financial statements) and the management report for the previous fiscal year by the statutory deadline, and present these to the auditors and then the Supervisory Board after preparation. At the same time, the Management Board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 AktG and present the proposal to the Supervisory Board which it intends to make to the general shareholders' meeting with regard to the distribution of profit. According to Section 171 AktG, the Supervisory Board must review the annual financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month of the documents being received. If the Supervisory Board approves the annual financial statements after its review, these are deemed adopted unless the Management Board and Supervisory Board resolve to assign adoption of the annual financial statements to the general shareholders' meeting. If the Management Board and Supervisory Board choose to allow the general shareholders' meeting to adopt the annual financial statements, or if the Supervisory Board does not approve the annual financial statements, the Management Board must convene a general shareholders' meeting without delay.

The shareholders' meeting's resolution on the allocation of the distributable profit requires a simple majority of votes to be passed. The shareholders' meeting may also resolve that the dividends be distributed partially or entirely in kind, for example as a distribution of treasury shares if held by the Company at that time. Dividends resolved by the shareholders' meeting are due and payable immediately after the relevant shareholders' meeting, unless the dividend resolution provides otherwise, in compliance with the rules of the respective clearing system. Any dividends not claimed within three years pass to the Company. Since all of the Company's dividend entitlements are evidenced by one global dividend coupon deposited with Clearstream, Clearstream transfers the dividends to the shareholders' custodian banks for crediting to their accounts. German custodian banks are under the same obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the shareholders' meeting. To the extent dividends can be distributed by the Company in accordance with German GAAP and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see "*21.2.1 Taxation of Dividend Income*".

### **6.2 Dividend Policy and Earnings per Share**

We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. Therefore, we currently do not intend to pay dividends in the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will depend upon, among other things, our results of operations, financial condition, contractual restrictions and capital requirements. Our ability to pay dividends may also be limited by the terms of our existing and future

financial liabilities or preferred securities should the Company decide to issue such preferred securities in the future. No distributions of profits or reserves were made to the Company's shareholders in the years ended December 31, 2020, 2019 and 2018, respectively, or between January 1, 2021 and the date of this Prospectus.

## 7. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth the consolidated capitalization and indebtedness of the MeinAuto Group as of February 28, 2021, adjusted for the completion of this Offering and application of the proceeds therefrom as described in “5. *Reasons for the Offering and Listing*”.

*Investors should read the following tables in conjunction with the Section “9. Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations”, the consolidated financial statements of MeinAuto Group included in this Prospectus, including the related notes thereto, and additional financial information contained elsewhere in this Prospectus.*

On April 6, 2021, the Company increased its share capital by €25,000 from €25,000 to €50,000. On April 15, 2021, the Company’s shareholders’ meeting resolved to increase the Company’s share capital through a capital increase from own reserves from €50,000 by €64,950,000 to €65,000,000. On April 22, 2021, Salvator Mobility MidCo S.à r.l. contributed its intercompany loan receivables under an intercompany loan between Salvator Mobility MidCo S.à r.l. and MeinAuto Management GmbH in an amount of €264,186,085.38 into the Company’s capital reserve thereby increasing the Company’s capital reserve to €276,152,804.33 (together, the “**Pre IPO Capital Measures**”).

## 7.1 Capitalization

	As of February 28, 2021	Effects of the Pre IPO Capital Measures	Effects of the Offering <sup>(1)</sup> (in € million) (unaudited)	Effects of the repayment of debt <sup>(2)</sup>	Total
<b>Total current debt</b> (including current portion of non-current debt) <sup>(3)</sup> .....	<b>439.5</b>	-	-	-	<b>439.5</b>
Thereof guaranteed .....	-				-
Thereof secured <sup>(4)</sup> .....	359.1				359.1
Thereof unguaranteed/unsecured .....	80.4				80.4
<b>Total non-current debt</b> (excluding current portion of non-current debt) <sup>(5)</sup> .....	<b>746.8</b>	-261.7	-	-25.0	<b>460.1</b>
Thereof guaranteed .....	-				-
Thereof secured <sup>(4)</sup> .....	426.5			-25.0	401.5
Thereof unguaranteed/unsecured .....	320.3	-261.7			58.6
<b>Shareholders' equity</b> <sup>(6)</sup> .....	<b>26.7</b>	<b>261.7</b>	<b>162.0</b>	-	<b>450.3</b>
Share capital <sup>(7)</sup> .....	0.0	65.0	9.4		74.4
Legal reserves <sup>(8)</sup> .....	76.9	199.2	151.9		428.0
Other reserves <sup>(9)</sup> .....	-50.3	-2.5	0.7		-52.1
<b>Total</b> <sup>(10)</sup> .....	<b>1,213.0</b>	-	162.0	-25.0	<b>1,350.0</b>

- (1) The adjustments reflect (i) the increase of the Company's share capital by €9,375,000 from €65,000,000 to €74,375,000 against cash contributions, and (ii) expected net proceeds from this Offering attributable to the Company of €162.0 million (based on the issuance of 9,375,000 New Shares at an Offer Price of €18.00 per share at the mid-point of the Price Range and cost of the Offering attributable to the Company of approximately €15.6 million, of which €7.5 million are deductible, €8.8 million are reimbursable by the Selling shareholder and €0.7 million are recognized as income under other reserves (assuming a placement of the maximum number of Existing Shares and payment of the discretionary fee in full)).
- (2) The adjustment reflects the repayment of secured other non-current loans in amount of €25.0 million upon the occurrence of a Listing using the net proceed from this Offering.
- (3) Referred to as current liabilities in the consolidated statement of financial position. Corresponds to the sum of consolidated statement of financial position items current "lease liabilities", current "other financial liabilities", current "trade and other payables", current "provisions", current "tax liabilities" and current "contract liabilities".
- (4) 'Current debt' and 'non-current debt' which are secured include bank overdraft and borrowing bases, senior notes, secured bank loans, liabilities to customers and other loans. The senior notes are secured by receivables from vehicle subscription, bank loans and liabilities to customers are secured by transfers by way of security and other loans are secured by pledged shares in Mobility Holding GmbH, Mobility Concept GmbH and ASS Athletics Sport Sponsoring GmbH as well as certain intercompany receivables.
- (5) Referred to as current liabilities in the consolidated statement of financial position. Corresponds to the sum of consolidated statement of financial position items non-current "lease liabilities", non-current "other financial liabilities", non-current "trade and other payables", non-current "provisions" and "deferred tax liabilities".
- (6) Shareholders' equity' refers to 'Equity', as shown in the consolidated statement of financial position, excluding "non-controlling interests" of €(3.3) million.
- (7) Referred to as "Subscribed capital" in the consolidated statement of financial position.
- (8) Referred to as "Capital reserves" in the consolidated statement of financial position.
- (9) Referred to as "Other reserves" in the consolidated statement of financial position; excluding profit and loss of the reporting period January 1, 2021 to February 28, 2021.
- (10) Corresponds to the sum of consolidated statement of financial position items "total current debt", "total non-current debt" and "total shareholder's equity".

## 7.2 Indebtedness

	As of February 28, 2021	Effects of the Pre IPO Capital Measures	Effects of the Offering <sup>(1)</sup>  (in € million) (unaudited)	Effects of the repayment of debt <sup>(2)</sup>	Total
A. Cash <sup>(3)</sup> .....	44.6		162.0	-25.0	181.6
B. Cash equivalents <sup>(3)</sup> .....	0.6				0.6
C. Other current financial assets .....	-				-
<b>D. Liquidity (A + B + C) .....</b>	<b>45.1</b>	<b>-</b>	<b>162.0</b>	<b>-25.0</b>	<b>182.1</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) <sup>(4)</sup> .....	277.8				277.8
F. Current portion of non-current financial debt <sup>(5)</sup> .....	105.8				105.8
<b>G. Current financial indebtedness (E + F) .....</b>	<b>383.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383.6</b>
<b>H. Net current financial indebtedness (G - D) .....</b>	<b>338.5</b>	<b>-</b>	<b>-162.0</b>	<b>25.0</b>	<b>201.5</b>
I. Non-current financial debt (excluding current portion and debt instruments) <sup>(6)</sup> .....	9.7				<b>9.7</b>
J. Debt instruments <sup>(7)</sup> .....	704.1	-261.7		-25.0	417.5
K. Non-current trade and other payables <sup>(8)</sup> .....	0.3				0.3
<b>L. Non-current financial indebtedness (I + J + K) .....</b>	<b>714.1</b>	<b>-261.7</b>	<b>-</b>	<b>-25.0</b>	<b>427.5</b>
<b>M. Total financial indebtedness (H + L) .....</b>	<b>1,052.6</b>	<b>-261.7</b>	<b>-162.0</b>	<b>-</b>	<b>629.0</b>

- (1) The adjustments reflect (i) the increase of the Company's share capital by €9,375,000 from €65,000,000 to €74,375,000 against cash contributions, and (ii) expected net proceeds from this Offering attributable to the Company of €162 million (based on the issuance of 9,375,000 New Shares at an Offer Price of €18.00 per share at the mid-point of the Price Range and cost of the Offering attributable to the Company of approximately €15.6 million, of which €7.5 million are deductible, €8.8 million are reimbursable by the Selling Shareholder and €0.7 million are recognized as income under other reserves (assuming a placement of the maximum number of Existing Shares and payment of the discretionary fee in full)).
- (2) The adjustment reflects the repayment of secured other non-current loans in amount of €25.0 million upon the occurrence of a Listing using the net proceed from this Offering.
- (3) Cash comprises cash at banks, cash on hand and short-term deposits with an original maturity of three months or less. Cash equivalents contain received deposits from B2B clients related to vehicle sales and are not subject to any restriction. Both line items together referred to as 'cash and cash equivalents' as shown in the Financial Statements.
- (4) Reflects bank overdraft facilities and borrowing bases in an amount of €131.5 million, bank loans in an amount of €88.0 million and liabilities from finance lease in an amount of €54.1 million all due within one year as well as other loans in an amount of €4.2 million, recognized in current "other financial liabilities" in the consolidated statement of financial position.
- (5) Reflects the current portion of non-current senior notes in an amount of €62.7 million, of non-current bank loans in an amount of €36.0 million and of non-current liabilities from finance lease in an amount of €4.8 million recognized in current "other financial liabilities" as well as the current portion of the non-current lease liabilities in an amount of €2.3 million recognized in the "current lease liabilities" in the consolidated statement of financial position.
- (6) Referred to as non-current 'lease liabilities' in the consolidated statement of financial position in the amount of €9.7 million in the Financial Statements.
- (7) Referred to as non-current 'other financial liabilities' in the consolidated statement of financial position and consists of the non-current portion of non-current liabilities to banks, liabilities from finance lease, shareholder loans and other loans as well as the senior notes in a total amount of €704.1 million.
- (8) Reflects trade payables in an amount of €3 thousand, interest rate swaps for hedging in an amount of €78 thousand and other financial liabilities in an amount of €228 thousand in "non-current trade and other payables" in the consolidated statement of financial position.

## 7.3 Contingent and Indirect Liabilities

As of February 28, 2021, the Group's indirect and contingent indebtedness amounted to €212.5 million, comprising:

- current provisions for onerous contracts of €0.3 million;

- non-current provisions of €2.4 million consisting of non-current provisions for onerous contracts of €0.1 million and other non-current provisions amounting to €2.4 million;
- purchase commitments of vehicles for the lease fleet of €202.9 million and sureties of €0.3 million;
- short-term lease commitments for vehicles for the lease fleet of €6.4 million and other short-term and low-value lease commitments of €0.1 million not recognized as liabilities in the statement of financial position according to IFRS.

Other than described above, there were no material contingent or indirect liabilities of MeinAuto Group as of February 28, 2021.

#### **7.4 Statement on Working Capital**

In the Company's opinion, its working capital is sufficient to meet MeinAuto Group's present requirements over at least the next twelve months from the date of this prospectus. The proceeds of the Offering have not been included in the calculation of the Company's working capital.

#### **7.5 No Significant Change**

In Between December 31, 2020 and the date of the Prospectus, there has been no significant change in our financial position. For further information, see "23. *Recent Developments and Outlook*".

## 8. DILUTION

The net book value of the Company is calculated as total assets minus the sum of total non-current and current liabilities and provisions and equals equity attributable to owners of MeinAuto Group. As of December 31, 2020, the net book value amounted to €23 million and would amount to approximately €934.61 per share based on 25,000 shares of the Company outstanding. Following the Pre IPO Capital Measures the net book value amounts to approximately €287.5 million and would amount to approximately €4.42 per share based on 65,000,000 shares of the Company outstanding immediately before the Offering. Such Pre IPO Capital Measures included capital increases from 25,000 shares of the Company to ultimately 65,000,000 shares and an increase of the Company's capital reserves to €276,152,804.33.

The dilutive effect of the offering is illustrated in the table below, demonstrating the amount by which the offer price at the low end, mid-point and high end of the Price Range exceeds the per share net book value after completion of the offering, assuming the offering had taken place on December 31, 2020. In this respect, the net book value as of December 31, 2020 is adjusted for the effects of the Offering, assuming (i) the resolution on the IPO Capital Increase and the issuance of the maximum number of New Shares and (ii) an increase in the net book value at the low end, mid-point and high end of the Price Range by €144 million, €162 million and €180 million, respectively. However, the Company together with the Selling Shareholder reserves the right not to issue all of the New Shares in case of a pricing above the low end of the Price Range. Therefore, the increase of the net book value at the mid-point or at the high-end end of the Price Range could be lower as if all New Shares would have been placed at the mid-point or high-end of the Price Range. The assumed increase is based on the expected net proceeds not considering any tax effects. The adjusted net book value is expressed as a per share figure, assuming 74,375,000 outstanding shares of the Company upon completion of the offering (this per share figure being referred to as the “**Post-IPO per Share Net Book Value**”).

	<u>As of December 31, 2020</u>		
	<u>Low End</u>	<u>Mid-Point</u>	<u>High End</u>
Price per share (in €) .....	16.00	18.00	20.00
Per share net book value <sup>(1)</sup> (based on 25,000 outstanding shares of the Company as of December 31, 2020) (in €) .....	934.61	934.61	934.61
Per share net book value <sup>(1)</sup> (based on 65,000,000 outstanding shares of the Company before the offering) and adjusted for the Pre IPO Capital Measures (in €) .....	4.42	4.42	4.42
Post-IPO per Share Net Book Value (net book value) <sup>(1)</sup> (in €).....	5.80	6.05	6.29
Amount by which the price per share exceeds the Post-IPO per Share Net Book Value (immediate dilution per share) (in €) .....	10.20	11.96	13.71
Immediate dilution (in %) .....	63.7	66.4	68.6

(1) Net book value is calculated as total assets minus the sum of total non-current liabilities and provisions and total current liabilities and provisions, which equals equity attributable to owners of MeinAuto Group.

Each of the New Shares will have the same voting rights as the Company's existing shares. Prior to the offering, the Selling Shareholder held 100% of the voting rights. Upon completion of the offering (including exercise of the Greenshoe Option in full), the voting rights held by the Selling Shareholder would amount to 65.35%.



## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION, AND RESULTS OF OPERATIONS

*Investors should read the following management's discussion and analysis of net assets, financial condition and results of operations in conjunction with the Section "11. Business" as well as the Company's audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020, which are included in the Prospectus beginning on page F-1.*

*The financial information contained in the following text and tables is taken or derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 and the audited unconsolidated financial statements of the Company as of and for the year ended December 31, 2020 as well as the Company's accounting records or internal reporting systems.*

*The audited consolidated financial statements of the Company have been prepared in accordance with IFRS. The audited unconsolidated financial statements have been prepared in accordance with German generally accepted accounting principles of the HGB.*

*Where financial information in the following tables is labeled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken either from the accounting records or internal reporting systems or has been calculated based on figures from the aforementioned sources.*

### 9.1 Overview

We believe that we are the leading online platform for digital new cars sales in Germany. The focus of our offering is our subscription solution, which ranges from leases with optional services to vehicle flat rates, long term rentals as well as vario financing (a modern form of car financing that combines the advantages of classic financing with the benefits of leasing).

Our customer base includes private customers, small commercial clients as well as large corporate clients. As of December 31, 2020, we had approximately 44 thousand active subscribers (customers making monthly subscription payments under a subscription contract (excluding order book, *i.e.*, subscription orders placed for which the car has not yet been delivered and subscription instalments have not yet started)) and approximately 39 thousand new car orders, of which approximately 32 thousand were from private customers and small commercial clients. We have a recurrence rate (*i.e.*, the number of contracts valid for more than 12 months at the end of the year as a percentage of number of contracts at the beginning of the year (excl. new customer contracts added during the year) in our B2C business (as defined below)) of approximately 80% as of year-end 2020 indicating high customer satisfaction.

We organize our business operations into two business units and reporting segments, Business-to-Customer ("B2C") and Business-to-Business ("B2B"). Our B2C business unit comprises our subscription offering (leasing, flat rate and vario financing), outright purchases as well as various mobility services (including delivery, wear and tear and insurance) to private and small commercial customers that we reach through our three main channels under the MeinAuto.de brand, the Athletic Sport Sponsoring brand and through our affiliate partners and their member communities.

Our B2B business unit includes vehicle subscription and mobility services offered under the MobilityConcept brand. In addition to our B2C and B2B sales channels, we re-market cars that are returned to us at the end of a subscription period through various sales channels.

We operate exclusively in Germany, Europe's largest market for new cars (*Source: European Automobile Manufacturers Association; Roland Berger Report*).

Our business operations are characterized by our online and digital expertise, extensive customer reach, our data set, our large and comprehensive supplier network for vehicles as well as services and the management of the entire vehicle and subscription life cycle including our re-financing and re-marketing capabilities.

### 9.2 Key Financial and Non-Financial Information

The following table provides an overview of certain key financial and non-financial data relating to our performance for the dates and periods indicated:

	As of and for the year ended		
	December 31,		
	2018	2019	2020
	(audited, unless stated otherwise)		
	(in € thousand)		
<b>Key Financial Information</b>			
Revenue.....	119,880	275,721	323,580
Adjusted revenue from external customers .....	91,445	191,443	212,180
Adjusted EBITDA.....	14,222	30,605	38,137
Adjusted EBITDA margin <sup>(1)</sup> (in %) (unaudited).....	15.6%	16.0%	18.0%
Consolidated EBITDA .....	21,538	67,661	82,642

(1) Calculated as Adjusted EBITDA divided by Adjusted Revenue from external customers.

	As of and for the year ended		
	December 31,		
	2018	2019	2020
	(unaudited, unless stated otherwise)		
<b>Key Non-Financial Information</b>			
<b>B2B</b>			
Subscribers <sup>(1)</sup> (year-end).....	19,000	19,562	19,044
Order book <sup>(2)</sup> .....	1,548	2,607	2,297
<b>Total customer contracts (audited)</b> .....	<b>20,548</b>	<b>22,169</b>	<b>21,341</b>

<b>B2C</b>			
Subscribers <sup>(1)</sup> (year-end).....	12,418	18,891	24,473
Order book <sup>(2)</sup> .....	6,132	7,333	11,952
<b>Total customer contracts (audited)</b> .....	<b>18,550</b>	<b>26,224</b>	<b>36,425</b>
Orders <sup>(3)</sup> .....	6,075	19,536	25,420

- (1) Customers who are incurring ongoing monthly subscription payments as part of a subscription contract at the end of the period (excluding order book).
- (2) Subscription orders placed (for which the car has not yet been delivered and subscription instalments have not yet started).
- (3) Vehicles ordered by the customer and by MeinAuto Group from the dealer.

### 9.3 Segment Information

We manage our segments based on Adjusted EBITDA, which includes costs directly related to the subscribed vehicles, in particular interest expenses for the financing of the vehicles and the depreciation of the vehicles, which are included in cost of goods sold. Adjusted EBITDA reflects our view on the operative core business of the Group's segments. In addition, Adjusted EBITDA includes certain management adjustments, including legal and consulting fees, structuring-/transaction costs, refinancing and other costs, which we believe do not reflect the performance of the Group's core business.

The following table provides certain financial information for our B2B and B2C segments for the periods indicated. For additional information see "2.8 Non-IFRS Financial Information" and Note 6.2 of the Financial Statements.

	As of and for the year ended December 31,		
	2018	2019	2020
	(audited)		
	(in € million)		
<b>Adjusted Revenue from external customers .....</b>	<b>91.4</b>	<b>191.4</b>	<b>212.2</b>
<i>thereof B2B .....</i>	<i>56.6</i>	<i>93.7</i>	<i>90.7</i>
<i>thereof B2C .....</i>	<i>34.8</i>	<i>97.7</i>	<i>121.5</i>
Intersegment revenues .....	0.0	-	0.0
<b>Adjusted Revenue<sup>(1)</sup> .....</b>	<b>91.5</b>	<b>191.4</b>	<b>212.2</b>
<i>thereof B2B .....</i>	<i>56.7</i>	<i>93.7</i>	<i>90.7</i>
<i>thereof B2C .....</i>	<i>34.8</i>	<i>97.7</i>	<i>121.5</i>
<b>Adjusted Gross Profit<sup>(2)</sup> .....</b>	<b>27.5</b>	<b>57.0</b>	<b>65.4</b>
<i>thereof B2B .....</i>	<i>12.1</i>	<i>19.9</i>	<i>22.9</i>
<i>thereof B2C .....</i>	<i>15.4</i>	<i>37.1</i>	<i>42.5</i>
<b>Adjusted EBITDA<sup>(3)</sup> .....</b>	<b>14.2</b>	<b>30.6</b>	<b>38.1</b>
<i>thereof B2B<sup>(3)</sup> .....</i>	<i>5.9</i>	<i>9.4</i>	<i>13.9</i>
<i>thereof B2C<sup>(3)</sup> .....</i>	<i>8.3</i>	<i>21.3</i>	<i>24.3</i>

- (1) Adjusted Revenue means revenue of our reportable segments less (i) revenue from sales of previously subscribed vehicles, plus (ii) costs of sale in relation to direct vehicle sales (mainly from the “DriveOn” business, which was discontinued) and (iii) income from release of vehicle related provisions. The adjustments made result in the reversal exclusion of sales revenue from subscribed vehicles from such measure and the presentation of DriveOn sales net of associated costs inclusion of a net gain or loss on direct vehicle sales (mainly from DriveOn sales) in Adjusted Revenue. Please see “9.9. Segment Reporting” for the reconciliation of Adjusted Revenue of reportable segments to consolidated revenue as reported in the Financial Statements.
- (2) Please see “9.9 Segment Reporting” for the reconciliation from Adjusted Gross Profit of reportable segments to Consolidated Gross Profit.
- (3) Please see “9.9 Segment Reporting” for the reconciliation from Adjusted EBITDA to Consolidated EBT.

#### 9.4 Factor Affecting Comparability

On June 1, 2018, we acquired Mobility Concept GmbH (“**Mobility Concept**”), one of the leading bank and OEM independent vehicle subscription providers for corporate fleets to business-to-business customers in Germany, and, effective September 5, 2018, we acquired ASS to further grow our customer base and reach, particularly in closed customer groups. These acquisitions have been a key driver of our growth in the periods under review. However, as the acquisitions were consummated during the course of 2018, their respective contributions to consolidated revenue and consolidated profit in 2018 were limited. As a result, the first full-year contributions of these acquisitions to our revenue and consolidated profit are reflected in 2019, although the payment of the purchase prices and financing of the acquisitions (through a combination of subordinated shareholder and other loans) are already recorded in 2018. Accordingly, the comparability of the figures as of and for the fiscal year 2018 and fiscal year 2019 may be limited.

#### 9.5 Key Factors Affecting Our Results of Operations

##### 9.5.1 Market opportunity for online penetration of new car market in Germany supported by trend toward online business and shift in customer preferences

With approximately 3.4 million new car registrations in 2019 (excluding pre-registered vehicles), Germany is Europe’s largest new car market (*Source: European Automobile Manufacturers Association; Roland Berger Report*). We estimate that approximately 2.2 million of the total new car registrations in 2019 relate to private owners and small- or medium-sized business, representing a total addressable market of approximately €70 billion (based on an average price for new vehicles of approximately €33.6 thousand (*Source: Roland Berger Report*)) for such market (namely private owners and small- or medium-sized businesses) (*Source: Management estimate based on Roland Berger Report*). Moreover, we estimate online penetration of the new car market in Germany to be approximately 2% (full online transactions), while more than half of B2C customers looking to purchase a new car would be open to purchasing/subscribing for new cars online in 2021, compared to less than 15% in 2017 (*Source: Roland Berger Report*). Customer willingness to consider a subscription model for a new car increased from 28% in July 2019 to 48% in September 2020, and the consideration of buying a new car online increased from 20% in January 2020 to 35% in January 2021 (*Source: Roland Berger Report*). We believe this creates significant room for an increase in online penetration in the German new car market.

In 2020, third-party sales channels, such as MeinAuto Group, accounted for the majority in the online B2C transaction sector across all contract types, and third-party sales channels are expected to remain dominant with regard to subscription-based contracts (*Source: Roland Berger Report*). Customers are increasingly using online channels to compare prices and services. Subscription customers look especially for offers with less of a commitment than paying the full price for a vehicle. Approximately 50% of vehicle purchase customers are dissatisfied or somewhat dissatisfied with the traditional vehicle purchase process and over 50% of the consumers would be open to doing their next transaction online (*Source: Roland Berger Report*). Online is the preferred transaction type for customers when they are looking for lower prices (over 60%) and a comparison among dealers and offers (50%). Approximately 40% of customers believe that online offers on average are more flexible, transparent and cheaper compared to dealer offers (*Source: Roland Berger Report*). Offline channel is the preferred transaction type when customers are looking for the possibility to test drive (over 45%) and to experience the look & feel of the vehicle (over 40%) (*Source: Roland Berger Report*). However, test drive is not the predominant driver for choosing offline over online in the case of subscription. Subscription customers have a higher online affinity (approximately 80%) as compared to vehicle purchase customers (approximately 40%) (*Source: Roland Berger Report*). The status quo of searching online but being obliged to complete the transaction with an offline-dealer is considered inconvenient.

Furthermore, consumers are moving away from ownership (vehicle purchase) to usership (subscription) (*Source: Roland Berger Report*) and subscription (monthly payment scheme) is expected to emerge as the contract type of choice for B2C consumers in online transactions over the next years, due to increasing need for flexibility of customers and lowering willingness to make a large, long-term “ownership” investment.

For additional information on our markets, see “10. Markets and Competition”. For further information on the risks associated with macroeconomic developments, see “1. Risk Factors—1.1 Risks Related to the Industry in Which We Operate”.

### **9.5.2 Development of Online Sales Channels**

We have developed and follow a multi-channel and multi-brand approach to our online sales channels to maximize our customer reach. Our B2C platform services under the MeinAuto.de brand are initiated solely through our website. Historically, we mainly relied on search engine marketing, such as search engine advertising (“SEA”) and search engine optimization (“SEO”) to bring customers to our website. Since March 2021, we have begun to use additional marketing channels, such as TV, print and radio advertisement.

We have developed a scalable data and technology platform to guide customers to the best available offer for their preferred vehicle or comparable vehicle in the marketplace. Our data and technology platform combines purchasing, offer and transaction databases with dynamic pricing tools aimed to provide customers with the best deals in the market as well as to optimize volume, margins and residual values. Our platform includes car configurator capabilities designed for B2C customers with specific emphasis on user interaction design and use of modern web technologies for performance and scalability. With its user-friendly interface, our platform enables our customers to browse all our vehicle options with price transparency and based on more than ten years of experience. The website lets the customer search for the vehicle of his choice using filters for *e.g.*, brand, model, class, fuel type, number of doors and horsepower. In addition to our online services, we also have personal sales agents that offer advice regarding the purchase of the new vehicle in case the customer has additional questions.

Our customer-facing software and websites are fully integrated with our internal IT platform, and our proprietary database has more than ten years of operational data and includes powerful algorithms designed for heavy usage. It combines databases such as market data, OEM and dealer forecasts, customer preferences, transaction database and residual value database. We also combine our data from our configurations, offer combinations, car models, visits, leads, our recurring customers and active subscribers. This allows us to provide dynamic pricing, pre-configure and pre-order vehicles to reduce lead times as well as maximize our marketing and sales efficiencies by steering campaigns and customers towards the best offers available on our platforms. On our platforms, we host approximately 4 million offer combinations across over 500 different models with varying trims, engines, fuel-types, sales conditions, subscription terms and mileages, to private and business customers.

We believe our multi-channel and multi-brand approach translates into superior and highly efficient customer reach. In 2020, we had approximately 26 million visits on our MeinAuto.de platform, which resulted in approximately 420 thousand offers made to our customers, as well as approximately 44 thousand active subscribers and approximately 32 thousand new B2C car orders. In 2020, MeinAuto.de was also the leading platform for online retail of new cars in Germany, with approximately 13 thousand new orders, and we were the

leading vehicle subscription provider to closed user groups under the brand Athletic Sport Sponsoring, with approximately 16 thousand subscribers.

From 2018 to 2020, primarily due to our acquisition activity (see “—Factor Affecting Comparability”), our number of new subscriptions increased from approximately 11,000 to 32,000 and active subscribers increased from 31,418 to 43,517, with approximately 80% of active subscribers in our B2C business renewing their contract (due, in large part, to the full contribution of acquisitions in 2018). Our annual growth of new customers and high recurring rate have driven the growth of our customer base and, in turn, our results of operations. For example, from 2018 to 2020, our total Adjusted Revenue from external customers increased at a CAGR of 52%, from €91.4 million in 2018 to €191.4 million in 2019 and €212.2 million in 2020. Over the same period, our Adjusted EBITDA increased at a CAGR of 64%, from €14.2 million in 2018 to €30.6 million in 2019 and €38.1 million in 2020.

### **9.5.3 Vehicle Remarketing**

In addition to our subscription and mobility services business operations, we generate sales revenue by selling vehicles that are returned to us by our subscription customers. The prices at which we are able to sell such vehicles and, in turn, the revenue we are able to generate from vehicle remarketing, are primarily determined by prevailing market prices for used vehicles of the particular make, model, mileage, age and general condition of the vehicle at the time of the sale.

We aim to enter into buy-back agreements with certain manufacturers and dealers that provide us with the right to sell vehicles back to those suppliers at a fixed repurchase price. For example, most vehicles under subscription agreements with ASS are directly returned to our partners under our asset-light approach and, therefore, are not remarketed by us. In connection with such buy-back agreements we are exposed to the default risk of our counterparties, particularly dealers, and the risk that such counterparties may refuse to comply with their obligations. However, a substantial portion of our total fleet in 2020 was not covered by buy-back agreements.

With respect to vehicles returned to us after the subscription period, we offer the returned cars on our online business-to-business auction platform as well as on third-party auction platforms, which allows for simultaneous bidding processes. Based on bids received, we decide whether to accept the bid or, where we believe we can remarket the car for a better price through another channel, decline the bid. This process is applied to cars which are covered by a buy-back agreement as well to maximize the sales price. We only exercise the buy-back option if the price under the buy-back arrangements exceeds the auction price. Our flagship stores operating in Munich and Dusseldorf under the brand MeinAuto Gebrauchtwagen, as well as under our own business-to-customer used car leasing platform take part in these auctions as well and allow us to market the returned cars to customers. These remarketing channels generally result in higher prices than in our business-to-business auctions as we select the cars we market through these channels carefully and only if the margins are attractive.

Due to our diversified remarketing channels, together with the mix of sales channels and addressable customer segments, we are able to mitigate residual value risks and generate additional revenue. We have a strong residual value management framework and did not have a single month with remarketing losses in 2020, despite the outbreak and spread of the COVID-19 pandemic. From the Group's economic point of view, a gain or loss on the remarketing represents a reduction or increase in the depreciation previously recorded and is considered as a correction of the estimated residual value. The Company therefore adjusts its revenue for remarketing gains or losses (*i.e.*, revenue from the sale of a vehicle less residual carrying amount) by reducing the corresponding revenue from such vehicle sales and including it in cost of goods sold.

For further information on the risks associated with remarketing, see “1.2.1 We may not be able to re-sell returned vehicles at attractive prices, and we face risks related to the residual value of our vehicles.”

## **9.6 Vehicle Subscription and Mobility Services Revenue**

Our revenue consists of revenue related to two product groups: vehicle subscription and mobility services.

Vehicle subscription revenue is directly related to the subscription of vehicles and revenue generated from the sale of vehicles at the end of the contract term. Vehicle subscription revenue consists of subscription fees for vehicles and is recognized *pro rata temporis* as the services are rendered over the term of the respective subscription contract. The key driver of vehicle subscription revenue is the number of subscribers.

In addition to the vehicle subscription, we also generate revenue from the provisions of mobility services, such as tire, repair or damage management as well as commissions for services to dealers or OEMs. Mobility services revenue can be split into services and commissions and is recognized when the mobility service has been rendered and the amount of consideration can be measured reliably. While service fees and service charges to customers are usually generated throughout the term of a subscription contract and commission fees received from OEMs, dealers and other suppliers are typically earned when a subscription order or outright purchase contract is confirmed. The key driver of mobility services revenue is the number of subscribers and, for commissions, the number of confirmed orders. We mainly receive commission fees in our B2C business.

## **9.7 Accounting for Vehicle Subscription**

The Group acts as lessor in its vehicle subscription business. As lessor, its vehicle subscriptions are qualified as either finance leases or operating leases.

### **9.7.1 Vehicle subscription (finance lease)**

Vehicle subscription contracts are qualified as finance leases if the customer has the option to acquire the underlying vehicle at a price that is expected to be reasonably lower than the fair value at the option exercise date. This makes it reasonably certain that the option will be exercised at the inception of the contract, such that all of the significant risks and rewards of legal ownership are transferred from the lessor to the lessee at that time. Contracts with a residual value guarantee by a customer and kilometer contracts with a buy-back obligation by the dealer or a third party fulfil the qualification as a finance lease from our perspective.

In case of vehicle subscription qualifying as finance lease, a receivable is recognized in an amount equal to the net investment in the lease and subsequently measured using the effective interest method, and we apply the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. Payments under these contracts are divided into interest income and redemption of receivables. Instead of regular revenue from vehicle subscription payments and depreciation of assets, only the interest income is recognized in revenue. Interest income is distributed over the term of the contract on a scheduled basis. Payments in the reporting period are netted against the gross investment to reduce both the nominal amount and the unearned finance income. During the period under review, we recognized a gain (loss) of €496 thousand (2019: €(148) thousand, 2018: €(107) thousand) due to derecognition of receivables from vehicle subscription qualifying as finance lease and interest income on receivables from vehicle subscription qualifying as finance lease of €5,833 thousand (2019: €6,002 thousand, 2018: €3,041 thousand).

For further information on our vehicle subscriptions qualifying as finance and operating leases, see Note 3.3 of the Financial Statements.

### **9.7.2 Vehicle subscription (operating lease)**

All other vehicle subscription contracts are qualified as operating leases. The contracts for closed user groups have a maximum duration of 12 months at which the subscribed vehicle is exchanged, and, due to the short term, they are qualified as operating leases. Also, the contracts without a buy-back obligation are qualified as operating leases due to the present value test. Income from vehicle subscription qualifying as operating lease is recognized as revenue *pro rata temporis* over the term of the respective contract. Amounts received at the inception of the contract are deferred and recognized as income on a straight-line basis over the agreed contract term.

Subscribed vehicles are carried at cost less straight-line depreciation considering their calculated residual values. The residual value is based on the estimated fair value. This results in a market price risk exposure, which is evaluated periodically by estimating residual values and adjusting depreciation rates. Impairment losses are recognized if the carrying amount, based on the originally calculated residual value, exceeds the carrying amount expected at disposal. Subscribed vehicles are generally reported as non-current assets and are derecognised when they are disposed of or if no future economic benefits are expected from the continued use of the subscribed vehicle. The profit or loss resulting from the sale or retirement of the vehicle is determined as the difference between the selling price and the carrying amount of the vehicle and is recognized in profit or loss. Payments for subscriptions are recognized in revenue on an ongoing basis. In 2020, rental income recognized under vehicle subscription qualifying as operating leases amounted to €84,735 thousand (2019: €63,790 thousand, 2018: €30,178 thousand).

## 9.8 Results of Operations

The following table provides an overview of our results of operations for the periods presented:

	For the year ended December 31,		
	2018	2019	2020
		(audited)	
		(in € thousand)	
Revenue.....	119,880	275,721	323,580
Cost of goods sold.....	(93,395)	(219,362)	(260,756)
<b>Gross profit.....</b>	<b>26,485</b>	<b>56,359</b>	<b>62,824</b>
Other income.....	648	389	1,492
Selling and general administrative expenses.....	(33,021)	(54,940)	(51,499)
Other expenses.....	(8,331)	(157)	(306)
<b>Earnings (loss) before interest and taxes (EBIT).....</b>	<b>(14,218)</b>	<b>1,651</b>	<b>12,512</b>
Finance income.....	199	260	95
Finance expenses.....	(12,278)	(25,495)	(28,586)
<b>Net finance costs.....</b>	<b>(12,079)</b>	<b>(25,235)</b>	<b>(28,491)</b>
<b>Earnings (loss) before taxes (EBT).....</b>	<b>(26,298)</b>	<b>(23,584)</b>	<b>(15,979)</b>
Income tax benefits (expenses).....	6,747	4,842	3,634
<b>Net loss.....</b>	<b>(19,551)</b>	<b>(18,742)</b>	<b>(12,346)</b>

### 9.8.1 Revenue

Vehicle subscription revenue consists of revenue directly related to the subscription of the vehicle. In addition to the monthly instalment, this also includes down payments (recognized over the subscription period for operating leases) at the beginning of the subscription period. Furthermore, the item includes all revenues associated with the sale of vehicles at the end of the contract term. The latter includes the sales revenues for the returned vehicle as well as revenues for excess/shortfall mileage and damage settlements. Gains (losses) due to derecognition of receivables from vehicle subscription qualifying as finance lease and interest income on receivables from vehicle subscription qualifying as finance lease are also included in this item. Revenue from mobility services mainly includes commissions for services to dealers and OEMs as well as services provided in addition to the vehicle subscription, such as tire, repair or damage management.

The following table shows our revenue by product for the periods presented:

	For the year ended December 31,		
	2018	2019	2020
		(audited)	
		(in € thousand)	
Vehicle subscription.....	68,878	168,325	202,556
<i>Operating leases</i> .....	30,178	63,790	84,735
<i>Finance leases</i> .....	3,041	6,002	5,833
<i>Sale of vehicles</i> .....	35,660	98,533	111,988
Mobility services.....	51,002	107,396	121,024
<b>Total.....</b>	<b>119,880</b>	<b>275,721</b>	<b>323,580</b>

#### 9.8.1.1 Comparison of the Years ended December 31, 2020 and 2019

Revenue increased by €47,859 thousand, or 17.4%, from €275,721 thousand in 2019 to €323,580 thousand in 2020, primarily due to the growth of our B2C business and resulting increase in vehicle subscription revenue from €168,325 thousand in 2019 to €202,556 thousand in 2020. Revenue from mobility services also contributed to the overall increase in revenue, increasing from €107,396 thousand in 2019 to €121,024 thousand in 2020.

#### 9.8.1.2 Comparison of the Years ended December 31, 2019 and 2018

Revenue increased by €155,841 thousand from €119,880 thousand in 2018 to €275,721 thousand in 2019, primarily due to the growth of our B2C business and resulting increase in vehicle subscription revenue from €68,878 thousand in 2018 to €168,325 thousand in 2019 as well as the first full-year contribution of the

acquisitions in 2018 – namely Mobility Concept in June 2018 and ASS in September 2018 – which were only partially reflected in the prior year. In addition, revenue from mobility services also increased significantly from €51,002 thousand in 2018 to €107,396 thousand in 2019.

### 9.8.2 Cost of Goods Sold

Cost of goods relate to subscription and mobility services and primarily comprise vehicle subscription and mobility services, vehicle procurement, vehicle disposals and depreciation and amortization.

The following table provides a breakdown of cost of goods sold for the periods presented:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	(audited)		
	(in € thousand)		
Vehicle subscription and mobility services .....	35,889	86,526	90,161
Vehicle disposals.....	22,275	45,800	76,157
Depreciation and amortization .....	23,898	43,502	52,313
Vehicle procurement .....	2,234	28,946	27,105
Personnel.....	4,679	5,311	5,309
Financing.....	1,908	3,944	6,485
Commissions.....	492	1,495	1,716
Others .....	2,020	3,838	1,510
<b>Total .....</b>	<b>93,395</b>	<b>219,362</b>	<b>260,756</b>

#### 9.8.2.1 Comparison of the Years ended December 31, 2020 and 2019

Cost of goods sold increased by €41,394 thousand, or 18.9%, from €219,362 thousand in 2019 to €260,756 thousand in 2020 in line with the Group's growth, in particular in the B2C segment. This resulted in large growth in expenses related to vehicle procurement and, to a lesser extent to expenses related to vehicle disposals while depreciation and amortization decreased by €8,811 thousand.

#### 9.8.2.2 Comparison of the Years ended December 31, 2019 and 2018

Cost of goods sold increased by €125,967 thousand from €93,395 thousand in 2018 to €219,362 thousand in 2019, primarily due to the increase in revenue related to the expansion of Group through the acquisitions of Mobility Concept and ASS in 2018 and, in turn, the related increase in expenses related to vehicle subscriptions and depreciation and amortization.

### 9.8.3 Other income

Other income primarily relates to releases from provisions for onerous contracts, accruals and impairment loss allowances.

#### 9.8.3.1 Comparison of the Years ended December 31, 2020 and 2019

Other income increased by €1,103 thousand, or 283.5% from €389 thousand in the year ended December 31, 2019 to €1,492 thousand in the year ended December 31, 2020. Key driver is the reversal of provisions.

#### 9.8.3.2 Comparison of the Years ended December 31, 2019 and 2018

Other income decreased by €259 thousand from €648 thousand in the year ended December 31, 2018 to €389 thousand in the year ended December 31, 2019. Key driver is the reversal of provisions.

### 9.8.4 Selling and administrative expenses

Selling expenses consist of selling overhead expenses and comprise personnel expenses, marketing costs and other selling expenses. General administrative expenses comprise expenses which are not attributable to cost



of sales or selling expenses and comprise personnel expenses, depreciation and amortisation of fixed and intangible assets and other administrative costs

#### 9.8.4.1 Comparison of the Years ended December 31, 2020 and 2019

Selling and administrative expenses decreased by €3,441 thousand, or 6.3%, from €54,940 thousand in the year ended December 31, 2019 to €51,499 thousand in the year ended December 31, 2020. The decrease was primarily due to acquisition-related costs, including an increase of €555 thousand in depreciation and amortization and decrease of €5,137 thousand in amortization of purchase price acquisition effects, as well as a decrease in personnel expenses. The decrease was offset, in part, by higher other expenses, including increases in legal expenses and IT-infrastructure expenses.

#### 9.8.4.2 Comparison of the Years ended December 31, 2019 and 2018

Selling and administrative expenses increased by €21,919 thousand, or 66.4%, from €33,021 thousand in the year ended December 31, 2018 to €54,940 thousand in the year ended December 31, 2019. The increase was primarily due to acquisition related costs, including an increase of €389 thousand in depreciation and amortization and an increase of €10,151 thousand in amortization of purchase price acquisition effects. Personnel expenses increased by €9,686 thousand due to the increase in employees and compensation for management.

### 9.8.5 **Other Expenses**

Other expenses primarily relate to costs for factoring and money transactions as well as acquisition costs.

#### 9.8.5.1 Comparison of the Years ended December 31, 2020 and 2019

Other expenses increased by €149 thousand, or 94.9%, from €157 thousand in the year ended December 31, 2019 to €306 thousand in the year ended December 31, 2020. The increase was primarily due to expenses for factoring transactions.

#### 9.8.5.2 Comparison of the Years ended December 31, 2019 and 2018

Other expenses decreased by €8,174 thousand from €8,331 thousand in the year ended December 31, 2018 to €157 thousand in the year ended December 31, 2019. The decrease was primarily due to acquisition-related costs of €8,187 thousand incurred in 2018 in connection with the acquisition of Mobility Concept and ASS.

### 9.8.6 **Net finance costs**

Finance income mainly comprises income from financial instruments. Finance expenses mainly consist of interest expense for shareholder loans and other loans.

The following table shows our net finance costs for the periods presented:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
		(audited)	
		(in € thousand)	
Finance income .....	199	260	95
Finance expenses.....	(12,278)	(25,495)	(28,586)
<b>Net finance costs .....</b>	<b>(12,079)</b>	<b>(25,235)</b>	<b>(28,491)</b>

#### 9.8.6.1 Comparison of the Years ended December 31, 2020 and 2019

Net finance costs increased by 3,256 thousand, or 12.9%, from €25,235 thousand in the year ended December 31, 2019 to €28,491 thousand in the year ended December 31, 2020. The increase was primarily due to an increase of €1,160 thousand in interest expense for secured bank and other loans.

#### 9.8.6.2 Comparison of the Years ended December 31, 2019 and 2018

Net finance costs increased by €13,156 thousand from €12,079 thousand in the year ended December 31, 2018 to €25,235 thousand in the year ended December 31, 2019. The increase was primarily due to an increase of €6,305 thousand in interest expense for shareholder loans and an increase of €6,266 thousand in interest expense for secured bank and other loans.

#### 9.8.7 *Income tax benefits (expenses)*

Income tax primarily relates to the reversal of deferred taxes. Current and deferred taxes are reported in profit or loss, except for the extent to which they are associated with a business combination or with items reported directly in equity or in other comprehensive income.

The table below provides a breakdown of our income tax benefits (expenses) for the periods presented:

	<u>For the year ended December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
	(audited)		
	(in € thousand)		
Current tax expense .....	(177)	(51)	(127)
Deferred tax benefit.....	6,924	4,893	3,761
<b>Tax benefit on operations .....</b>	<b>6,747</b>	<b>4,842</b>	<b>3,634</b>

#### 9.8.7.1 Comparison of the Years ended December 31, 2020 and 2019

Income tax benefits decreased by €1,208 thousand, or 24.9%, from €4,842 thousand in the year ended December 31, 2019 to €3,634 thousand in the year ended December 31, 2020. The decrease was primarily due to decreasing reversals of deferred tax liabilities related to the decreasing amortization of intangible assets as well as of lower amount of deferred tax assets recognized (loss carryforwards) compared to the increase in deferred tax liabilities (mainly temporary differences).

#### 9.8.7.2 Comparison of the Years ended December 31, 2019 and 2018

Income tax benefits decreased by €1,905 thousand, or 28.2%, from €6,747 thousand in the year ended December 31, 2018 to €4,842 thousand in the year ended December 31, 2019. The decrease was primarily due an increase in deferred tax liabilities (mainly temporary differences) partially offset by an increase in recognition of deferred tax assets (loss carryforwards).

#### 9.8.8 *Net loss*

#### 9.8.8.1 Comparison of the Years ended December 31, 2020 and 2019

Net loss decreased by €6,396 thousand, or 34.1%, from €18,742 thousand in the year ended December 31, 2019 to €12,346 thousand in the year ended December 31, 2020. The decrease was primarily due to the factors described above.

#### 9.8.8.2 Comparison of the Years ended December 31, 2019 and 2018

Net loss decreased by €809 thousand, or 4.1%, from €19,551 thousand in the year ended December 31, 2018 to €18,742 thousand in the year ended December 31, 2019. The decrease was primarily due to the factors described above.

## 9.9 Segment Reporting

The following table provides certain financial information for our B2B and B2C segments for the periods indicated:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>(audited)</b>		
	<b>(in € million)</b>		
Adjusted revenues from external customers.....	91.4	191.4	212.2
<i>thereof B2B</i> .....	56.6	93.7	90.7
<i>thereof B2C</i> .....	34.8	97.7	121.5
Intersegment revenues.....	0.0	-	0.0
<b>Adjusted Revenue<sup>(1)</sup></b> .....	<b>91.5</b>	<b>191.4</b>	<b>212.2</b>
<i>thereof B2B</i> .....	56.7	93.7	90.7
<i>thereof B2C</i> .....	34.8	97.7	121.5
<b>Adjusted Gross Profit<sup>(2)</sup></b> .....	<b>27.5</b>	<b>57.0</b>	<b>65.4</b>
<i>thereof B2B</i> .....	12.1	19.9	22.9
<i>thereof B2C</i> .....	15.4	37.1	42.5
<b>Adjusted EBITDA<sup>(3)</sup></b> .....	<b>14.2</b>	<b>30.6</b>	<b>38.1</b>
<i>thereof B2B<sup>(3)</sup></i> .....	5.9	9.4	13.9
<i>thereof B2C<sup>(3)</sup></i> .....	8.3	21.3	24.3

- (1) Adjusted Revenue means revenue of our reportable segments less (i) revenue from sales of previously subscribed vehicles, plus (ii) costs of sale in relation to direct vehicle sales (mainly from the “DriveOn” business, which was discontinued) and (iii) income from release of vehicle related provisions. The adjustments made result in the reversal exclusion of sales revenue from subscribed vehicles from such measure and the presentation of DriveOn sales net of associated costs inclusion of a net gain or loss on direct vehicle sales (mainly from DriveOn sales) in Adjusted Revenue.

The table below shows the reconciliation of Adjusted Revenue to the Group’s consolidated revenue as reported in the Financial Statements:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>(audited)</b>		
	<b>(in € million)</b>		
<b>Adjusted revenue of reportable segments</b> .....	<b>91.5</b>	<b>191.4</b>	<b>212.2</b>
<b>Reversal of management adjustments<sup>(a)</sup></b> .....	<b>28.4</b>	<b>83.9</b>	<b>111.0</b>
<b>Revenues of reportable segments</b> .....	<b>119.8</b>	<b>275.3</b>	<b>323.2</b>
Remaining activities and other segments.....	0.1	0.4	0.4
Consolidation .....	(0.0)	-	(0.0)
<b>Consolidated revenue</b> .....	<b>119.9</b>	<b>275.7</b>	<b>323.6</b>

- (a) The table below shows the management adjustments for the periods presented:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>(audited)</b>		
	<b>(in € million)</b>		
Revenue from sales of previously subscribed vehicles.....	26.3	51.0	79.7
Offsetting of costs (mainly DriveOn costs) .....	2.4	33.2	31.6
Other adjustments .....	(0.4)	(0.4)	(0.3)
<b>Total reversal of management adjustments</b> .....	<b>28.4</b>	<b>83.9</b>	<b>111.0</b>

- (2) The table below shows the reconciliation from Adjusted Gross Profit to Consolidated Gross Profit (for additional information see Note 6.2 of the Financial Statements):

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	(audited)		
	(in € thousand)		
<b>Adjusted Gross Profit of reportable segments</b> .....	<b>27,490</b>	<b>56,952</b>	<b>65,387</b>
Reversal of management adjustments .....	(1,028)	(918)	(2,906)
<i>Thereof:</i>			
<i>Deduction of depreciation and amortization not directly related to subscribed vehicles</i> ...	(276)	(438)	(692)
<i>Deduction of sales bonuses</i> .....	(471)	(998)	(1,029)
<i>Deduction / addition from the realignment of sales and business processes</i> .....	186	1,136	(652)
<i>Other adjustments</i> .....	(467)	(618)	(533)
<b>Gross Profit of reportable segments</b> .....	<b>26,462</b>	<b>56,034</b>	<b>62,481</b>
Remaining activities and other segments .....	63	326	364
Consolidation .....	(40)	-	(21)
<b>Consolidated Gross Profit</b> .....	<b>26,485</b>	<b>56,359</b>	<b>62,824</b>

- (3) The table below shows the reconciliation from Adjusted EBITDA to Consolidated EBT:

	<b>For the year ended December 31,</b>								
	<b>2018</b>			<b>2019</b>			<b>2020</b>		
	<b>B2B</b>	<b>B2C</b>	<b>Total</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
	(audited)								
	(in € million)								
Adjusted EBITDA of reportable segments .....	5.9	8.3	14.2	9.4	21.3	30.6	13.9	24.3	38.1
Reversal of management adjustments .....	16.6	(8.9)	7.7	34.2	3.8	38.1	31.6	13.2	44.8
<i>Thereof:</i>									
<i>Addition of depreciation</i> .....	23.6	-	23.6	38.0	5.1	43.1	35.3	16.3	51.6
<i>Deduction of Group refinancing structuring cost</i> .....	(0.2)	(0.1)	(0.3)	(1.6)	(0.6)	(2.1)	(0.4)	(0.3)	(0.7)
<i>Deduction of structuring-/transaction cost</i> .....	(6.2)	(8.5)	(14.8)	(1.2)	(1.6)	(2.9)	(0.3)	(0.7)	(1.1)
<i>Deduction of cost for the realignment of sales and business processes</i> .....	0.2	(0.2)	(0.1)	(0.4)	1.0	0.6	(0.3)	(0.7)	(1.0)
<i>Deduction of legal and consulting fees related to non-ordinary course of business</i> .....	(0.7)	-	(0.7)	-	-	-	(1.9)	(1.3)	(3.2)
<i>Other non-recurring adjustments</i> .....	-	-	-	(0.6)	-	(0.6)	(0.8)	(0.1)	(0.9)
<b>EBITDA per reportable segments</b> .....	<b>22.6</b>	<b>(0.6)</b>	<b>22.0</b>	<b>43.6</b>	<b>25.1</b>	<b>68.7</b>	<b>45.4</b>	<b>37.5</b>	<b>82.9</b>
Remaining activities and other segments .....			(0.4)			0.1			0.1
Consolidation .....			-			(1.1)			(0.4)
<b>Consolidated EBITDA</b> .....			<b>21.5</b>			<b>67.7</b>			<b>82.6</b>
Depreciation and amortization .....			(35.8)			(66.0)			(70.1)
<b>Consolidated EBIT ..</b>			<b>(14.2)</b>			<b>1.7</b>			<b>12.5</b>
Net finance costs .....			(12.1)			(25.2)			(28.5)
<b>Consolidated EBT</b> .....			<b>(26.3)</b>			<b>(23.6)</b>			<b>(16.0)</b>

## 9.9.1 Adjusted Revenue

### 9.9.1.1 Comparison of the Years ended December 31, 2020 and 2019

Adjusted Revenue of the reportable segments increased by €20,758 thousand, or 10.8%, from €191,443 thousand in the year ended December 31, 2019 to €212,201 thousand in the year ended December 31, 2020. The increase was due to the growth of the B2C segment by €23,753 thousand, or 24.3%, from

€97,737 thousand in the year ended December 31, 2019 to €121,490 thousand in the year ended December 31, 2020. Thereof, adjusted commissions increased by €2.8 million from €28.4 million in the year ended December 31, 2019 to €31.2 million in the year ended December 31, 2020 and adjusted vehicle subscriptions and services increased by €20.9 million from €69.4 million in the year ended December 31, 2019 to €90.3 million in the financial year ended December 31, 2020. The increase was offset, in part, by the decrease in Adjusted Revenue in the B2B segment by €2,995 thousand, or 3.2%, from €93,706 thousand in the year ended December 31, 2019 to €90,711 thousand in the year ended December 31, 2020.

#### 9.9.1.2 Comparison of the Years ended December 31, 2019 and 2018

Adjusted Revenue of the reportable segments increased by €99,958 thousand from €91,485 thousand in the year ended December 31, 2018 to €191,443 thousand in the year ended December 31, 2019. The increase was attributable to growth in both of our segments, but primarily due to the expansion of the B2C segment and its increase of €62,906 thousand in Adjusted Revenue from €34,831 thousand in the year ended December 31, 2018 to €97,737 thousand in the year ended December 31, 2019. Thereof, adjusted commissions increased by €12.3 million from €16.1 million in the year ended December 31, 2018 to €28.4 million in the year ended December 31, 2019 and adjusted vehicle subscriptions and services by €50.7 million from €18.7 million in the year ended December 31, 2018 to €69.4 million in the financial year ended December 31, 2019. By comparison, the B2B segment's Adjusted Revenue increased from €56,654 thousand in the year ended December 31, 2018 to €93,706 thousand in the year ended December 31, 2019. In each case, the increases were mainly driven by the first full-time contributions to revenue from the acquisitions in 2018.

### **9.9.2 Adjusted gross profit**

#### 9.9.2.1 Comparison of the Years ended December 31, 2020 and 2019

Adjusted gross profit increased by €8,435 thousand from €56,952 thousand in the year ended December 31, 2019 to €65,387 thousand in the year ended December 31, 2020. The increase was attributable to growth in both of our segments. Our B2C segment increased by €5,397 thousand from €37,067 thousand in the year ended December 31, 2019 to €42,464 thousand in the year ended December 31, 2020. Thereof, adjusted commissions (including online marketing and sales costs) increased by €4.6 million from €20.1 million in the year ended December 31, 2019 to €24.7 million in the year ended December 31, 2020 and adjusted vehicle subscriptions and services by €0.8 million from €17.0 million in the year ended December 31, 2020 to €17.8 million in the financial year ended December 31, 2019. In addition, the adjusted gross profit in the B2B segment increased by €3,038 thousand from €19,885 thousand in the year ended December 31, 2019 to €22,923 thousand in the year ended December 31, 2020 due to our well maintained subscription pool and adjusted gross profit optimizations.

#### 9.9.2.2 Comparison of the Years ended December 31, 2019 and 2018

Adjusted gross profit increased by €29,462 thousand from €27,490 thousand in the year ended December 31, 2018 to €56,952 thousand in the year ended December 31, 2019. The increase was attributable to growth in both of our segments but mainly due to growth in our B2C segment. Adjusted gross profit in the B2C segment increased by €21,688 thousand from €15,379 thousand in the year ended December 31, 2018 to €37,067 thousand in the year ended December 31, 2019 in line with the growth of our Adjusted Revenue. Thereof, adjusted commissions increased by €9.5 million from €10.6 million in the year ended December 31, 2018 to €20.1 million in the year ended December 31, 2019 and adjusted vehicle subscriptions and services by €12.3 million from €4.7 million in the year ended December 31, 2018 to €17.0 million in the financial year ended December 31, 2019. By comparison, the B2B segment's adjusted gross profit increased by €7,773 thousand from €12,112 thousand in the year ended December 31, 2018 to €19,885 thousand in the year ended December 31, 2019 due to our well-maintained subscription pool.

### **9.9.3 Adjusted EBITDA**

#### 9.9.3.1 Comparison of the Years ended December 31, 2020 and 2019

Adjusted EBITDA increased by €7,532 thousand, or 24.6%, from €30,605 thousand in the year ended December 31, 2019 to €38,137 thousand in the year ended December 31, 2020. The increase was primarily due to the growth in both of our segments, with B2B increasing by €4,511 thousand and B2C increasing by €3,021 thousand. The increase results mainly from the increase in gross profit. In parallel to the growth of the B2C fleet, the cost base has also increased from €15,812 thousand in the year ended December 31, 2019 to €18,188 thousand

in the year ended December 31, 2020. In addition, our B2B business benefited from volume based allocation of overhead cost due to its decreasing share in MeinAuto Group.

### 9.9.3.2 *Comparison of the Years ended December 31, 2019 and 2018*

Adjusted EBITDA increased by €16,383 thousand from €14,222 thousand in the year ended December 31, 2018 to €30,605 thousand in the year ended December 31, 2019. The increase was primarily due to growth of the B2C segment and the increase in Adjusted EBITDA for the B2C segment from €8,296 thousand in the year ended December 31, 2018 to €21,255 thousand in the year ended December 31, 2019. The B2B segment also contributed to our growth, increasing Adjusted EBITDA from €5,926 thousand in the year ended December 31, 2018 to €9,350 thousand in the year ended December 31, 2019. In each case, the increases were mainly driven by the first full-time contributions to Adjusted EBITDA after the acquisitions of Mobility Concept and ASS in 2018.

## 9.10 Assets

The following table provides an overview of our assets as of the dates shown:

	<b>As of December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
		(audited)	
		(in € thousand)	
<b>Non-current assets</b>			
Goodwill.....	230,008	230,008	230,008
Intangible assets .....	145,678	126,546	113,475
Property, plant and equipment .....	1,368	1,728	1,765
Right-of-use assets .....	3,866	7,047	11,737
Subscribed vehicles .....	179,387	326,597	488,398
Shares in affiliated companies.....	106	86	50
Receivables from vehicle subscription qualifying as finance lease.....	98,315	90,986	94,459
Other receivables.....	252	638	872
<b>Total non-current assets .....</b>	<b>658,982</b>	<b>783,638</b>	<b>940,764</b>
<b>Current assets</b>			
Inventories.....	4,551	27,239	29,833
Contract assets.....	9,197	10,435	11,215
Receivables from affiliated companies .....	238	3,707	177
Receivables from vehicle subscription qualifying as finance lease.....	91,109	119,053	94,202
Trade and other receivables.....	37,786	53,797	55,936
Other financial assets including derivatives .....	-	69	-
Cash and cash equivalents.....	22,416	32,538	46,544
<b>Total current assets .....</b>	<b>165,297</b>	<b>246,839</b>	<b>237,907</b>
<b>Total assets.....</b>	<b>824,279</b>	<b>1,030,477</b>	<b>1,178,671</b>

### 9.10.1 *Non-Current Assets*

#### 9.10.1.1 *December 31, 2020 Compared to December 31, 2019*

In 2020, non-current assets increased by €157,126 thousand, or 20.1%, from €783,638 thousand as of December 31, 2019 to €940,764 thousand as of December 31, 2020. This increase was primarily due to an increase of €161,801 thousand, or 49.5%, in subscribed vehicles as a result of the increase in the number of vehicles we purchased in order to service the increased demand for our services. The increase was offset, in part, by a decrease of €13,071 thousand in intangible assets mainly due to amortization of €15,153 thousand related to customer relationships, trademarks and similar items.

#### 9.10.1.2 *December 31, 2019 Compared to December 31, 2018*

In 2019, non-current assets increased by €124,656 thousand, or 18.9%, from €658,982 thousand as of December 31, 2018 to €783,638 thousand as of December 31, 2019. This increase was again almost entirely due to the increase of €147,210 thousand, or 82.1%, in subscribed vehicles as a result of the increase in the number of vehicles we purchased in order to service the increased demand for our services. Receivables from vehicle

subscription qualifying as finance lease decreased by €7,329 thousand as a result of a decrease in the number of contracts with buy-back obligations. Intangible assets also decreased by €19,132 thousand due to amortization in an amount of €20,291 thousand related to customer relationships, trademarks and similar items.

## 9.10.2 Current Assets

### 9.10.2.1 December 31, 2020 Compared to December 31, 2019

In 2020, current assets decreased by €8,932 thousand, or 3.6%, from €246,839 thousand as of December 31, 2019 to €237,907 thousand as of December 31, 2020. The decrease was primarily due to a decrease of €24,851 thousand, or 20.9%, in receivables from vehicle subscription qualifying as finance lease primarily as a result of discontinuation of the business model DRIVE-ON and, to a lesser extent, an increase in inventories from an increase in the number vehicles returned by customers under one-year-contracts or DRIVE-ON subscription models. The decrease was offset, in part, by an increase of €14,006 thousand, or 43.0%, in cash and cash equivalents.

### 9.10.2.2 December 31, 2019 Compared to December 31, 2018

In 2019, current assets increased by €81,542 thousand, or 49.3%, from €165,297 thousand as of December 31, 2018 to €246,839 thousand as of December 31, 2019. This increase was primarily due to the increase of €27,944 thousand, or 30.7%, in receivables from vehicle subscription qualifying as finance lease mainly as a result of more short-term lease receivables in line with our business model DRIVE-ON. The increase was also attributable to increases of €22,688 thousand in inventories, which related primarily to the increase in vehicles returned in connection with the acquisition of ASS in 2018, and the increase of €16,011 thousand in trade and other receivables, which related partly to higher trade receivables and partly to other non-financial assets (mainly due to tax receivables).

## 9.11 Liabilities

The following table provides an overview of our liabilities as of the dates shown:

	<b>As of December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	(audited)		
	(in € thousand)		
<b>Non-current liabilities</b>			
Lease liabilities.....	3,134	5,837	10,054
Other financial liabilities.....	517,115	602,383	707,020
Trade and other payables.....	351	3,191	675
Provisions.....	2,327	769	2,694
Deferred tax liabilities.....	40,308	35,415	31,654
<b>Total non-current liabilities.....</b>	<b>563,235</b>	<b>647,594</b>	<b>752,097</b>
<b>Current liabilities</b>			
Lease liabilities.....	770	1,544	2,048
Other financial liabilities.....	164,951	285,150	348,686
Trade and other payables.....	24,088	43,653	37,553
Provisions.....	1,928	1,061	259
Tax liabilities.....	3,975	587	161
Contract liabilities.....	16,002	14,907	14,501
<b>Total current liabilities.....</b>	<b>211,714</b>	<b>346,902</b>	<b>403,208</b>
<b>Total liabilities.....</b>	<b>774,949</b>	<b>994,496</b>	<b>1,155,305</b>

### 9.11.1 Non-Current Liabilities

#### 9.11.1.1 December 31, 2020 Compared to December 31, 2019

In 2020, non-current liabilities increased by €104,503 thousand, or 16.1%, from €647,594 thousand as of December 31, 2019 to €752,097 thousand as of December 31, 2020. This increase was primarily due to an increase in other financial liabilities of €104,637 thousand related to an increased utilization of our asset-backed securities program (resulting in an increase in our senior notes of €98,835 thousand, which are secured over receivables from vehicle subscriptions). The initiation of our asset-backed securities program as a new method of financing in 2019 caused by a significant decrease of €77,358 thousand in sale and lease back financing (liabilities from finance leases). Moreover, secured bank loans increased by €25,993 thousand.

#### 9.11.1.1 December 31, 2019 Compared to December 31, 2018

In 2019, non-current liabilities increased by €84,359 thousand, or 15.0%, from €563,235 thousand as of December 31, 2018 to €647,594 thousand as of December 31, 2019, primarily resulting from an increase in other financial liabilities of €85,268 thousand, which mainly related to the initiation of our asset-backed securities program (resulting in the origination of our senior notes in an amount of €60,039 thousand) and an increase in shareholder loans of €29,741 thousand. The increase was offset, in part, by a decrease of €44,177 thousand in sale and lease back financing (liabilities from finance leases).

### 9.11.2 Current Liabilities

#### 9.11.2.1 December 31, 2020 Compared to December 31, 2019

In 2020, current liabilities increased by €56,306 thousand, or 16.2%, from €346,902 thousand as of December 31, 2019 to €403,208 thousand as of December 31, 2020. This was primarily attributable to an increase of €63,536 thousand in other financial liabilities due to an increased utilization of our asset-backed securities program and a corresponding increase of €30,287 thousand in our senior notes and an increase of €62,917 thousand in secured bank loans. The increase was offset, in part, by a decrease of €33,049 thousands in sale and lease back financing (liabilities from finance leases).

#### 9.11.2.2 December 31, 2019 Compared to December 31, 2018

In 2019, current liabilities increased by €135,188 thousand, or 63.9%, from €211,714 thousand as of December 31, 2018 to €346,902 thousand as of December 31, 2019. The increase was primarily due to an increase of €120,199 thousand in other financial liabilities, which was driven by an increase of €86,969 thousand in the utilization of bank overdraft facilities and borrowing bases in connection with the increase in new customer and, in turn, new lease agreements.

### 9.11.3 Other Financial Liabilities

#### 9.11.3.1 Other Non-Current Financial Liabilities

The following table provides a breakdown of our non-current financial liabilities as of the dates shown:

	<u>As of December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
	<u>(audited)</u>		
	<u>(in € thousand)</u>		
Bank overdraft facilities and borrowing bases .....	-	2,469	42,705
Senior notes .....	-	60,039	158,874
Secured bank loans.....	31,779	48,975	74,968
Liabilities from finance leases.....	153,280	109,103	31,745
Other loans .....	120,000	140,000	140,000
Shareholder loans .....	212,056	241,797	258,728
<b>Other Non-current financial liabilities .....</b>	<b><u>517,115</u></b>	<b><u>602,383</u></b>	<b><u>707,020</u></b>



(A) December 31, 2020 Compared to December 31, 2019

In 2020, other non-current financial liabilities increased by €104,637 thousand, or 17.4%, from €602,383 thousand as of December 31, 2019 to €707,020 thousand as of December 31, 2020. The increase was in part due to a stronger utilization of our asset backed securities program, resulting in an increase of the senior notes by €98,835 thousand. The increase in senior notes was partly offset by a decrease of €77,358 thousand in sale and lease back financing (liabilities from finance leases). Moreover, bank overdraft facilities increased by €40,236 thousand, and secured bank loans increased by €25,993 thousand. Both reflecting increasing financing needs resulting from the expansion of the Group.

(B) December 31, 2019 Compared to December 31, 2018

In 2019, other non-current financial liabilities increased by €85,268 thousand, or 16.5%, from €517,115 thousand as of December 31, 2018 to €602,383 thousand as of December 31, 2019. The increase was in part due to the initiation of our asset backed securities program, resulting in an origination of the senior notes in an amount of €60,039 thousand as of December 31, 2019. The increase was partly offset by a decrease of €44,177 thousand in sale and lease back financing (liabilities from finance leases).

9.11.3.2 *Other Current Financial Liabilities*

The following table provides a breakdown of our other current financial liabilities as of the dates shown:

	<u>As of December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
	(audited)		
	(in € thousand)		
Bank overdraft facilities and borrowing bases .....	20,771	107,740	110,984
Senior notes .....	-	28,183	58,470
Secured bank loans .....	31,884	60,230	123,147
Liabilities from finance leases .....	109,543	85,847	52,798
Other loans .....	2,753	3,150	3,287
Shareholder loans .....	-	-	-
<b>Other Current financial liabilities</b> .....	<b><u>164,951</u></b>	<b><u>285,150</u></b>	<b><u>348,686</u></b>

(A) December 31, 2020 Compared to December 31, 2019

In 2020, other current financial liabilities increased by €63,536 thousand, or 22.3%, from €285,150 thousand as of December 31, 2019 to €348,686 thousand as of December 31, 2020. The increase was in part due to the utilization of our asset backed securities program, resulting in an increase of the senior notes by €30,287 thousand. The increase in current senior notes was also partly offset by a decrease of €33,049 thousand in sale and lease back financing (liabilities from finance leases). Moreover, secured bank loans increased by €62,917 thousand.

(B) December 31, 2019 Compared to December 31, 2018

In 2019, other current financial liabilities increased by €120,199 thousand, or 72.9%, from €164,951 thousand as of December 31, 2018 to €285,150 thousand as of December 31, 2019. The increase was in part due to the initiation of the Group's asset backed securities program. The current part of the resulting origination of the senior notes amounts to €28,183 thousand as of December 31, 2019. The origination of senior notes was partly offset by a decrease of €23,696 thousand in sale and lease back financing (liabilities from finance leases). Moreover, bank overdraft facilities increased by €86,969 thousand and secured bank loans increased by €28,346 thousand, both reflecting increasing financing needs as a result of the expansion of the Group.

## 9.12 Equity

### 9.12.1 December 31, 2020 Compared to December 31, 2019

In 2020, equity decreased by €12,615 thousand, or 35.1%, from €35,980 thousand as of December 31, 2019 to €23,365 thousand as of December 31, 2020. The decrease was primarily due to the decrease of €12,414 thousand of other reserves mainly resulting from the net loss for the period.

### 9.12.2 December 31, 2019 Compared to December 31, 2018

In 2019, equity decreased by €13,350 thousand, or 27.1%, from €49,330 thousand as of December 31, 2018 to €35,980 thousand as of December 31, 2019. The decrease was primarily due to the decrease of €18,343 thousand of other reserves mainly resulting from the net loss for the period. The decrease was offset, in part, by an increase of €5,323 thousand in capital reserves due to a capital contribution.

### 9.13 Liquidity and Capital Resources

We ensure the availability of sufficient financial resources to meet our payment obligations when they become due by forward looking and proactive financial planning activities. The management of liquidity risk is performed by the Group's Treasury and Finance department on the basis of ongoing liquidity forecasts. Financing of the Group is achieved by equity capital, cash flows from operating activities, shareholder loans and asset-backed securitization of lease receivables, provided by diversified group of banks as well as other financial institutions and financial service providers.

In addition to overdraft facilities and bank loans, we have entered into an asset-backed-security (ABS) facility (the "**ABS Facility**") in 2020 with a total volume of up to €250 million (increased to up to €500 million in March 2021). The ABS Facility was established via Mobility One S.A, a special purpose entity in Luxemburg, and enables us to securitize lease receivables and associated expectancy rights. We believe the ABS Facility provides us with a scalable, cash efficient and cost efficient funding structure to finance vehicles (with no margin requirement and funded against discounted monthly lease payments and residual values of the vehicles). As of December 31, 2020, the ABS Facility was utilized in an amount of €217.3 million. For additional information on the ABS Facility, see "*12. Material Agreements*".

The establishment of the ABS Facility led to a decrease in liabilities from finance leases as of year-end 2019 and 2020. Liabilities from finance leases, which amounted to €84,543 thousand as of December 31, 2020 (December 31, 2019: €194,950 thousand, December 31, 2018: €262,823 thousand), relate to sale-and-lease back transactions regarding the purchase and sale of vehicles. Pursuant to these sale-and-lease-back transactions we sold vehicles purchased to a financial institution and entered into a hire-purchase agreement at the same time. The vehicles remain on the Group's balance sheet as there is an automatic transfer of ownership after paying the last instalment within the hire-purchase agreement. Hence, these transactions are solely intended for refinancing purposes; they do not generate sales, cost of sales or otherwise have an effect on the Group's profit or loss.

In addition, we have subordinated loans from shareholders in a total amount of €258,728 thousand as of December 31, 2020. For certain of these loans, interest is capitalized to increase the notional amount of the outstanding loans over the remaining term to maturity.

We also have various credit lines at our disposal. Our credit lines amount to €1,275,025 thousand as of December 31, 2020. In relation to the utilization of credit lines for vehicle financing, we target maintaining at least 25% of unused credit lines based on our current funding utilization. As of December 31, 2020, our unutilized credit lines amounted to €223,844 thousand.

The combination of various financing resources ensures that the Group has sufficient liquidity reserves at its disposal to both meet its ongoing payment obligations and to fund its growth activities. Hence, the Group considers its overall liquidity risk as low.

### 9.13.1 Cash Flow

The following table provides an overview of our cash flow for the periods presented: The following table provides an overview of our cash flow for the periods presented:

	For the year ended December 31,		
	2018	2019	2020
		(audited)	
		(in € thousand)	
Net loss.....	(19,551)	(18,742)	(12,346)
Amortization, depreciation and impairment losses (non-fleet) ..	12,121	22,946	18,510
Income tax expense .....	(6,747)	(4,842)	(3,634)
Income taxes paid.....	(177)	(3,440)	(552)
Finance income .....	(199)	(260)	(95)
Finance expenses including fleet financing.....	13,987	29,439	35,071
Interest paid for fleet financing .....	(1,908)	(3,944)	(6,485)
Gain/loss on disposal of intangible assets and property, plant and equipment .....	(1)	(172)	(9)
Change in provisions.....	(12)	(2,426)	1,122
Other non-cash transactions .....	(54)	0	36
<b>Gross cash flow .....</b>	<b>(2,540)</b>	<b>18,559</b>	<b>31,620</b>
Change in trade receivables and other assets not attributable to investing or financing activities .....	(5,378)	(21,173)	377
Change in trade payables and other liabilities not attributable to investing or financing activities .....	5,061	20,634	(9,527)
Change in vehicle related line items.....	10,641	(190,504)	(143,012)
<b>Cash flow from operating activities .....</b>	<b>7,784</b>	<b>(172,484)</b>	<b>(120,542)</b>
Investments in intangible assets, including internally generated intangible assets .....	(1,086)	(2,073)	(3,051)
Investments in property, plant and equipment .....	(385)	(1,098)	(1,076)
Proceeds from disposal of intangible assets and property, plant and equipment .....	171	497	472
Consideration transferred for investments, net of cash acquired	(254,020)	0	0
Interest received .....	31	260	95
<b>Cash flow from investing activities .....</b>	<b>(255,289)</b>	<b>(2,413)</b>	<b>(3,560)</b>
Contributions of shareholder .....	57,708	5,323	-
Repayment of short-term and long-term debt .....	(88,440)	(111,429)	(242,931)
Proceeds from short-term and long-term debt.....	300,146	295,928	397,525
Other financing activities .....	(523)	(1,031)	(1,781)
Interest paid.....	(1,335)	(7,280)	(11,415)
<b>Cash flow from financing activities .....</b>	<b>267,556</b>	<b>181,511</b>	<b>141,398</b>
<b>Cash flow changes .....</b>	<b>20,051</b>	<b>6,615</b>	<b>17,297</b>

#### 9.13.1.1 2020 compared with 2019

##### (A) Cash Flow from Operating Activities

Gross cash flow increased by €13,061 thousand from €18,559 thousand in the year ended December 31, 2019 to €31,620 thousand in the year ended December 31, 2020 mainly due to a decline in net loss and an increase in finance expenses including fleet financing. Cash flow from operating activities increased by €51,942 thousand, or 30.1%, from a net outflow of €172,484 thousand in the year ended December 31, 2019 to a net outflow of €120,542 thousand in the year ended December 31, 2020, primarily due to the increase in change in vehicle related line items, thereof mainly due to change in receivables from vehicle subscriptions qualifying as finance leases as well as the increase in change in trade receivables and other assets not attributable to investing or financing activities.

##### (B) Cash Flows from Investing Activities

Cash flow from investing activities increased by €1,147 thousand, or 47.5%, from a net outflow of €2,413 thousand in the year ended December 31, 2019 to a net outflow of €3,560 thousand in the year ended December

31, 2020, primarily as a result of an increase in investments in intangible assets, including internally generated intangible assets, which mainly related to internally developed IT infrastructure improvements.

(C) Cash Flows from Financing Activities

Cash flow from financing activities decreased by 40,113 thousand, or 22.1%, from €181,511 thousand in the year ended December 31, 2019 to €141,398 thousand in the year ended December 31, 2020, primarily as a result of an increase in proceeds from short-term and long-term debt partly offset by an increase in interest paid due to the overall increase in debt and repayments.

*9.13.1.2 2019 compared with 2018*

(A) Cash Flows from Operating Activities

Gross cash flow increased by €21,099 thousand from a net outflow of €2,540 thousand in the year ended December 31, 2018 to a net inflow of €18,559 thousand in the year ended December 31, 2019 mainly due to an increase in amortization, depreciation and impairment losses (non-fleet) and finance expenses including fleet financing. Cash flow from operating activities decreased from a net inflow of €7,784 thousand in the year ended December 31, 2018 to a net outflow of €172,484 thousand in the year ended December 31, 2019, primarily due to the significant increase in vehicle purchases (the number of vehicles received in the year), reflected in the significant change in vehicle related line items to €190,504 thousand, which was mainly the result of the full-year impact of the 2018 acquisitions compared to the partial effect of them in 2018. An increase in change in trade payables and other liabilities not attributable to investing or financing activities only partly offset the decrease.

(B) Cash Flows from Investing Activities

Cash flow from investing activities decreased by €252,876 thousand from a net outflow of €255,289 thousand in the year ended December 31, 2018 to a net outflow of €2,413 thousand in the year ended December 31, 2019. Cash flow from investing activities was high in 2018 due to the consideration transferred for investments, net of cash acquired in the amount of €254,020 thousand in connection with the consummation of the acquisitions in 2018.

(C) Cash Flows from Financing Activities

Cash flow from financing activities decreased by €86,045 thousand, or 32.2%, from €267,556 thousand in the year ended December 31, 2018 to €181,511 thousand in the year ended December 31, 2019, primarily due to decreases in contributions of shareholder following the acquisitions in 2018.

*9.13.1.3 Supplemental Cash Flow Information*

In addition to consolidated cash flows reported under IFRS, management also uses certain adjusted cash flow metrics to manage the Group's business and cash flows based on the Company's business model and financing arrangements. In particular, management uses Adjusted Operating Cash Flow to monitor operating cash flows with certain adjustments, including changes in working capital, Adjusted Cash Flow from Investing Activities to monitor investing cash flow adjusted for non-fleet capital expenditures and Adjusted Free Cash Flow for Deployment to monitor free cash flow available for deployment in incremental vehicle fleet funding to grow the subscription pool.

We present our Adjusted Operating Cash Flow and Adjusted Free Cash Flow for Deployment below to provide investors with this supplemental information on our cash flows because we believe it is helpful to understand the cash flow of the Group's business activities based on our business model and financing arrangements.

The following table provides a reconciliation of gross cash flow to Adjusted Operating Cash Flow and Adjusted Free Cash Flow for Deployment for the periods presented:

	For the year ended December 31,		
	2018	2019	2020
	(unaudited, unless otherwise stated)		
	(in € thousand)		
<b>Gross cash flow (audited)</b> .....	<b>(2,540)</b>	<b>18,559</b>	<b>31,620</b>
Change in trade receivables and other assets not attributable to investing or financing activities (audited) .....	(5,378)	(21,173)	377
Change in trade payables and other liabilities not attributable to investing or financing activities (audited) .....	5,061	20,634	(9,527)
Other management adjustments <sup>(1)</sup> .....	15,888	5,004	6,840
<b>Adjusted Operating Cash Flow<sup>(2)</sup></b> .....	<b>13,031</b>	<b>23,024</b>	<b>29,310</b>
Investments in intangible assets, including internally generated intangible assets (audited) .....	(1,086)	(2,073)	(3,051)
Investments in property, plant and equipment (audited) .....	(385)	(1,098)	(1,076)
<b>Adjusted Free Cash Flow for Deployment<sup>(2)</sup></b> .....	<b>11,560</b>	<b>19,853</b>	<b>25,183</b>

- (1) Calculated as 'Reversal of management adjustments' less 'Addition of depreciation' as disclosed in the reconciliation of Adjusted EBITDA to consolidated EBT in Note 6.2 of the Financial Statements and refers to all cash and non-cash management adjustments for the reporting period (see "9.3 Segment Information").
- (2) Adjusted Operating Cash Flow and Adjusted Free Cash Flow for Deployment are cash flow measures based on management reporting. 'Other management adjustments' include certain non-cash adjustments during the reporting period and exclude certain cash effective adjustments in other reporting periods, which result in a deviation from actual cash flow in the amount of approximately €3.2 million in 2020, €(0.3) million in 2019 and €1.6 million in 2018, respectively.

In 2018, gross cash flow related to our investments in Mobility Concept GmbH on June 1, 2018 and ASS Athletic Sport Sponsoring GmbH on September 1, 2018. Cash flows related to these investments were only partially recognized in 2018, with the first time full-year impact only recorded in 2019. The increase in gross cash flow from 2019 to 2020 was driven by the increase of our subscriber base in our B2C business.

Our Adjusted Free Cash Flow for Deployment supports the growth of our subscriber base. Since 2019, the primary source of funding for our growth has been the ABS Facility. As the LTV (*i.e.*, the ratio of the loan to the total appraised value of the asset) of the ABS Facility is approximately 89.5%, the difference between cash flow from investment activities not financed by way of Adjusted Cash Flow for Deployment, the ABS Facility or other debt instruments has been financed through additional equity or shareholder loans. At the Offering, shareholder loans will be converted into ordinary equity and parent company debt will be reduced to approximately €115 million.

Gross cash flow is important in connection with the financing of new vehicles used for our subscription model (reported as change in vehicle related line items) as well as other investing activities. The following table shows cash flow related to vehicle subscription and cash flow from investing activities for the periods presented:

	For the year ended December 31,		
	2018	2019	2020
	(audited, unless otherwise stated)		
	(in € thousand)		
Change in vehicle related line items .....	10,641	(190,504)	(143,012)
Cash flow from investing activities .....	(255,289)	(2,413)	(3,560)
<i>Excluding Investments in intangible assets, including internally generated intangible assets</i> .....	<i>1,086</i>	<i>2,073</i>	<i>3,051</i>
<i>Excluding Investments in property, plant and equipment</i> .....	<i>385</i>	<i>1,098</i>	<i>1,076</i>
<b>Adjusted Cash Flow from Investing Activities (unaudited)</b> .....	<b>(243,177)</b>	<b>(189,746)</b>	<b>(142,445)</b>

In 2018, Adjusted Cash Flows from Investing Activities were driven by the investments in Mobility Concept GmbH and ASS Athletic Sport Sponsoring GmbH. In 2019 and 2020, the negative change in vehicle related line items were attributable to investments in vehicles for our subscriber base.

The following table provides an overview of net cash flow from debt facilities and contribution of shareholder loans and net cash flow from shareholder loans for the periods presented:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	(unaudited, unless stated otherwise) (in € thousand)		
Net cash flow from debt facilities <sup>(1)</sup> .....	46,904	161,511	141,398
Contributions of shareholder (audited).....	57,708	5,323	-
Net cash flow from shareholder loans <sup>(2)</sup> .....	162,944	14,677	-
<b>Cash flow from financing activities (audited) .....</b>	<b>267,556</b>	<b>181,511</b>	<b>141,398</b>

- (1) Cash flow from financing activities excluding contributions of shareholder and net cash flow from shareholder loans.  
(2) Including payments from Salvator Mobility MidCo Holding S.à r.l. in the amount of €85,712 thousand and €77,231 thousand in 2018 and €14,677 thousand in 2019.

### 9.13.2 Capital Expenditures

We define capital expenditures as disbursements for investments in intangible assets and property, plant and equipment as well as for the acquisition of consolidated companies and other business units.

The following table shows our capital expenditures for the periods presented:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	(audited, unless otherwise noted) (in € thousand)		
Investments in intangible assets, including internally generated intangible assets .....	1,086	2,073	3,051
Investments in property, plant and equipment .....	385	1,098	1,076
Consideration transferred for investments, net of cash acquired .....	254,020	-	-
<b>Capital Expenditures (audited) .....</b>	<b>255,491</b>	<b>3,171</b>	<b>4,127</b>

#### 9.13.2.1 Capital Expenditures in 2018, 2019 and 2020

Our capital expenditures decreased from €255,491 thousand in 2018 to €3,171 thousand in 2019, primarily related to the acquisitions of Mobility Concept and ASS in 2018

Our capital expenditures increased from €3,171 thousand in 2019 to €4,127 thousand in 2020, primarily related to disbursements for investments in intangible assets.

#### 9.13.2.2 Capital Expenditure since December 31, 2020 and Major Ongoing Capital Expenditures

Our capital expenditures between December 31, 2020 and February 28, 2021 amount to approximately €620 thousand and relate mainly to investments in intangible assets of approximately €390 thousand.

Likewise, our ongoing capital expenditures, *i.e.*, projects that have been initiated but have not been finalized as of the date of the Prospectus, relate mainly to of additional vehicles. Currently, we are financing these acquisitions as described above.

#### 9.13.2.3 Future Capital Expenditures and Planned Capital Expenditures for 2021

As of the date of the Prospectus, the Management Board has not yet made any commitments on capital expenditures for 2021.

In addition, to the extent new contracts related to vehicle subscription are concluded, the Company is required under these contracts to supply the subscribed vehicle to the customer. To fulfil these obligations, we plan to acquire the required additional subscribed vehicles and primarily fund them with the financing available to us under the ABS Facility.

#### 9.14 Contingent Liabilities and Other Financial Obligations

Contingent liabilities result from purchase commitments from concluded agreements for vehicle deliveries for the lease fleet. As of December 31, 2020, the amount for 2021 amounted to €177,114 thousand (2019: €146,876 thousand, 2018: €77,013 thousand). The increase in purchase commitments is in line with the increase in vehicle procurement volumes to support the growth of our business.

#### 9.15 Quantitative and Qualitative Disclosure About Financial Risks

The Group's management board has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the management board on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group is exposed to a number of financial risks arising out of our operating activities, including, in particular, credit risk, liquidity risk and market.

##### 9.15.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from vehicle subscriptions.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment loss allowances on financial assets and contract assets were as follows:

	As of December 31,		
	2018	2019	2020
	(audited)		
	(in € thousand)		
Impairment loss allowance on receivables from vehicle subscriptions .....	482	626	436
Impairment loss allowance on trade receivables and contract assets arising from contracts with customers .....	159	299	451
<b>Total</b> .....	<b>641</b>	<b>925</b>	<b>887</b>

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before contract applications by customer are accepted by the Group. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and results in an internal credit scoring.

Limits are established for each group of customers and reviewed regularly. Any sales exceeding those limits require approval from the board of directors.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they belong in the business segment "business-to-business" or "business-to-consumer",

whether they are an individual or a legal entity, whether they are a wholesale or retail customer, their geographic location, trading history with the Group and existence of previous financial difficulties.

The Group requires the vehicle as collateral in respect of its receivables from vehicle subscriptions. The existence of collateral is reflected in the loss rate given default in calculating impairment loss allowances.

### **9.15.2 Liquidity Risk**

Liquidity risk is the risk that the Group can either not meet its payments obligations or only meet them with a timely delay. It is the risk of not being in the position to provide the funds necessary to meet current and future financial obligations without adversely affecting its ongoing operating business or its overall financial position.

The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures the availability of sufficient financial resources to meet its payment obligations when they become due by forward looking and proactive financial planning activities. The management of liquidity risk is performed by the Group's Treasury and Finance department on the basis of ongoing liquidity forecasts. A dynamic liquidity planning processes ensures the ongoing availability of the current liquidity status for upcoming time periods and the determination of liquidity need to fund future growth activities.

Financing of the Group is achieved by equity capital, cash flows from operating activities and debt capital, provided by diversified group of banks as well as other financial institutions and financial service providers. Independently of single financial institutions the Group has several refinancing instruments at its disposal. Besides bilaterally agreed bank overdraft facilities and bank loans, the Group has entered into the ABS Facility with a total volume of up to €250,000 thousand in 2019, which is currently utilized in an amount of €217,344 thousand (December 31, 2019: €88,222 thousand). The ABS-transaction was implemented via Mobility One S.A, a special purpose entity located in Luxemburg. The purpose is the securitization of lease receivables and associated expectancy rights.

The initiation of the Group's ABS Facility as a new method of financing in the reporting period in 2019 will supersede sale-and-lease back financing transactions regarding the purchase and sale of vehicles by the Group. The Group has not entered into further sale-and-lease-back transactions since the initiation of the asset-back-securities program. In 2020, the outstanding liabilities from finance leases amount to €84,543 thousand (December 31, 2019: €194,950 thousand, December 31, 2018: €262,823 thousand).

In addition, the Group was provided with subordinated loans from shareholders in an amount of €258,728 thousand (December 31, 2019: €241,797 thousand, December 31, 2018: €212,056 thousand), for which interest is being capitalized to increase the notional amount of the outstanding loans over the remaining term to maturity.

Moreover, the Group uses factoring as a way of financing. The Group sells without recourse trade receivables to a factoring company for cash proceeds. These trade receivables have been derecognised from the consolidated statements of financial position, because the Group transfers substantially all the risks and rewards – primarily credit risk.

The Group has various credit lines at its disposal which are committed over a defined period of time, thereby eliminating refinancing risk within the agreed financing conditions and within the agreed period of time. As of December 31, 2020, total credit lines amounted to €1,275,025 thousand (2019: €1,173,624 thousand, 2018: €842,056 thousand). In relation to the utilization of credit lines for vehicle financing, the Group pursues the goal of always having at least 25% unused credit lines of its current funding utilization.

The combination of various financing resources ensures that the Group has sufficient liquidity reserves at its disposal to both meet its ongoing payment obligations and to fund its growth activities. Hence, the Group considers its overall liquidity risk as low.

The following tables show the remaining undiscounted contractual liabilities as of the dates presented:



<b>December 31, 2020</b>	Carrying amount	Contractual cash flows (audited)			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
(in k€)					
Bank overdraft facilities and borrowing bases.....	153,689	154,910	111,576	43,334	–
Senior notes .....	217,344	219,647	73,647	146,000	–
Secured bank loans ....	198,115	200,895	124,962	75,933	–
Liabilities from finance leases.....	84,543	85,344	60,198	25,146	–
Other loans .....	143,287	181,703	10,045	171,658	–
Shareholder loans .....	258,728	429,907	–	–	429,907
Lease liabilities.....	12,102	12,985	2,250	6,959	3,776
Trade payables.....	17,355	17,355	17,355	–	–
Liabilities to affiliated companies...	1	1	-	1	–
Other financial liabilities .....	1,497	1,497	1,497	–	–
<b>Non-derivative financial instruments.....</b>	<b>1,086,661</b>	<b>1,304,244</b>	<b>401,530</b>	<b>469,031</b>	<b>433,683</b>
Interest rate swaps used for hedging .....	201	204,116	106,678	97,438	–
<b>Derivative financial instruments.....</b>	<b>201</b>	<b>204,116</b>	<b>106,678</b>	<b>97,438</b>	<b>–</b>
<b>Total.....</b>	<b>1,086,862</b>	<b>1,508,360</b>	<b>508,208</b>	<b>566,469</b>	<b>433,683</b>

<b>December 31, 2019</b>	Carrying amount	Contractual cash flows (audited)			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
(in k€)					
Bank overdraft facilities and borrowing bases.....	110,209	110,760	104,579	6,181	–
Senior notes .....	88,222	89,474	28,773	60,701	–
Secured bank loans .....	109,205	110,984	61,206	49,778	–
Liabilities from finance leases .....	194,950	197,077	111,361	85,716	–
Other loans .....	143,150	190,400	9,800	159,200	21,400
Shareholder loans .....	241,797	429,907	–	–	429,907
Lease liabilities.....	7,381	7,700	1,646	4,917	1,137
Trade payables.....	24,972	24,972	24,972	–	–
Liabilities to affiliated companies.....	3,049	3,049	-	3,049	–
Other financial liabilities .....	1,284	1,284	1,284	–	–
<b>Total.....</b>	<b>924,219</b>	<b>1,165,607</b>	<b>343,621</b>	<b>369,542</b>	<b>452,444</b>

December 31, 2018	Carrying amount	Contractual cash flows (audited)			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
(in k€)					
Bank overdraft facilities .....	20,771	20,804	20,804	–	–
Secured bank loans .....	63,663	64,352	32,273	32,079	–
Liabilities from finance leases .....	262,823	266,350	111,744	154,606	–
Other loans .....	122,753	170,400	8,400	33,600	128,400
Shareholder loans .....	212,056	400,917	–	–	400,917
Lease liabilities .....	3,904	4,115	830	2,442	843
Trade payables .....	10,256	10,256	10,256	–	–
Other financial liabilities .....	964	964	964	–	–
<b>Total .....</b>	<b>697,190</b>	<b>938,158</b>	<b>185,271</b>	<b>222,727</b>	<b>530,160</b>

### 9.15.3 Market Risk

Market risk is the risk that changes in market prices – e.g. interest rates and equity prices – will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Given that the Group’s business is solely denominated in euro, it is not exposed to foreign currency risks. Moreover, the Group does not hold marketable equity securities and, therefore, is also not exposed to equity risks. The Group uses derivatives to manage its interest rate risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

### 9.16 Significant Accounting Policies

For a description of our significant accounting policies, see pages F-14 *et seq.*

### 9.17 Additional Information from the Unconsolidated Annual Financial Statements Prepared in Accordance with German GAAP as of and for the Year Ended December 31, 2020

Certain information from the audited unconsolidated financial statements of the Company prepared in accordance with German GAAP as of and for the year ended December 31, 2020 is presented below. Accounting principles under German GAAP differ from IFRS in material respects.

The Company’s net loss for the year ended December 31, 2020 amounted to €8,763, compared to €20,009 for the year ended December 31, 2019.

The Company’s equity amounted to €76,921 thousand as of December 31, 2020, compared to €76,930 thousand as of December 31, 2019.

For further information on the Company’s unconsolidated financial statements, see the notes to its unconsolidated financial statements, which are set forth on pages F-83 *et seq.* of the Prospectus.

## 10. MARKETS AND COMPETITION

### 10.1 Markets

#### 10.1.1 Overview

With approximately 3.4 million new car registrations in 2019 (excluding pre-registered vehicles (pre-registered cars being new vehicles purchased by a dealer and registered in their name)), Germany is Europe's largest new car market (*Source: European Automobile Manufacturers Association; Roland Berger Report*). We estimate that around 2.2 million of the total new car registrations in 2019 relate to private owners and small- or medium-sized business, representing a total addressable market of approximately €70 billion (based on an average price for new vehicles of €33.6 thousand for such market (namely private owners and small- or medium-sized businesses) (*Source: Management estimate based on Roland Berger Report*). In 2020, volumes of new car sales in Germany were significantly affected by COVID-19, decreased to approximately 2.8 million new car registrations (excluding pre-registered new vehicle sales) and a strong recovery is expected by 2023/24 (*Source: Roland Berger Report*). In addition, within new vehicle sales, the online transaction share (including full online transactions and mainly online transactions) is expected to grow from 11% in 2020 to 37% in 2025. Based on subscription orders in the B2C business, the new car registrations growth of MeinAuto was approximately 50 percentage points higher than the total German new car registrations growth (*Source: European Automobile Manufacturers Association; MeinAuto Group company information*).

The new car market may be divided, by customer type, into B2B and business-to-customer B2C. The B2C sector, as our management views it, includes vehicle purchase (and financing) contracts and subscription contracts comprising subscription with optional services and flat-rate subscription by private owners and micro-, small- and medium-sized businesses. In addition, the new car market may be divided, by transaction type, into online transactional, referring to an end-to-end digital process with no physical format involved, and offline as well as by sales channels, including original equipment manufacturer (“OEM”) channels and third-party channels.

MeinAuto Group is mainly active in the German online B2C transaction sector and offers both subscription and vehicle purchase contracts. The total addressable market of the online B2C transaction sector (representing full online transactions and mainly online transactions<sup>3</sup>) was 135 thousand units in 2020 (11% of the total B2C new car sector) and is expected to grow to approximately 500 thousand units in 2025 (37% of the total B2C new car sector) which represents a CAGR of 29-31% (*Source: Roland Berger Report*). In 2020, third-party sales channels, such as MeinAuto Group, accounted for the majority in the online B2C transaction sector across all contract types, and third-party sales channels are expected to remain key with regard to subscription-based contracts (*Source: Roland Berger Report*). The number of B2C customers preferring subscription over an outright vehicle purchase has already increased by over approximately 20 percentage points to 48% in 2020 compared to 2019 (*Source: Roland Berger Report*).

We believe that the new car market is a larger and easier disruption opportunity than the used car market. In 2019, the average price per unit was approximately €33.6 thousand in the new car market compared to approximately €12.5 thousand in the used car market (*Source: Roland Berger Report*). Therefore, based on our own assessment, we believe that the profit pool for new cars of approximately €39 billion is significantly higher than that for used cars, which we estimate at approximately €7 billion.<sup>4</sup>

We believe that a new car naturally features higher and more predictable product quality, which translates into greater consumer trust. We therefore believe that high standards in quality and price as well as digitization and an appropriate vehicle portfolio size are critical to succeed in the German used vehicle market, while a focus on price transparency and optimization is more important in the new car market. In addition, the new car market has a lower online penetration than the used car market. Compared to the new car market, the used vehicle market in Germany is already more digitized with full online transactions accounting for approximately 5% in 2020 (compared to only 2% in the new car market) (*Source: Roland Berger Report*). Furthermore, we believe that there is a higher consumer tendency towards subscription in the new car market.

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<sup>3</sup> Online transactions include full and mainly online transactions. Mainly online transactions include transactions with no direct offline interaction within the purchasing process, except pick-up of the vehicle, with a dealer or any other physical format, but may comprise other long-distance means of communication such as contact to a sales assistant via phone.

<sup>4</sup> Profit pool based on average selling price compared with the buying price for used cars and the factory price for new cars, resulting in a gross margin of €7 billion and €39 billion.

The current distribution costs of OEMs are high, especially in Germany, and under typical contractual arrangements between dealers and OEMs, OEMs are sometimes restrained in their ability to sell directly to end customers (*Source: Roland Berger Report*). In 2020, approximately 1.2 million out of 3.4 million cars were not sold by dealers to end-consumers directly, but as rental cars or pre-registrations (*Source: Management estimate based on Roland Berger Report and Kraftfahrt-Bundesamt (KBA)*). This is a long-term issue for OEMs since rental car companies receive high volume-based discounts and pre-registrations are deliberately sold at lower price-points. MeinAuto has the ability to move significant volumes and provides OEMs with additional reach to new customers and existing MeinAuto customers, which results in additional gross profit with low sales costs for OEMs. Therefore, OEMs have to look into alternative and more efficient sales channels and third-party players provide a cost-effective distribution channel. Online sales can reduce cost of distribution by approximately 3-5 percentage points compared to local dealerships (*Source: Roland Berger Report*). Approximately 80% of leads in the online transaction sector are attributable to third-party platforms, such as MeinAuto Group, offering high visibility to such platforms (*Source: Roland Berger Report*). Although leading OEMs are targeting c. 25% of online channel share by 2025, third-party players are well-positioned with their often already developed full-online transactional model to participate in the expected sector growth (*Source: Roland Berger Report*).

## **10.1.2 Key Trends**

### **10.1.2.1 Industry Dynamics – Shift from offline to online**

The B2C online transaction sector and vehicle subscriptions are expected to experience significant growth as the trend toward online businesses increases in the B2C segment. A strong pull from increasing customer awareness and affinity for digital channels, complemented by the push from online readiness of industry incumbents and new entrants, is making the sector ripe for digital disruption.

The B2C online transaction (including full online transactions and mainly online transactions) sector for new vehicles is expected to nearly quadruple to a volume of approximately 500 thousand vehicles in 2025 (compared to approximately 135 thousand vehicles in 2020). Over 50% of the B2C customers searching for new cars would be open to purchasing/subscribing for new cars online in 2021, compared to less than 15% in 2017 (*Source: Roland Berger Report*). This shift is being driven by an improved value proposition of full online transactions (due to convenient, hassle-free, digital customer journeys), price transparency and brand “indifference” by customers, with 46% of customers considering brand as unimportant for their next vehicle subscription and 30% for their next vehicle purchase (*Source: Roland Berger Report*). Over 70% of customers indicate that they are open to buy from a third-party platform (*Source: Roland Berger Report*). Due to the significantly high costs of distribution through traditional channels, OEMs need to find more efficient sales channels to reduce costs. In addition, OEMs face the threat from pure play online new entrants with aggressive online strategies, which, by now, have visibility of approximately 80% B2C online leads as set out above. As a result, the migration of OEMs towards digital channels is becoming inevitable for survival. (*Source: Roland Berger Report*). We believe that third-party platforms will be the main online distribution channel for OEMs as they, under typical contractual arrangements with dealers, are sometimes restrained in their ability to directly sell to end customers.

The high potential in the digitalization of vehicle retail led to more than €2 billion investments by strategic financial investors in new companies and start-ups in Europe in the last four years to further digitalize vehicle retail distribution, which also promotes growth of the online transaction sector (*Source: Roland Berger Report*).

Despite the impact of the COVID-19 crisis, new vehicle sales are already recovering and a strong recovery is expected by 2023/24. In addition, within new vehicle sales, the online transaction share (including full online transactions and mainly online transactions) is expected to grow from 11% in 2020 to 37% in 2025. Continued growth in the B2C segment (CAGR +1.8% until 2025) is expected due to a transition from offline to online vehicle transactions because of consumers’ affinity for digitalization and convenience: B2C online transactions are expected to grow at a CAGR of approximately 30% until 2025 and also OEMs are driving online sales now in contrast to activities in the past aiming for 25% online sales in 2025. (*Source: Roland Berger Report*).

We believe that the new car market is the last huge consumer vertical to transition online. In many other industries across Germany, the share of e-commerce has already experienced significant growth, reaching more than 10% of total sales in Germany (*Source: Roland Berger Report*). For example, the e-commerce share of total sales in Germany of apparel and footwear grew from 19% in 2015 to 35-40% in 2020, of consumer appliances

from 11% in 2015 to 33-38% in 2020 and of consumer electronics from 28% in 2015 to 48-52% in 2020 (*Source: Roland Berger Report, Euromonitor E-Commerce*).

#### 10.1.2.2 *Customer Dynamics*

##### (A) Online Readiness

Customers are increasingly using online channels to compare prices and services. Subscription customers look especially for offers with less of a commitment than paying the full price for a vehicle. Approximately 50% of vehicle purchase customers are dissatisfied or somewhat dissatisfied with the traditional vehicle purchase process and over 50% of the consumers would be open to doing their next transaction online (*Source: Roland Berger Report*).

Online is the preferred transaction type for customers when they are looking for lower prices (over 60%) and a comparison among dealers and offers (50%). Approximately 40% of customers believe that online offers on average are more flexible, transparent and cheaper (*Source: Roland Berger Report*). Offline channel is the preferred transaction type when customers are looking for the possibility to test drive (over 45%) and to experience the look and feel of the vehicle (over 40%) (*Source: Roland Berger Report*). However, test drive is not the predominant driver for choosing offline over online in the case of subscription. Subscription customers have a higher online affinity (approximately 80%) as compared to vehicle purchase customers (approximately 40%) (*Source: Roland Berger Report*). The status quo of searching online but being obliged to complete the transaction with an offline-dealer is considered inconvenient.

##### (B) Shift from ownership to usership

Consumers are moving away from ownership (vehicle purchase) to usership (subscription) (*Source: Roland Berger Report*). The number of B2C customers preferring subscription over an outright vehicle purchase has already increased by over approximately 20 percentage points to 48% in 2020 compared to 2019 (*Source: Roland Berger Report*). Subscription (monthly payment scheme) is expected to emerge as the contract type of choice for B2C consumers in online transactions over the next years with a CAGR of over 30% until 2025, as usership increasingly becomes the norm. Subscription is expected to outgrow outright vehicle purchase transactions across all customer types with a CAGR of approximately +3.9% until 2025 compared to a negative CAGR of approximately -3.0% for vehicle purchases.

The increasing trend towards subscription is driven by the B2C segment and is also a key enabler for the online transaction sector due to increasing need for flexibility of customers and lowering willingness to make a large, long-term “ownership” investment. The volume of subscription for B2C online transactions is expected to grow cumulatively by approximately +260% from approximately 100 thousand vehicles in 2020 to approximately 360 thousand vehicles in 2025 (*Source: Roland Berger Report*).

This trend is underpinned by a growing sensitivity towards sustainability. Over 40% of the customers surveyed by Roland Berger would like to drive an electric vehicle (“EV”) but the uncertainty about EV prices is driving customers towards the subscription model that is considered less risky due to higher flexibility and less commitment/financial invest (*Source: Roland Berger Report*).

Within the subscription model, subscription with optional services is more in demand from customers as compared to flat-rate subscription models due to more configuration flexibility, reducing administrative burden of independently sourcing these services and lower priced offers (*Source: Roland Berger Report*). In addition, more than 75% of customers are looking for a new or young used vehicle (*Source: Roland Berger Report*).

##### (C) Consumer brand indifference

Whereas the importance of specific car brands is diminishing and customers are more and more willing to source from rather unknown platform players, branding and reputation are still essential in generating trust, facilitating online visibility through increased organic online traffic and becoming the “go-to” platform for vehicle sourcing (*Source: Roland Berger Report*). 46% of customers consider brand as unimportant for their next vehicle subscription which opens opportunities for third-party platforms to convert potential customers into leads (*Source: Roland Berger Report*). If the two major key purchasing criteria (price and configuration option) are met, approximately 40% of customers are open to acquire vehicles from an unknown but trustworthy platform which presents opportunities to entice customers away from the traditional OEMs (*Source: Roland Berger Report*). In 2020, approximately 32 thousand units were sold in online transactions by third party providers (excluding OEMs

and OEM related dealers) to consumers and small- and medium sized enterprises. We expect this number to increase to over 198 thousand units by 2025 (*Source: Management estimate based on Roland Berger Report*).

### 10.1.2.3 *Macroeconomic Developments*

#### (A) Innovations and Technological Advances

The share of EVs (also including Battery Electric Vehicles, Plug-in Hybrid Electric Vehicles and Full Hybrid Vehicles) in new vehicle sales is expected to increase from approximately 16% expected share in 2021 to over 30% in 2025 (*Source: Roland Berger Report*). We believe that our business model is well suited for the evolution of EVs since it is independent of innovations and technological advances and we think that the expected increase of share of EVs in new vehicles sales could benefit MeinAuto Group. Customers purchase EVs predominantly via subscription contracts that are significantly more digitized and accounted for the majority by third-party sales channels (*Source: Roland Berger Report*). Furthermore, Germany has increased an existing program, providing subsidies to consumers for purchases of new EVs or hybrid cars, and tax benefits for corporations to the same effect. Such tax incentives for B2B leasing of EVs in Germany are driving the vehicle subscription with optional services (*Source: Roland Berger Report*). In addition, the residual value of EVs demonstrated to be comparable with internal combustion engine vehicles in the past (*Source: Roland Berger Report*).

#### (B) COVID-19 Trends

In 2020, the outbreak of the COVID-19 pandemic had a significant impact on the car market in Europe, and the long-term impacts of this pandemic remain unclear. In addition to overall economic effects, fear of contagion may halt the advance of shared mobility. The strong growth of the German B2C online transaction sector during the COVID-19 pandemic in 2020 outweighed the overall saturation, mainly fuelled by the digitization of vehicle purchase and an increase in flat-rate subscriptions which are significantly more digitized as of today (*Source: Roland Berger Report*). In addition, we believe that habits established during the COVID-19 pandemic are likely to persist and may even permanently change consumer behavior, as customers have recognized the benefits of buying online. For example, we believe that customers are learning to complete more transactions online due to the lockdown and that test drives are considered less important because dealer visits are not always possible. Furthermore, we believe that due to the uncertain economy there is an increasing propensity to subscribe to vehicles to avoid large upfront commitments and that there is a higher emphasis on personal mobility versus shared mobility given the increased hygiene requirements. The growth of the online B2C transaction sector is expected to be mainly driven by open user groups, while closed user groups remain important to OEMs for selling overcapacities without cannibalizing open sales channels (*Source: Roland Berger Report*).

Post COVID-19, the German government will only financially support new vehicles with electric engines. Therefore, more EVs are expected to come into the market of used vehicles (*Source: Roland Berger Report*). In addition, the establishment of low emission zones (*e.g.*, in Stuttgart, Hamburg) and fees for diesel vehicles might decrease the attractiveness of such used vehicles in Europe and have an impact on used car sales (*Source: Roland Berger Report*). This might decrease the residual values of vehicles. However, COVID-19 has led to an increase in customers' desire to have their own vehicle, which could drive the sale of used vehicles after COVID-19 (*Source: Roland Berger Report*). Another driver of new car sales could be the shortage of young used vehicles (used cars up to twelve months after the first registration, such as pre-registered, demo and OEM employee vehicles) due to the COVID-19 lockdown (*Source: Roland Berger Report*).

## 10.2 Competition

The online transaction sector and vehicle subscriptions are expected to witness significant growth. Players with an established business model and well-developed operations are considered to have a higher probability of success in this sector due to high customer expectations and complexity of sourcing and financing new vehicles (*Source: Roland Berger Report*). The competitor landscape in Germany for the B2C online transaction includes three major archetypes with differing origins, online focus and varying degrees of service range:

- Online-focused players offering subscription with a complete online presence but a widely varying range of services, often focused on a single service;

- Incumbents such as OEMs and traditional mobility companies, which move towards online services, often with pilot projects, but often lack digital capabilities and service range; and
- Classified, lead generation platforms focusing on "matchmaking" role between potential customers and suppliers.

In addition, B2B specialists may become more relevant in online transactions. These competitors are primarily B2B focused players with subscription and fleet management expertise. However, they would have to develop major B2C capabilities in order to be successful in the B2C segment, which is the main growth driver of MeinAuto Group (*Source: Roland Berger Report*). Furthermore, OEMs are aiming to increase their online channel share. In particular in the outright vehicle purchase segment, OEMs are expected to have the majority share until 2025 (*Source: Roland Berger Report*). However, due to problems on the OEM side, third-party players are expected to be of high relevance in the future (*Source: Roland Berger Report*).

We believe that our main competitors are online-focused players, such as Fleetpool GmbH, Cluno GmbH or finn GmbH (finn.auto), who are pure online players that often focus on single services but are also sometimes multi-service players. But we also consider incumbents, such as Sixt Leasing, as our competitors. We believe that MeinAuto Group differentiates itself in the German B2C online transaction sector with its wide service range and online retail experience.

Over the next five years, the online-focused players are expected to outgrow the online transaction sector resulting in a share across all online transaction segments of more than 40% in 2025, mainly driven by subscription segments (*Source: Roland Berger Report*). Incumbents, especially OEMs, are expected to increasingly focus on online channels and grow their share mainly in the vehicle purchase segment (*Source: Roland Berger Report*).

## 11. BUSINESS

### 11.1 Our Vision

We seek to delight our customers with the easiest and most convenient experience for subscribing to or buying a new car at the most attractive price and terms. We challenge existing structures through a combination of native online expertise, deep automotive know-how and network, as well as a unique data and technology platform.

### 11.2 Overview

We believe that we are the leading online platform for digital new cars sales in Germany. Our aim is to provide customers transparent and attractive prices for over 40 new car brands and over 500 models. Customers can search, configure, compare and select the offer best suited for them on our online platforms. Our customers can choose between an outright purchase (*i.e.*, where the customer purchases the vehicle) or a flexible subscription for a new vehicle, including doorstep delivery, comprehensive mobility services during the subscription period and a simple vehicle return process at the end of the subscription period. The focus of our offering is our subscription solution, which ranges from leases with optional services to vehicle flat rates, long term rentals as well as vario financing (a modern form of car financing that combines the advantages of classic financing with the benefits of leasing).

Our customer base includes private customers, small commercial clients as well as large corporate clients. As of December 31, 2020, we had approximately 44 thousand active subscribers (customers making monthly subscription payments under a subscription contract (excluding order book, *i.e.*, subscription orders placed for which the car has not yet been delivered and subscription instalments have not yet started)) and approximately 39 thousand new car orders, of which approximately 32 thousand were from private customers and small commercial clients. We have a recurrence rate (*i.e.*, the number of contracts valid for more than 12 months at the end of the year as a percentage of number of contracts at the beginning of the year (excl. new customer contracts added during the year) in our B2C business (as defined below)) of approximately 80% as of year-end 2020 indicating high customer satisfaction.

We organize our business operations into two business units and reporting segments, Business-to-Customer (“**B2C**”) and Business-to-Business (“**B2B**”). Our B2C business unit include our subscription offering (leasing, flat rate and vario financing), outright purchases as well as various mobility services (including delivery, wear and tear and insurance) to private and small commercial customers that we reach through three main channels:

1) Under the brand MeinAuto.de, we offer the entire range of subscription and outright purchase solutions, including the full spectrum of mobility services, for all relevant brands and models in the new car market. In 2020, MeinAuto.de had approximately 26 million visits, which resulted in 420 thousand offer requests by potential new car customers.

2) With our brand Athletic Sport Sponsoring we can address up to 8 million members of German sports clubs and associations. We provide 12 month flat rate offerings for a wide range of preconfigured vehicles that include everything but petrol.

3) Through our affiliate partners and their member communities, in particular our partnership with ADAC, which will allow us to reach more than 21 million potential customers in Germany.

Our B2B business unit includes vehicle subscription and mobility services offered under the MobilityConcept brand. We offer our clients a one stop shop for independent full service vehicle subscription. In addition to our B2C and B2B new car sales, we re-market cars that are returned to us at the end of a subscription period through various B2B and B2C sales channels.

We operate exclusively in Germany, Europe’s largest market for new cars (*Source: European Automobile Manufacturers Association; Roland Berger Report*). In 2019, there were approximately 3.4 million new car registrations in Germany (excluding pre-registered vehicles) (*Source: Roland Berger Report; European Automobile Manufacturers Association*) and we estimate that around 2.2 million new car registrations in 2019 of the total new car registrations relate to private owners and small or medium sized enterprises representing a total addressable market of approximately €70 billion. In addition, within new vehicle sales, the online transaction



share (including full online transactions and mainly online transactions<sup>5</sup>) is expected to grow from 11% in 2020 to 37% in 2025 and the number of B2C customers preferring subscription over an outright vehicle purchase has already increased by over approximately 20 percentage points to 48% in 2020 compared to 2019 (*Source: Roland Berger Report*). However, the market is highly fragmented and lacks price transparency as prices for end-customers are often the result of individual negotiations with dealer's sales representatives. Approximately half of new car customers are not satisfied with the traditional purchasing process and 7 out of 10 customers are not satisfied with the process, when customers consider a subscription as a purchasing option (*Source: Roland Berger Report*). The 10 largest new car dealers combined hold less than 10% market share, and no single dealer group has developed a significant online offering (*Source: IfA / DAT Händlergruppen Monitor 2020*). Whereas other industries have already been disrupted by a shift from offline to online, this has yet to occur with respect to the new car market in Germany. We therefore believe that the German new car market is set for online disruption, and that we are well positioned to seize this market opportunity. MeinAuto Group is fully online transactional for over 40 new car brands and over 500 models and has full customer ownership through an integrated subscription focused business model that is able to create high customer satisfaction and retention.

Our business operations rely on our online and digital expertise, extensive customer reach, our technology platform and data set, our large and comprehensive supplier network for vehicles as well as services and the ability to fulfil and manage the entire vehicle and subscription life cycle including our re-financing and re-marketing capabilities.

Our technology platform is at the core of our business operations. Our software landscape is fully integrated across the value chain and across all business segments and go-to-market channels. Our customer facing websites are designed with specific emphasis on user interaction and use of modern online technologies for performance, scalability and customer conversion. We monitor our customers' behavior from initial contact to sale based on embedded data analytics. On this basis we aim to continually improve our data set and online experience to achieve superior customer satisfaction and high levels of customer conversion. We complement this by our software back-end and as much process automation as possible.

Our data set combines purchasing, offer and transaction databases with dynamic pricing tools to optimize volume, margins and re-selling prices and the aim to provide customers with the best deals in the market.

Our data set is also the basis for our car configurator that offers over 500 fully configurable brands and models resulting in over 4 million potential offer combinations.

For the year ended December 31, 2020, we generated revenue of €324 million (2019: €276 million), adjusted total revenues of €212 million (2019: €191 million), net loss of €12 million (2019: €19 million) and Adjusted EBITDA of €38 million (2019: €31 million). During the same period, our B2C business unit generated Adjusted Revenue from external customers of €121 million (2019: €98 million) and Adjusted EBITDA of €24 million (2019: €21 million), and our B2B business unit generated Adjusted Revenue from external customers of €91 million (2019: €94 million) and Adjusted EBITDA of €14 million (2019: €9 million).

### 11.3 Market Opportunity

With approximately 3.4 million new car registrations in 2019 (excluding pre-registered vehicles), Germany is Europe's largest new car market (*Source: European Automobile Manufacturers Association; Roland Berger Report*). We estimate that around 2.2 million of the total new car registrations in 2019 relate to private owners and small- or medium-sized business, representing a total addressable market of approximately €70 billion (based on an average price for new vehicles of approximately €33.6 thousand (*Source: Roland Berger Report*) for such market) (namely private owners and small- or medium-sized businesses) (*Source: Management estimate based on Roland Berger Report*). We estimate online penetration of the new car market in Germany to be approximately 2% (full online transactions) and to increase to approximately 15% by 2025. However, over 50% of the B2C customers searching for new cars would be open to purchasing/subscribing for new cars online in 2021, compared to less than 15% in 2017 (*Source: Roland Berger Report*), which we believe leaves significant room for an increase in online penetration relative to other industry sectors (such as apparel and footwear (35%), consumer appliances (36%) and consumer electronics (50%) in 2020).

At the same time, the German new car market remains highly fragmented, with several thousands of dealers overall and the top ten largest dealers combined accounting for less than 10% of the total new car market (*Source: Institut für Automobilwirtschaft: "Top 100-Händlergruppen in Deutschland", 2020*). We believe that

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<sup>5</sup> Online transactions include full and mainly online transactions. Mainly online transactions include transactions with no direct offline interaction with a dealer within the purchasing process, except pick-up of the vehicle, or any other physical format, but may comprise other long-distance means of communication such as contact to a sales assistant via phone.

the high fragmentation in the market leads to inefficiency and significant price intransparency, which can severely undermine consumer confidence. Recent statistics indicate that customers are frustrated with the traditional retail process: in 2020, approximately 50% are dissatisfied or somewhat dissatisfied with the traditional purchasing process, and approximately 70% with the traditional subscription purchasing process (*Source: Roland Berger Report*). We believe that customers overpaid approximately €2,000 to €3,000 due to dealership overhead, fees and additional services. We therefore believe the German new car market is ripe for online disruption and we are well-positioned to benefit from the strong push towards online transactions.

In addition, we believe that the online new car sector offers a significantly larger profit pool with significantly higher margins than the used car market due to lower buying prices and higher average list prices. While online providers in both sector offer a more convenient way to purchase vehicles, used car providers need to invest significantly in assuring product quality to give their customers confidence in the used car offering. In contrast, customers can trust the quality of new cars, so online new car retailers can focus on price transparency. Through our targeted value proposition based on an offering focused on transparency for the customers, an easy buying process and a full-service delivery we believe that we are able to deliver to our customers what they want.

Furthermore, consumers are moving away from ownership (vehicle purchase) to usership (subscription) (*Source: Roland Berger Report*) and subscription (monthly payment scheme) is expected to emerge as the contract type of choice for B2C consumers in online transactions over the next years, due to increasing need for flexibility of customers and lowering willingness to make a large, long-term “ownership” investment.

#### **11.4 Our Solution**

We seek to delight our customers with the easiest and most convenient new car buying experience, at the most attractive price and terms. We change the traditional methodology for customers to “buy” a new vehicle: from vehicle purchasing to vehicle utilization and from offline onsite buying to end-to-end online sales for all private and small commercial customers in Germany. By using our online expertise, automotive know-how and network as well as smart technologies we believe that we are leading the market shift towards online mobility solutions with transparency and transactional services.

We believe that we offer an attractive solution to the inefficiencies and lack of transparency in the new car sector, with online platforms which will appeal to professional dealers and our customers:

- *Full market visibility:* We offer full market visibility on all brands, all models as well as on all buying options.
- *Transparency:* We provide price transparency in a fragmented and in-transparent market. Through our proprietary “deal machine” solutions we guide customers to the best available offer for their vehicle of choice or comparable vehicle in the marketplace.
- *Easy buying process:* We are fully digital-transactional. In addition to our digital solutions, we consult customers over the phone through our 70 trained sales consultants.
- *Peace of mind:* Our focus lays on a peace of mind vehicle subscription and mobility services offering covering the entire lifecycle of the customer’s vehicle or vehicle fleet giving us full customer ownership and high recurrence rates.
- *Multi-channel approach:* Extensive and highly efficient customer reach due to multi-channel and multi-brand structure.
- *Broad product and service offering as well as excellent execution:* Our vehicle subscription offering covers the full spectrum of rate pay solutions for private and commercial customers, ranging from leasing to vehicle flat rates, long term rentals as well as vario financing for new and close to new vehicles. Our mobility service offering comprehends among others easy home delivery of the new car, road time assistants and services such as wear and tear, insurance, damage handling and tires as well as easy and fair return solutions at the end of the subscription contract. With a recurrence rate of approximately 80% and a Net Promoter Score (NPS) of 69 in our MeinAuto.de brand we believe to prove our excellent execution.

## **11.5 Investment Highlights**

### ***11.5.1 Germany's leading online new car sales platform***

We believe that we are the leading platform in Germany for online new car retail. We offer customers an easy buying process, full price transparency and optimization with full market visibility on all relevant brands and models as well as a comprehensive range of services, including, *e.g.*, delivery, wear and tear as well as insurance. Our broad and fully transactional product offering provides us with full ownership over a diverse customer base in addition to privileged and immediate access to different customer demographics. Our customer base includes private customers, small commercial clients as well as large corporates. In our B2C business, we serve closed and open user groups via our own and our affiliate platforms. Our closed user groups include customers that have a specific membership, affiliation or employee status whereas our open user group offering is addressed to all types of private and small commercial customers.

In 2020, MeinAuto.de was the leading platform for online retail of new cars in Germany, with approximately 13 thousand total orders, and we were the leading vehicle subscription provider to closed user groups under the brand Athletic Sport Sponsoring, with approximately 19 thousand subscribers. In addition, we specialize in fleet vehicle subscriptions under the MobilityConcept brand. In total, we had approximately 44 thousand active subscribers and 39 thousand new vehicle orders in 2020. We believe that we are the only company offering the full value chain for new car usership with a difficult to replicate business model.

In addition, we believe that there is a further potential to gain market share in the German new car sector. In 2020, we witnessed an increase in online demand, with B2C subscription orders increasing by approximately 30% despite total new car registrations in Germany decreasing by approximately 19% during the year. This was likely attributable, in part, to the implementation of various lockdown restrictions and temporary closures of dealerships in response to the outbreak and spread of COVID-19. In addition, subscription leads, when customers contacted us for further assistance, in January and February 2021 amounted to approximately 58 thousand compared to approximately 27 thousand in January and February 2020. Furthermore, we also see additional growth potential in other European markets in the medium term.

### ***11.5.2 Unmatched unit economics***

Through our full transactional and customer engagement focus, we believe we are able to realize superior unit economics. For example, in 2020, our average gross margin per B2C subscription contract was approximately €2.5 thousand on each first order in our B2C business. Based on a recurrence rate of approximately 80% and, consequently, low customer acquisition costs of approximately €400, leading to a gross profit per customer of approximately €2.1 thousand, which we believe is considerably higher than that of our comparable peers. We believe such superior unit economics is a result of our high engagement, high customer profitability and lifetime value of approximately €7.8 thousand in 2020 as well as high customer retention and that it will enable us to continue to support our profitable growth.

### ***11.5.3 Seamless customer experience for digital transaction***

Due to our wide range of product offering and our customer journey, our business model is leading to a high recurrence rate. By connecting automotive retailing with online platforms and e-commerce, our technology platform supports the seamless customer experience for digital transactions and offers customers an alternative to the traditional stationary car dealerships. Based on the continuing trend of increasing online penetration across many industries (including those with already high online penetration levels), together with recent studies (*Source: Roland Berger Report*) suggesting that consumers are frustrated with the traditional retail process for new car purchases, we believe that customers are ready for a new buying experience online. Moreover, we believe that customers who buy mobility on a flat rate are less attached to car brands but rather seek transparency, convenience and value for money and, as a result, are more inclined to buy online from third-party platforms.

We believe that we offer a superior buying experience compared to the traditional retail through transparency, full market visibility, an easy digital buying process and optional service packages including delivery, wear and tear as well as insurance. Our customer-facing software and websites are fully integrated with our internal IT platform, and our proprietary database is based on more than ten years of operational experience and includes powerful algorithms designed for heavy usage. It combines databases such as market data, OEM and dealer forecasts, customer preferences, our transaction database and residual value database. This allows us to provide dynamic pricing pre-configure and pre-order vehicles to reduce lead times as well as maximize our

marketing and sales efficiencies by steering campaigns and customers towards the best deals available on our platforms.

We offer fully digitalized business models of all operative units, and our processes are based around online and mobile technologies without interrupting systems. Furthermore, we have high scalability due to cloud technologies that boost our business performances. We provide an easy multi-brand search, transparent mechanisms to save and compare offerings, order review and cross-selling as well as personal online and telephone support. In addition, we facilitate the purchase process through our easy “one-click” online ordering, confirmation and registration to round out our customers’ digital journey, including electronic signatures and online credit check.

#### ***11.5.4 Platform for growth, highly recurring revenues and a resilient risk profile***

From 2018 to 2020, our number of new subscriptions increased from approximately 11,000 to 32,000 and active subscribers increased from approximately 31,418 to 43,517, with approximately 80% of recurrence for active subscribers in our B2C business (due, in large part, to the full contribution of acquisitions in 2018). Based on subscription orders in the B2C business, the new car registrations growth of MeinAuto was approximately 50 percentage points higher than the total German new car registrations growth (*Source: European Automobile Manufacturers Association; MeinAuto Group company information*). Our annual growth of new customers and high recurrence rate have driven the growth of our customer base and, in turn, our results of operations. From 2018 to 2020, Adjusted Revenue increased from €91 million in the year ended December 31, 2018 to €212 million in the year ended December 31, 2020, despite a weak market in new car registrations, partly driven by our acquisitions of ASS and Mobility Concept GmbH in 2018. Over the same period adjusted gross profit has increased from €27 million to €65 million, while Adjusted EBITDA has increased from €14 million to €38 million, driven by operating leverage. Due to an average contract duration of approximately 28 months in our total Group, we benefit from a high degree of revenue visibility. At the same time we are able to maintain a resilient risk profile through customer selection based on a scoring model with more than ten years of historic default data, resulting in a customer default rate of less than 1% in 2020, and a conservative approach to credit selection. We were therefore able to operate with very minimal credit losses in 2020. We believe that our ABS Facility provides us with scalable, cash efficient and cost efficient working capital to finance vehicles.

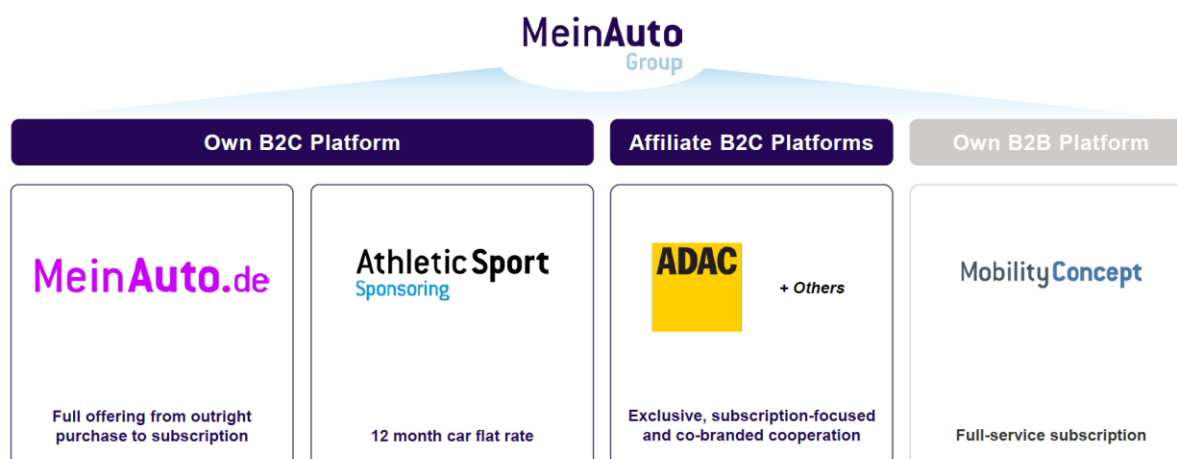
Our business is covered by a state-of-the-art residual value management remarketing framework. As of December 31, 2020, approximately 52% of our fleet was covered by buy-back agreements or similar arrangements. For other vehicles, we have a comprehensive database and automated residual value calculation in place as well as a quarterly assessment of residual value for all relevant brands and models by our residual value committee. We manage the residual value through an extended lifecycle with a value-maximizing multi-channel remarketing strategy, including our own and third party online B2B auction platforms, our own B2C used car platform and highly profitable used car flagship stores.

#### ***11.5.5 Highly experienced management team with proven track record and clear vision***

We have a highly experienced management led by our Chief Executive Officer and Chief Financial Officer, who together have 43 years of industry experience and more than 20 years of sector experience. They are supported by a team of managers with extensive industry, data and technology and brand and customer knowledge and knowhow as well as prior experience with leading multi-national companies. We believe that our management team has demonstrated its ability to grow our business and successfully integrate the acquisitions of ASS, Mobility Concept GmbH and MeinAuto GmbH resulting in the leading new car online retailer in Germany. We believe that the industry knowledge and leadership of our management team, combined with their long-term experience, provide us with a significant competitive advantage and are also instrumental to the implementation of our strategy and vision to realize our long-term objective of delivering sustainable growth and strong profitability.

### **11.6 Business Operations**

We operate in the automotive subscription and mobility services space in Germany in both retail and small commercial (B2C) as well as the fleet customer (B2B) sectors.



Measured by fleet size, our B2C business unit is our largest business line. The fleet size in our B2C business unit has increased in recent years, from approximately 12 thousand vehicles in 2018 to approximately 24 thousand vehicles in 2020. We estimate that the fleet size in our B2C business will grow significantly in the coming years, particularly due to our focus on our MeinAuto.de platform. We expect the fleet size of our B2B business unit to remain stable over the medium term. Even if our B2B business unit is not a key driver of the Group's growth plan, it provides the capabilities for our B2C fleet operations, and offers attractive cash flows and low investment requirements.

The services we offer to our customers cover the entire lifecycle of the customer's vehicle or vehicle fleet and comprise new car vehicle subscription as well as mobility services. Our vehicle subscription offering comprises private and commercial leasing arrangements as well as vehicle flat rates. Our mobility services include all services related to our customers' vehicles, such as maintenance, wear and tear and tires, insurance as well as marketing and sales services to OEMs and dealers. To a lesser extent, we also offer used car subscription in our B2C business unit. For our services provided we work with carefully selected specialized providers, dealers and OEMs. We have a long-standing, close relationship with major OEMs and more than 80% of our vehicles have been sourced from OEMs or with OEM support in 2020.

We generate revenue from (i) contractually agreed vehicle subscription payments for the use of a vehicle, (ii) payments for the services we provide, and (iii) selling used vehicles that are returned to us by our subscription customers. For additional information on our revenue streams see "9. Management's Discussion and Analysis of Net Assets Financial Condition, and Results of Operations".

### 11.6.1 Business-to-Customer (B2C)

In our B2C business, we offer vehicle subscription plus mobility services, with a clear focus on rate pay solutions, and outright purchases services of new vehicles, addressing both open user groups and closed user groups.

#### 11.6.1.1 Open User Groups

##### (A) Overview

We believe that our MeinAuto.de platform is the leading B2C platform in Germany for online new car retail. We aim to drive our business through online services, digital technology platforms, automotive experience and knowhow as well as our partner network.

Under the MeinAuto.de brand we offer new vehicles for vehicle subscription and associated mobility services as well as outright purchases. We are fully digital-transactional, that is, we serve our customers directly online as opposed to classified or non-transactional market places. On a regular basis we receive a transaction commission, marketing incentives and intermediary fees from dealers and OEMs or dealers for vehicle subscription services as well as outright purchase. The contracts can be concluded directly online on our MeinAuto.de platform.

With the MeinAuto.de platform we focus on the significant price intransparency in the market. The platform offers a multi brand search and possibilities to save and compare our offers and to find additional offers. All of these are new vehicles from German vendors, which can be ordered tailored to the customers' individual configuration and specification requirements. In this way it is also ensured that they come with the full manufacturer guarantee and warranty. Approximately 4 million offer combinations (including payment options) are currently available on our platform, relating to over 500 different vehicle models. In 2020, we had approximately 26 million visits on our platform resulting in six thousand new subscriptions and seven thousand outright purchases. In total, we had eleven thousand subscribers (including order book) as of December 31, 2020.

#### (B) Supplier Relationship

As of December 31, 2020, our portfolio included brands from over 40 car manufacturers. We work closely together with OEMs and dealers to be able to offer our customers all relevant brands and models of vehicles. We purchase such vehicles from OEMs through our B2B business unit that provides the cars to our subscribers after a customer concludes a contract. We then offer such cars through our MeinAuto.de platform for vehicle subscription. In addition, we maintain close relationships with car dealers who also provide us with cars. Such cars are available to our customers for outright purchases via our online platforms.

We are able to offer attractive terms to our customers through cooperation agreements we have concluded with garages and suppliers. For example, as tires are one of the most frequently replaced parts of the vehicle, we have entered into cooperation agreements with major German tire fitters. Furthermore, we have entered into cooperation agreements with approximately 350 German repair partners. Generally, we offer to use one of our partner body shops if the costs of the repair works are expected to exceed €1,000. As a consequence of the cooperation agreements, we benefit from volume-based discounts, volume premiums or bonuses, special hourly rates and other favorable conditions which we can pass on to our customers. For example, we can offer our customer average discounts of approximately 15-20% on spare parts, approximately 20% on oil change, approximately 30% on maintenance and repair and approximately 25-30% on tires. To ensure a consistently high-level of performance, the majority of our cooperation garages are audited by the Technical Inspection Association (*Technischer Überwachungs-Verein – TÜV*) and reviewed by our employees. As a result of our cost management, our customers can benefit from substantial cost savings on maintenance and repair as compared to the cost of having the services performed at an OEM garage.

#### (C) Customer Relationship

Under our brand MeinAuto.de, we offer vehicles to private and small commercial customers. We are fully digital-transactional and broker the purchase between the OEM or the respective car dealer and our customers.

This provides for an easy purchasing experience for our customers, leading to a customer engagement, satisfaction and stickiness above market average. In a 2020 survey, MeinAuto.de had a Net Promoter Score (NPS) of 69. Our average contract duration in 2020 under our MeinAuto.de brand was 40 months.

#### (D) Sales Channels

Our services under the MeinAuto.de brand are initiated solely through our website. Historically, we mainly relied on SEA and SEO to bring customers to our website. As part of our massive branding campaign starting March 2021, we now also focus on additional marketing channels, such as TV, print and radio advertisement.

With its user-friendly interface, our platform enables our customers to conveniently browse all vehicle options with price transparency and based on more than ten years of experience. The website lets the customer search for the vehicle of his or her choice using filters for *e.g.*, make, model, class, fuel type, number of doors and horsepower. Based on the customer's selections, the car configurator automatically displays important statistics that are relevant to the customer, such as the vehicle's gas mileage, carbon dioxide emissions and overall energy rating. Through a dropdown menu, the customer can choose between cash purchase (outright purchase), vario financing and leasing as well as the terms of the vehicle subscription arrangement, including length of the contract, expected annual mileage and desired down payment. The webpage prominently displays our offering terms under both our sales product and our vehicle subscription services. With every new selection, the prices are automatically updated so the customer can easily see how changes to the vehicle features and contract terms affect the monthly installments or purchase price they pay. In doing so, the customer can easily compare and save all options to find his desired vehicle at a price he can afford.

Once the customer selects the basic features of the vehicle, he or she then has the option to fully configure the vehicle with a wide range of the optional features that the manufacturer offers. The customer can choose from a full range of paint colors, tire types, optional safety features, media players, navigation controls and many other features. The price of each additional feature is clearly marked and a full overview of the pricing for the vehicle subscription or purchase is displayed on the page. At any time throughout this process, the customer can modify the terms of the subscription agreement and immediately see the effect on the price.

In the same way the website allows the customer to compare and select the features of the vehicle. The platform also lets the customer select one or more of our many service packages. To ensure transparency, prices and detailed descriptions of the service package options are displayed for the customer.

The MeinAuto.de website also features an FAQ section with relevant and interest-driven advice on acquiring an automobile, regardless of whether that is through vehicle subscription, financing or a one-time cash payment. This FAQ section also helps potential customers gain insight into the complete details of our multifaceted offering, from the benefits of our full-service packages, to the logistics of how to pick up the new one. As another example, we have developed a comprehensive guide on our damage assessment process at the end of the subscription period. This way, we seek to enable transparent decisions on required repairs, thereby increasing customers' understanding, satisfaction and pricing certainty.

In addition to our online services, we also have personal sales agents that offer advice regarding the purchase of the new vehicle in case the customer has additional questions.

If the customer has decided which car he or she wants to purchase, they can order it online and confirm the order with our service center that will then arrange for registration and delivery. In order to reconfirm the order by our service center, we request certain data, such as salary or credit bureau (*i.e.*, Schufa) information, needed to assess the creditworthiness of the customer based on score cards.

## (E) Our Offerings

### (1) Vehicle Subscription

Our B2C customers in Germany can choose between leasing and vario financing contracts and can choose a contract duration within a range from 12 to 60 months. As of December 31, 2020, the average contract duration was approximately 40 months.

Our leasing product offers certainty to our customers in terms of price and liquidity. The total subscription price for the contract duration is divided into small, easily calculable monthly installments. Throughout the agreed term of the contract, we remain the legal owner of the vehicle and our customer has the right to use the vehicle in return for a fixed monthly payment. At the end of the term, the vehicle is returned to us, leaving us with the remarketing of the vehicle and the residual value risk, if any. This structure enables us to offer rates lower than otherwise available through traditional financing, because the monthly rates we charge need only cover the costs of depreciation, *i.e.*, the customer's actual usage of the vehicle over the term of the contract and the interest costs plus a margin. Customers can further reduce the prices we charge by opting to pay a down payment of the vehicle price.

Our vario financing, which we have been offering since December 2018, offers price certainty and flexibility to our customers by combining the advantages of vehicle subscription and traditional financing. As with our leasing product, we remain the legal owner of the vehicle during the agreed term while our customer has the right to use the vehicle in return for a fixed monthly payment, which can be reduced further by making a down payment of the vehicle price. However, the monthly rate charged during the term of a vario financing contract is generally lower than the rate charged under our leasing product. At the end of the contract period, the customer is contractually obliged to purchase the vehicle or to exercise his return option. The amount of the purchasing price or fee in case of the exercise of the return option is pre-agreed at the time the customer entered into the contract.

Since 2020, we are also offering a few used vehicles for subscription. The used vehicles are usually one year old (*Jahreswagen*). These are vehicles that have already been driven a limited number of kilometers, but usually have contemporary equipment details and modern technology. Thus, these young used cars are in top condition and usually equipped with everything from heated seats to state-of-the-art multimedia systems and driving safety. The vehicles we offer are almost exclusively returned by our own customers at the end of their twelve-months subscription periods.

In addition, we offer certain preconfigured vehicles for vehicle subscription (flat rates). Our customers can choose to subscribe to a vehicle at a monthly rate including everything except fuel. We are taking care of all the costs that arise, such as vehicle insurance, maintenance or registration. The contract is concluded for twelve months.

(2) *Outright Purchases*

Our MeinAuto.de platform also offers new cars cash purchase services. Due to our good relationship to our partners, we are able to offer very attractive conditions to buy a car. MeinAuto.de and its customer sign an intermediary contract. The purchasing contract is then concluded between the customer and the dealer.

(F) *On the Road*

After purchasing a car, we support our customers and offer full services for the delivery of the vehicle and road time.

We offer flexible delivery options which allow customers to choose whether to pick up the subscribed vehicles from partner garages. We also offer immediate delivery of the vehicles to our customers, if requested.

During the time on the road we ensure constant availability of assistance for our vehicle subscription customers. To this end, we have set up roadside assistance services which can be reached by telephone or via our website. This includes wear and tear, insurance and damage handling. Once notified of damage to the vehicle, we help our customer by taking over the entire damage management process. We organize the transfer of the damaged vehicle to a garage or another suitable location and ensure the driver's mobility by providing him with a rental car.

At the end of the term of a vehicle subscription, we also assist our customers with the return of their vehicle. However, we incentivize customers to enter into a new vehicle subscription agreement and typically contact customers six months prior to the return of the vehicle. In this way, we aim to ensure the smooth transition from one vehicle subscription agreement to the next.

Upon return of the subscribed vehicle we remarket and sell our used vehicles (see "11.7 Vehicle Remarketing").

(G) *Marketing*

We market our open user groups business under the MeinAuto.de brand using a multi-channel online and offline marketing strategy. These strategies include traditional marketing, online marketing, customer relationship management and working with cooperation partners. In the past, our marketing efforts have been based on online marketing and working with cooperation partners. Online marketing includes the use of SEA and SEO. We have also entered into arrangements with affiliates and white label platforms, such as 12Neuwagen or dbb beamtenbund und tarifunion, allowing us to market our services to the customers of these and other cooperation partners. Since March 2021, we extended our marketing efforts by traditional marketing strategies such as print, radio and TV advertisement and plan to further significantly extend our marketing investment in branding and performance until 2024, from €5 million in fiscal year ended December 31, 2020 to €36 million in fiscal year ending December 31, 2024. We focus our marketing activities on performance as well as on our branding.

We believe that the expansion of our marketing activities will contribute to our future growth and brand recognition and estimate an increase of brand recognition by more than 60%. We aim to increase the use of our platforms. Despite limited marketing spend to date in our B2C business of €4.1 million in 2020 (2019: €2.2 million) and approximately €1.1 million in January and February 2021, we have grown leads, when customers contacted us for further assistance, from 7.7 thousand monthly average subscription leads in 2018 to 19.1 thousand monthly average subscription leads in 2020 and 29 thousand monthly average subscription leads in January and February 2021. In addition, our monthly average subscription orders grew from 426 in 2019 to 614 in 2020 and 938 in January and February 2021. We believe that our nationwide TV campaigns will further increase brand awareness, consumer trust and website traffic which will reduce the costs and increase efficiency of our online performance marketing. We expect that the increased traffic on our website, a higher traffic-to-lead conversion, followed by a stronger lead-to-order conversion and lower performance costs can potentially lead to 3.5 times more orders per year.



With respect to online marketing, we carefully track whether the traffic generated on our website is based on paid referrals *e.g.*, due to SEA, or due to unpaid, organic referrals *e.g.*, due to immediate requests of our website or SEO.

#### 11.6.1.2 Closed User Groups

##### (A) Overview

Under our brand Athletic Sport Sponsoring, we offer vehicle subscription agreements for new, preconfigured vehicles to customers with a specific membership, affiliation or employee status, primarily to members of certain organized sports clubs and associations in Germany. These vehicle subscription agreements are entered into for a period of twelve months at a fixed monthly rate, include all expenses except for fuel costs and continuously renew automatically unless terminated by the customer. We also maintain exclusive long term agreements with the Olympic committee and all federal and umbrella sports associations.

##### (B) Supplier Relationship

In order to provide an exclusive offering to Athletic Sport Sponsoring customers, we negotiate framework agreements with OEMs and car dealers for the provision of selected, pre-configured vehicles. If a customer decides to subscribe for a vehicle with us, a leasing company purchases the vehicle from the car dealer and leases it at a monthly lease rate to MeinAuto Group. In some cases we use our B2B business unit as a leasing company. If a third party leasing company purchases the vehicle from the car dealer and leases it to MeinAuto Group, we do not purchase cars ourselves and therefore do not hold any residual value risks. We then offer the pre-configured vehicles to our customers on our Athletic Sport Sponsoring platform.

This model allows us to run a lean and low risk car subscription business without carrying the vehicles on our balance sheet (so called “asset light” business) and reduce residual value risk for the majority of the business. In 30% of cases, we take the vehicles on our own balance sheet when our B2B business unit acts as leasing company.

In addition, as is the case for open user groups, we have cooperation agreements which we have concluded with garages and suppliers to provide our customers with services during the road time (see “11.6.1.1.(B) Supplier Relationship”). Furthermore, we partner with insurance companies to provide our customers with the necessary insurance of the subscribed vehicles.

##### (C) Customer Relationship

Our closed user groups comprise private and small commercial customers that have a specific membership, affiliation or employee status. We offer our services primarily to members of certified sports partners as described above. For this purpose we have partnership agreements with certain partners that market our offerings to their members and collect a referral fee per car per month. Customers must apply as eligible customers via our partners who verify the customer’s status as a member and approve application to us. As of December 31, 2020, we had approximately 16 thousand active subscribers and a recurrence rate of approximately 78%. Our customers renew their subscription contract with us on average four times.

The vehicles and the services are provided to our customers against a monthly subscription rate and executed by the car dealer who delivers the car inclusive taxes and services as well as insurance provided by an insurance company. At the end of the twelve-month subscription period, the customer returns the vehicle to the dealer.

##### (D) Sales Channels

###### (1) Overview

We offer our services under the Athletic Sport Sponsoring brand through our own platform. With its user friendly interface, our website enables our customers to conveniently browse all vehicle options with price transparency. The website lets the customer search for the vehicle of his or her choice using filters for *e.g.*, make, model, class, fuel type, number of doors and horsepower.

In addition, we have exclusive co-branded cooperation with affiliate platforms and fleet customers, such as Mary Kay and EnBW where we offer our vehicles, reaching approximately 22.5 million eligible members (including members of the ADAC as described below).

## (2) *Cooperation with ADAC*

In March 2021, we launched a cooperation with the ADAC for an exclusive sales partnership for private vehicle subscription until at least 2023. ADAC is one of the largest European automotive clubs and Germany's largest motoring association with approximately 21 million members in 2019 unlocking a wide demographic of customers. It therefore offers a large potential for additional customers and growth of our fleet size.

### (E) *Our Offerings*

We offer new cars for vehicle subscription to our closed user groups. Our customers can subscribe to a vehicle at a monthly rate including everything except fuel. We are taking care of all the costs that arise, such as vehicle insurance, maintenance or registration. The contract is concluded for twelve months.

### (F) *On the Road*

When our customers subscribe to a car, they usually receive the car directly from the car dealer. During the time on the road we ensure constant availability of assistance for our vehicle subscription customers that is mostly provided directly by the car dealers providing the vehicle. If we take the subscribed car on our own books, we offer the same services that are available to our open user groups (see "*11.6.1.1.(F) On the Road*")

After the subscription term, if the customer does not terminate its subscription agreement, we offer the customer a new car that is similar to the previous car. As a result, our customers renew their subscription contract five to six times on average. The used car is usually returned to the car dealer, where our customers can also immediately pick up the new car, if that is desired. Upon return of the vehicle, our customers do not have to pay a return fee unless there is damage to the car, due to excessive wear and tear or extra kilometers driven. In 2020, approximately 50% of our customers did not have to pay any return fee and the average return fee was only approximately €150.

We do not take remarketing risk for most of the vehicles under our closed user group contracts that are covered by our asset-light business, where we regularly enter into own lease agreements with third party leasing companies and are able to return the vehicles to our leasing partners after the subscription period and we therefore are under no obligation to remarket such cars. In case we take the vehicles on our own balance sheet, we offer the cars through our various remarketing channels (see "*11.7 Vehicle Remarketing*")

### (G) *Marketing*

We mainly market our platform through our partners that offer our services to their members. We therefore focus on our cooperation, sponsorship deals or events with our partners. In addition, we use social media (mainly Facebook and Instagram) to market our deals to closed user groups.

We believe our business offered under Athletic Sport Sponsoring to closed user groups has significant growth potential, given that approximately 15% of the German population is a member of an organized sports club or association and would, therefore, qualify as potential customers of Athletic Sport Sponsoring. Through our sports partners, we are currently offering our services to approximately 8 million athletes and officials and expect to increase our potential sport partners further. In 2020, we had approximately 16.2 thousand vehicle subscription orders with Athletic Sport Sponsoring customers. Due to this relationship, we benefit from recommendations from our customers, which we reward with bonuses in case of successfully attracting a new customer.

## **11.6.2 *Business-to-Business (B2B)***

### **11.6.2.1 *Overview***

Our B2B business unit comprises our full service vehicle subscription business offered under the brand MobilityConcept. Vehicle subscription and the provision of all services required over the life cycle of a vehicle for our B2B as well as for our B2C business are the backbone of our business. While our brands MeinAuto.de and Athletic Sport Sponsoring provide our B2C customer-facing platforms, the services provided under

MobilityConcept are an operational platform for us from car delivery onwards. The offering ranges from plain purchase invoicing to full service subscriptions and includes the execution of our remarketing.

We offer our customers a one-stop-shop solution for large corporate fleets, which means that we are able to take over the purchasing, registering, and further managing of the client's vehicle. In such an arrangement, the client is able to use the vehicle, while we deal with issues related to repairs, mechanical maintenance, roadside assistance, damage handling, tire exchanges *etc.* Furthermore, we are able to help our clients control fleet utilization costs by providing them with fuel cards and tailored cost reporting.

The services and benefits we provide are “end-to-end” services through the asset life-cycle, from procurement and vehicle acquisition, to management of the vehicle during the life-time of the vehicle, to the potential return and disposal of the vehicle.

#### 11.6.2.2 Supplier Relationship

We have close relationships with our OEMs and dealers, providing us with profitable car deals and services. Our value proposition to customers is enhanced through our network of suppliers. In addition to our experience of working with major OEMs, we also have strong relationships with dealers, oil companies, garages, tire dealers, insurance companies, and other essential service providers that enable us to deliver tailor-made solutions to our customers at attractive prices. We have entered into framework agreements with a number of these suppliers in order to complement our full-service offering and provide our customers with competitively priced vehicle parts, fuel cards and repair services. Due to the volumes we purchase, we have obtained favorable commercial terms in each of our framework agreements, such as direct discounts on prices, special hourly rates, as well as bonuses based on the achievement of certain volume levels or market shares and of other mainly yearly targets. As of the date of the Prospectus, we have a nationwide service and operations network including approximately 340 car glass partners and 350 repair partners. As a consequence of the cooperation and framework agreements with our suppliers, we benefit from volume-based discounts, volume premiums or bonuses, special hourly rates and other favorable conditions. To ensure a consistently high-level of performance, the majority of our cooperation garages are audited by the Technical Inspection Association (*Technischer Überwachungs-Verein – TÜV*) and reviewed by our employees. As a result of our cost management, our customers can benefit from substantial cost savings on maintenance and repair as compared to the cost of having the services performed at an OEM garage.

#### 11.6.2.3 Customer Relationship

We provide our vehicle subscription services in our B2B business unit to a range of clients across a diverse industry base, ranging from mid-sized companies to international corporations. Germany, which is the biggest European car market, is our home market. The MobilityConcept brand is well established and recognized among our customers, which include Randstad Deutschland GmbH & Co. KG, Mary Kay Cosmetics GmbH, CWS-boco Supply Chain Management GmbH, WISAG Facility Service Holding GmbH, Telefónica Germany GmbH & Co. OHG, UniCredit Bank AG and other large companies. Our B2B vehicle subscription business is characterized by considerable customer concentration. We have had longstanding relationships with most of our customers – approximately 60% of our top 25 B2B customers by fleet have been with us for more than ten years – and we have high retention rates. We focus our business activity under our B2B business on customers that seek a long-term relationship with us. The average term of our B2B vehicle subscription agreements as of December 31, 2020 was approximately 30 months.

#### 11.6.2.4 Sales Channels

We offer our services through our MobilityConcept website. Our platform enables customers to configure vehicles within limits predetermined by our customers. Our car configurator conveniently informs the future driver of the monthly vehicle subscription rate, estimated fuel costs and the benefit in kind (*geldwerter Vorteil*) or taxable income the chosen vehicle will incur. Following the customization of the vehicle, the customer electronically solicits approval of the chosen vehicle from the competent departments in a process that is highly customizable to our customers' requirements. In addition, the customers always have an overview of the current status of requested, approved and already ordered vehicles. The use of our car configurator is convenient for our customers because the automation of the order process regularly results in a swifter, speedier and cheaper process compared to traditionally paper-based processes.

With the aim of optimizing the efficiency and transparency of this process for our B2B customers, we have developed a car configurator which can be reached via our “Mobility Concept Online Portal” (“**MCOP**”) directly by our customers.

In addition, we provide vehicle subscription services to our B2C business unit. The cars are then offered on the websites of our brands MeinAuto.de and Athletic Sport Sponsoring and we provide intra-group vehicle subscription services to enable the capabilities and provide leasing infrastructure needed for our B2C business.

#### 11.6.2.5 Our Offerings

Our offer comprises the provision of use of a vehicle through a vehicle subscription arrangement. The fleet size of our customers may vary in a broad range from 50 to 5,000 vehicles. As capital provider, we face the risk of the customer's default. In order to monitor the quality of our receivables, we assess the creditworthiness of each new customer by means of internal guidelines. Furthermore, the creditworthiness of corporate customers is regularly monitored during the subscription period.

#### 11.6.2.6 On the Road

We offer additional services to our vehicle subscription customers that span the whole life cycle of a subscribed vehicle, starting with services in the context of the purchase order process, followed by delivery services, those provided during the time on the road and concluding with return-related services. Our service offering is underpinned by continuous reporting which is primarily online based and therefore highly accessible.

We offer flexible delivery options to ensure satisfaction for our customers. Depending on their specific needs, customers can choose to pick up the subscribed vehicles from a dealer or at certain destination stations. We also offer immediate delivery by cooperating dealers to our customers.

During the time on the road, we reduce the workload of our customers or their fleet managers and ensure constant availability of assistance for the driver by being the single point of contact for all issues that arise when operating a vehicle. To this end, we have set up roadside assistance services which can be reached by telephone or via our website. Once notified of damage to the vehicle, we help our customer by taking over the entire damage management process.

Next to maintenance and repair offers, we also offer a broad range of services ranging from tire replacement to fuel management so that we can provide our customers a true full-service offering.

After the subscription period, we are providing a fair and objective damage analysis of the old vehicle as well as in administering possible payments owed by the customer due to damages to the old vehicle by applying the strict guidelines of the "Fair Vehicle Valuation" (*Faire Fahrzeugbewertung*) of the Competence Center for Fleet Management (*Kompetenzzentrum für Fuhrparkmanagement – VMF*). Before signing the vehicle subscription contract, our customers therefore already know the basis for calculating the damage that may occur to the vehicle during the term.

In addition, our MCOP is also used as central reporting tool. It is proprietary and is a highly customizable interface allowing fleet managers to gain an in-depth understanding of their fleet. Our software offers extensive outlier analysis functions for all types of costs. Much of the data on the fleet is available in real time. MCOP is programed to show data of different vehicle subgroups, e.g., top management cars. MCOP permits the customer to activate alarm functions which can be triggered if customizable thresholds, e.g., with respect to mileage, are crossed.

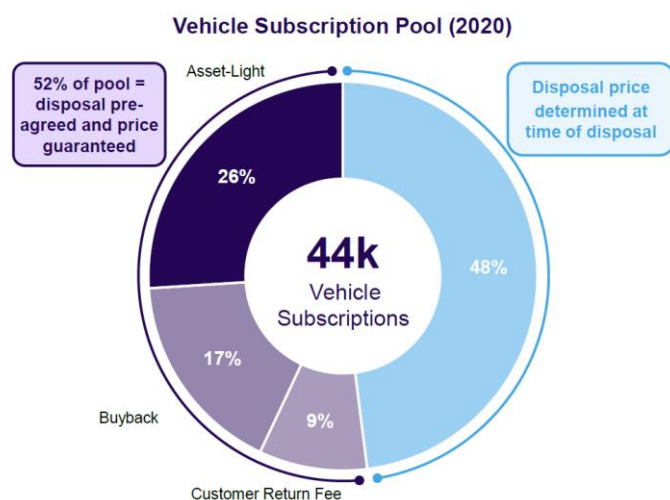
At the end of a subscription period, the vehicles are returned to us and we remarket and sell these vehicles (see "11.7 Vehicle Remarketing").

#### 11.6.2.1 Marketing

Our brand MobilityConcept is well established and we rely significantly on our strong relationships with our customers. Our marketing activities are therefore focused on building and maintaining good relationships with our customers. In addition, we believe that we will benefit from our marketing activities, which we will focus mainly on MeinAuto.de, as we work closely with our B2C business unit.

## 11.7 Vehicle Remarketing

### 11.7.1 Contractual arrangements



Most vehicles under subscription agreements with Athletic Sport Sponsoring are directly returned to our partners under our asset-light approach and, therefore, are not remarketed by us (approximately 26% of our total fleet in 2020). In relation to 17% of our total fleet in 2020 we have entered into buyback arrangements providing us with the option to return the car to OEMs or dealers at a pre-agreed price.

An increasing part of our customers decide to keep their vehicles at the end of the subscription period against payment of an amount agreed up front. We typically offer them exclusive deals to buy their vehicle at the end of the subscription period, usually accompanied by a customer return fee, in case the customer does not purchase the car (approximately 9% of our total fleet in 2020). We mostly operate with these customer return fees in our B2C vario financing offerings.

In relation to 52% of our total fleet in 2020, we have not entered in such contractual arrangements and the disposal price is determined at time of disposal.

Furthermore, our contractual arrangements generally provide for early termination penalties, unfair wear and tear assessments, informal contract extensions, mileage variations and recalculations of residual value.

### 11.7.2 Return and remarketing process

Our German return partner is DEKRA, who inspects cars returned by customers for wear and tear, kilometers driven, missing parts and damages resulting from accidents. Following inspection at one of more than 200 DEKRA stations or other selected drop-off locations, we offer the returned cars on our online business-to-business auction platform as well as on third-party auction platforms, which allows for simultaneous bidding processes and expand our customer reach. Based on bids received, we decide whether to accept the bid or, where we believe we can remarket the car for a better price through another channel, decline the bid. This process is applied to cars which are covered by a buy-back agreement as well to maximize the sales price. We only exercise the buy-back option if the price under the buy-back arrangements exceeds the auction price.

Our flagship stores operating in Munich and Dusseldorf under the brand MeinAuto Gebrauchtwagen, as well as under our own business-to-customer used car leasing platform take part in these auctions as well and allow us to market the returned cars to customers. These remarketing channels generally result in higher returns than in our business-to-business auctions as we select the cars we market through these channels carefully and only if the margins are attractive.

Due to our diversified remarketing channels, together with the mix of sales channels and addressable customer segments as well as our comprehensive database and automated residual value calculation, we are able to mitigate residual value risks and generate additional revenue. We have a strong residual value management framework and had no single month with remarketing losses in 2020, even despite the outbreak of COVID-19. Our multi-step remarketing process for our vehicles is focused on maximizing resale proceeds.

In addition, we benefit from our structurally high quality fleet as most of our vehicles are mainly subscribed by B2C customers. These cars are usually returned after one to four years with a driven distance of mostly less than 50 thousand kilometers while traditional fleet cars of B2B customers are often older than four years and the driven distance is oftentimes more than 150 thousand kilometers. Furthermore, our cars have mostly been customized by our private customers compared to standardized bulk orders of B2B fleet customers facilitating remarketing.

## **11.8 Financing of Business Operations**

For information on the financing of our business operations see “12. Material Agreements”.

## **11.9 Information Technology**

To offer our customers a seamless customer experience, we are constantly developing and improving our technology platform. Information technology (“IT”) is a key enabler in our business model, and, therefore, continuous evolution and improvement of our IT assets (IT architecture and infrastructure) and organization is one of our top priorities. We believe that technology differentiates us from our competitors – from predictive demand analysis to customer conversion and channel optimization when selling returned cars. In the year ended December 31, 2020, total IT cost were €6.8 million (compared to €4.9 million in 2019).

In order to offer a superior customer experience with automated and streamlined internal processes for our B2C and B2B offerings, we use custom-developed as well as tailored standard software components. Since 2018, we have mainly focused on the development and integration of a subscription engine into our MeinAuto.de B2C-platform, the implementation and optimization of our B2C subscriber journey including performance and conversion measures, the implementation of integrated customer views and workflows across the value chain and across units, data analytics and data management including credit check tools for all units, the integration of fleet management and contract execution for all B2C customers and the development and implementation of new remarketing application for both our B2B and B2C channels.

Operational stability of our IT infrastructure is maintained through our on-premise, multi-site data room approach, combined with services from leading data centers (*e.g.*, Hetzner) and cloud providers (Google Cloud Platform, Microsoft Azure). Cybersecurity assessments based on common standards (*e.g.*, NIST, ISO27001, CISC) are conducted regularly to continuously improve the standards. Mechanisms for horizontal and vertical scaling as well as redundancy for application and database servers are also in place. We take advantage of a multi-site data room setup and virtualization, with some elements operating in the cloud. In 2019 and 2020, we experienced no significant outages of the core systems.

As of December 31, 2020, MeinAuto Group’s IT organization comprised 33 employees dedicated to IT maintenance and development. We intend to expand our team by adding nine employees in 2021 to further strengthen our key in-house capabilities and maintain and increase our internal knowhow.

### **11.9.1 Our Data and Technology Platform “Deal Machine”**

We focus on our customer facing software and websites, which are all fully integrated with our internal IT platform. On our platforms, we host around 4 million offer combinations referring to over 500 different models containing different trims, engines, fuel-types, sales conditions, leasing runtimes and mileages, to private and business customers. Out of this complexity the need for transparency, orientation and simplicity arises and the idea of a smart, data-driven real-time algorithm, that satisfies these needs, was born. We then started project „Deal Machine“ that contains following components:

- an offer database that lists all offer combinations and a baseline price rating, that are daily updated and directly connected to the MeinAuto Group sales conditions management;
- a relevant spectrum of attribute matching tables that contain a correlative value distance for various categories (*e.g.*, fuel type, body type, seating capacity);
- a formula that matches and scores numeric values against each other (*e.g.*, horse power, list price); and

- an algorithm that takes the matching values and balances them against a set of customer input and individual preferences.

Based on the data, the “Deal Machine” calculates a set of highly relevant alternative offers that fit the customers’ needs with the most appealing price. It is designed for high performance and heavy usage scenarios. It provides our customers a list of recommendations that are highlighted with “reasons why” and can be downvoted by our customers and replaced by the next best offer.

In addition to our “Deal Machine”, we designed our MeinAuto.de website to provide an improved customer journey for digital transaction (see “11.9.2.1 *Open User Group Platform*”). The website allows our customers to search and compare vehicles. They are also able to consult online with our services team. This allows our customers to find the best offer and all relevant brands and models. We want the buying process to be as easy as possible for our customers and offer our customers to select their subscription services and to purchase the new car online. Furthermore, we offer our customers the possibility to repurchase a new car at the end of a subscription period.

## **11.9.2 Our B2C Platforms**

### **11.9.2.1 Open User Group Platform**

Our custom-built web platform used for our offerings under MeinAuto.de, including its car configurator capabilities, was specifically designed for the use with open user groups. Therefore, specific emphasis on user interaction design and use of modern web technologies has been a key factor for the success of MeinAuto.de from the very beginning since its launch in 2007. We believe that the comprehensive data set of our car configurator provides a competitive advantage that cannot be replicated by OEMs that only offer their own models.

The back office processes for our B2C open user groups are conducted based on “EVA”, a custom-build workflow management solution, which has been developed continuously, undergoing three major releases. Over the course of 2020 first parts of the “EVA” system have been moved into containerized micro-services on Google Cloud Platform. This path to cloud is also taken in preparation for additional future loads. We follow a cloud agnostic approach for “EVA” micro-services to avoid vendor lock-in. “EVA” supports almost every aspect of the value chain from offer initiation down to our support functions (e.g., return). Our workflow tools enable automated business processes with easy-to-use front-ends.

We are taking advantage of a multi-site data room setup and virtualization, with some elements operating in cloud setups (Google Cloud).

With our software as well as data and algorithms, we constantly track and seek to optimize our customer journey.

### **11.9.2.2 Closed User Group Platform**

Key pillar of our application used for our offerings to closed user group was the “ASS Service Assistant” which was originally developed by codifying deep process expertise over the course of 15 years. To mitigate technology risks and future-proof the operational setup, we are strongly investing to move the entire business logic onto a new technological platform, with first elements like monitoring operating business, steering business processes and managing roles and authorization being already live. Decommissioning of the legacy platform is planned to be completed until April 2022.

The new micro-service based platform allows us to take advantage of the scalability and high-availability features of cloud solutions in addition to our multi-site data room setup.

## **11.9.3 B2B Platform**

Three core systems – MCOP, “Leaseman”, and “Autorola” – that have been developed by third parties form the backbone of our B2B business.

In November 2020, we have completed an upgrade of our MCOP that is mainly used in our value chain for our B2B offering (initiation, announcement and implementation). The web front-end for interaction with our B2B customers has been built to the needs of our customers and integrates with the MCOP core system seamlessly. Our MobilityConcept website was designed and built responsive, using a mobile first approach.

“Leaseman” supports key elements of our B2B value chain from offerings, over purchase (initiation and partnering) and procurement (order, logistics, delivery), as well as throughout the contract duration (customer service, user service, invoice).

“Aurora” is mainly used for procurement, including order, logistics and delivery, and support, including return and disposal.

#### **11.9.4 Remarketing Software**

For our remarketing, we mainly use “Leaseman” and “Aurora”. While “Aurora” supports our corporate management for our B2C and B2B processes as well as our vehicle remarketing, “Leaseman” is particularly important for purchasing, procurement, invoicing as well as for support processes of our flagship stores.

In addition, we have comprehensive data analytics and data management tools, including credit check tools for all units, which we use to optimize volume, margins, residual values and to find the best prices for our customers through dynamic pricing. Our customized used car price monitor facilitates our sales channel decision and allows a quick turn over based on a self-learning system.

#### **11.10 Intellectual Property**

As of the date of the Prospectus, MeinAuto Group does not hold any patents.

MeinAuto Group has the following registered trademarks and related logos in Germany, among others, which are important to its business: MeinAuto.de, ASS Athletic Sport Sponsoring; and ASS Athletic Sport Sponsoring – Ich bin dein Auto.

MeinAuto Group has the following Internet domains, among others, which are important to its business activities: [www.meinauto-group.de](http://www.meinauto-group.de), [www.mobility-concept.de](http://www.mobility-concept.de), [www.ass-team.net](http://www.ass-team.net), [www.meinauto-gebrauchtwagen.de](http://www.meinauto-gebrauchtwagen.de) and [www.meinauto.de](http://www.meinauto.de).

#### **11.11 Real Estate and Leases**

As of the date of the Prospectus, MeinAuto Group owns properties in Bochum, Germany.

MeinAuto Group leases most of its office premises, storage facilities and garage parking spaces and has no plans to acquire any additional material properties or tangible fixed assets. Accordingly, MeinAuto Group does not currently require funding for material tangible fixed assets. The most significant leased premises are located in Garching near Munich and Neuss near Dusseldorf, both in Germany, where we operate our flagship stores. MeinAuto Group also leases premises in Leipzig, Cologne, Essen, Bochum, Oberhaching, Munich and Wiesbaden.

#### **11.12 Environmental, Social and Governance**

Sustainability forms an integral part of our business model. By bringing transparency, liquidity and simplicity to the German new vehicle market, we make this market accessible for everyone. Our various platforms enable our customers to acquire new vehicles and the digitization at the core of our model helps the environmental footprint. As a result, older models, who are less environmentally friendly, can be replaced. With our various offerings of vehicles with electric motors, we provide our customers with access to new, forward-looking technologies and our OEMs in making the most up to date car technology available to a broader group. Our operations are set up with a view to being environmentally friendly, including setting up eco-friendly workplaces. In addition, we set high environmental standards for our partners, in particular third-party logistics services providers.

We seek to offer our employees a safe and attractive working environment, based on a culture of diversity, openness and transparency. The key priorities for the implementation of our human resources strategy are attracting and retaining the right employees as well as fostering diversity.

In addition, we are committed to support members of certain sports organizations with our vehicle subscription contracts under the Athletic Sport Sponsoring brand. We believe that organized sport helps people to stay healthy and to socialize.



### 11.13 Employees

As of the date of this Prospectus, MeinAuto Group employed 443 employees (headcount). All employees are located in Germany and employed by MeinAuto Management GmbH and its operating subsidiaries.

The following table shows our number of employees (headcount) as of December 31, 2020, 2019 and 2018, broken down by function:

	As of and for the year ended December 31,		
	2018	2019	2020
	<i>(unaudited)</i>		
Sales .....	71	94	90
Remarketing .....	4	15	24
Operations .....	85	109	132
IT & Development .....	25	41	41
Headquarters & Overhead .....	69	81	89
<b>Total .....</b>	<b>254</b>	<b>340</b>	<b>376</b>

### 11.14 Insurance

MeinAuto Group maintains group insurance policies covering liability insurance (*Betriebshaftpflichtversicherung*), business contents insurance with electronics (*Geschäftsinhaltsversicherung mit Elektronik*), special criminal legal protection insurance (*Spezial-Straf-Rechtsschutzversicherung*), crime insurance (*Vertrauensschadensversicherung*), cyber insurance (*Cyber-Versicherung*), commercial liability insurance for car dealership (*Betriebshaftpflicht – Autohaus*), foreign travel health insurance (*Auslandsreisekrankenversicherung*), motor trade and craft insurances (*Kfz-Handel- und Handwerkversicherung*) and financial loss liability insurances (*Vermögensschaden-Haftpflicht*) for Mobility Concept GmbH and MeinAuto GmbH. In addition, we have a directors' and officers' ("**D&O**") insurance (*Vermögensschadenhaftpflicht*) for our Management and Supervisory Board members.

### 11.15 Legal Proceedings

In the ordinary course of business, MeinAuto Group is involved from time to time in legal proceedings. These proceedings are typically routine matters relating to insurance claims, non-payment of vehicle subscription fees, labor law and other issues which do not have a significant impact on MeinAuto Group's business.

We have filed certain lawsuits against Porsche AG and Volkswagen AG, in the context of the so-called "Dieselgate" in 2018 that are still pending and, if successful, could oblige the defendants to payment of approximately €30 million. In addition, we have and may in the future file additional lawsuits against car manufacturers.

As of the date of the Prospectus, MeinAuto Group was not involved in any other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which MeinAuto Group is aware), during a period covering the previous 12 months which may have, or have had in the recent past, significant effects on MeinAuto Group's financial position or profitability.

## 12. MATERIAL AGREEMENTS

The following section provides a summary of the material agreements to which the MeinAuto Group is a party.

As of December 31, 2020, the MeinAuto Group had financial indebtedness under secured facilities made available to Mobility Concept, including an overdraft facility as well as two term loans with UniCredit Bank AG. In addition, we have a borrowing base and revolving credit facility agreement with NIBC Bank Deutschland AG (the "**NIBC Facility Agreement**"). Furthermore, we are financing our business activities by several framework loan agreements and several other finance lease arrangements and vehicle purchase financing arrangements. The financing and refinancing facilities made available to Mobility Concept are generally secured by way of security transfer of the relevant leasing vehicles and security assignment of leasing receivables.

In addition, the financing of MeinAuto Group comprises a secured EUR 150 million facilities agreement dated as of August 27, 2018, as amended and restated on July 10, 2019 and as further amended and restated in connection with the Offering, among, *inter alia*, MeinAuto Management GmbH as borrower and original guarantor, MeinAuto Group AG as original guarantor, Bonnefont 2 SARL, Compartment D as arranger and original lender and Wilmington Trust (London) Limited as agent and security agent (the "**Financing Facility**"). The Financing Facility is secured by certain guarantees and pledges, including pledges of the shares in MeinAuto Management GmbH, Mobility Concept and ASS. As of December 31, 2020, the facilities under the Financing Facility were utilized in an amount of €140 million and will, following the Offering, be decreased by €25 million. The Financing Facility contains a change of control provision, pursuant to which the lender is entitled to request that MeinAuto Management GmbH repays all outstanding loans. After the Offering, such change of control will be triggered, *inter alia*, in case any limited partnerships, funds or other investment vehicles managed or advised by Hg Pooled Management Limited and any investors in the limited partnerships, funds or other investment vehicles managed or advised by Hg Pooled Management Limited and/or, in each case, their respective affiliates (together "**Hg**") cease to beneficially own or have the right to control the casting votes of 30% of the voting rights, or if any person or group of persons acting in concert owns a greater percentage share of the votes in the Company than Hg or gains the power to direct the management and policies of the MeinAuto Group. The loans outstanding under the Financing Facility have a final maturity date on December 31, 2022.

On April 17, 2019, Mobility One S.A. as issuer, Mobility Concept as seller and junior lender, Bank of America Europe Designated Activity Company (formerly known as Bank of America Merrill Lynch Designated Activity Company) and Citibank N.A., London Branch entered into an asset-backed securities facility, as amended by the accession and amendment agreement dated March 18, 2020, the amendment agreement dated July 9, 2020 and the amendment agreement dated March 10, 2021 (the "**ABS Facility**"). The ABS Facility includes, among others, a lease receivables purchase agreement and a purchase agreement relating to the economic residual value in the form of expectancy rights (*Anwartschaftsrechte*) in respect of the relevant leased vehicles between Mobility Concept as seller and Mobility One S.A. as purchaser and, on the funding side, two senior notes, each in an original principal amount of up to €125 million ("**Senior Note No. 1**" and "**Senior Note No. 2**", respectively), a senior mezzanine note of up to €16.5 million (the "**Senior Mezzanine Note**" and, together with the Senior Note No. 1 and the Senior Note No. 2 the "**Notes**", all such Notes being issued by Mobility One S.A.) and a junior loan granted by Mobility Concept as junior lender to Mobility One S.A. The purchaser of the Senior Note No. 1 is Bank of America Merrill Lynch International Designated Activity Company and the purchaser of the Senior Note No. 2 is Citibank N.A., London Branch. Mobility Concept is the purchaser of the Senior Mezzanine Note. The purchase of the Senior Mezzanine Note is funded by a loan facility granted by NIBC Bank Deutschland AG to Mobility Concept under the NIBC Facility Agreement. As of December 31 2020, an aggregate amount of €217,344 thousand of the ABS Facility was utilized. As a result of the amendment agreement dated March 10, 2021, the revolving period of the ABS Facility has been extended to the payment date occurring in April 2023, subject to any extensions as agreed among the transaction parties, unless it ends earlier upon the occurrence of an early amortization event, as such terms are defined in the ABS Facility. Furthermore, under the amendment agreement, the principal amount of each of the Senior Note No. 1 and Senior Note No. 2 was increased to up to €250 million.

## 13. REGULATORY ENVIRONMENT

Our business activities in Germany are subject to various regulatory requirements under German and European laws.

Within the EU regulations (*EU-Verordnungen*) apply directly in all EU member states. As a result, our business is subject to these rules in all EU member states. In contrast, EU directives (*EU-Richtlinien*), while binding EU member states as to the result to be achieved, need to be implemented into national law. Hence, regarding those standards contained in EU directives that are applicable to our business, national implementing rules can differ slightly from one EU member state to another. To the extent governed by EU regulations or national laws that are based on EU directives, the regulatory environment in most EU member states and the member states of the EEA are substantially similar.

The regulatory requirements applicable to our business activities are subject to change, as they are continuously modified at the national, European and international level. If we fail to comply with any of these laws and regulations, we may be subject to civil liability, administrative orders, fines, or even criminal sanctions.

The following provides a brief overview of selected regulations that are applicable to our business operations.

### 13.1 Leasing Contracts

Vehicle Subscription contracts between us and our customers are governed by German law. Under German law, generally two types of leasing are differentiated: finance leasing and operating leasing. A lease is classified as a finance lease if the purpose of the lease agreement is primarily to finance the leasing object and the lessee carries the investment risk. All other leases are classified as operating leases. In our business, we have concluded both types of agreements with our customers, those that qualify as finance lease agreements and those that qualify as operating leasing. In addition, some of our vehicle subscription agreements qualify as rent agreements.

In consistent case law, leasing contracts are classified as non-standard rent agreements (*atypischer Mietvertrag*) due to the obligation to transfer use and the obligation to return the property. In contrast to rent agreements, leasing contracts usually stipulate that the lessee is not entitled to any warranty claims vis-à-vis the lessor. In return, the lessor transfers any warranty claims he has vis-à-vis the distributor under the purchase agreement of the vehicle to the lessee. However, the exclusion of warranty claims of the lessee is only valid, if the transferred warranty claims vis-à-vis the distributor are recoverable and do not expose the lessee to the risk of insolvency of the distributor. The risk of any losses incurred due to maintenance and repair work, damage or destruction of the leasing object is transferred to the lessee in the leasing agreement.

### 13.2 Standardized Terms (*Allgemeine Geschäftsbedingungen*)

Since there are no specific statutory provisions in the German Civil Code (*Bürgerliches Gesetzbuch, "BGB"*) on "leasing contracts", almost all our leasing contracts include standardized terms. Standardized terms under the laws of all jurisdictions in which we operate have to comply with statutory law on general terms and conditions, which means they are subject to rigid fairness control by the courts regarding their content and the way they, or legal concepts described in them, are presented to the other contractual party by the person using them. The standard is even stricter if they are used vis-à-vis consumers. The lawfulness of such standard clauses may be challenged by our customers, both consumers and commercial customers, before courts. If a provision is considered ineffective, the parties are bound only by the remaining parts of the contract. Should any standard clauses be declared void, we may be unable to enforce our contracts and realize the anticipated economic profits.

### 13.3 Consumer Protection Regulation and Data Protection

Leasing operators who enter into leasing agreements with consumers must comply with various consumer protection and data protection laws. Throughout the EU, consumer protection and the protection of personal data is extensively regulated on the basis of, amongst others, the following EU regulations and directives:

- Directive 2008/48/EC of the European Parliament and of the Council of April 23, 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC;

- Directive 2002/65/EC of the European Parliament and of the Council of September 23, 2002 concerning the distance marketing of consumer financial services and amending Council Directives 90/619/EEC, 97/7/EC and 98/27/EC;
- Directive 2011/83/EU of the European Parliament and of the Council of October 25, 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council;
- Directive 2000/31/EC of the European Parliament and of the Council of June 8, 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market (Directive on Electronic Commerce);
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “**General Data Protection Regulation**” or “**GDPR**”);
- Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (the “**ePrivacy Directive**”); and
- Directive 2005/29/EC of the European Parliament and of the Council of May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive).

The aforementioned EU directives and regulation and the national laws which implement or complement these directives impose extensive duties and responsibilities on businesses dealing with consumers. Failure to comply with these requirements may give rise to civil liability, administrative orders (including injunctive relief) or fines and may in some cases result in an extension of warranty periods, withdrawal rights or even in the invalidity of the affected customer contracts.

### ***13.3.1 Consumer Loan Contracts Regulation***

According to Section 506 BGB, implementing the Directive 2008/48/EC of the European Parliament and of the Council of April 23, 2008, finance lease contracts with consumers may be considered to be fee-based financing aid to which special provisions regarding consumer loans apply (“**Consumer Loan Contracts**”). However, there is yet no decision of the German Federal Court of Justice (*Bundesgerichtshof*) whether mileage based leasing agreements with private customers are considered a fee-based financing aid (*entgeltliche Finanzierungshilfe*) within the meaning of Section 506 BGB or if our contracts are considered to be Consumer Distance Contracts (as defined below).

It is therefore uncertain whether our contracts are subject to Section 506 BGB and whether we need to comply with the special provisions regarding Consumer Loan Contracts. These include the obligation of the lessor to comply with certain information requirements vis-à-vis the consumer, including pre-contractual obligations. Amongst others, the customer must be informed of the full value amount of the lease agreement, *i.e.*, the main amount of debt to be repaid, the effective rate of interest to be paid, the amount of each installment to be paid and any additional costs. If these information requirements are violated, consumers have the right to withdraw from the contract or may be entitled to contractual adjustments. For example, if the effective rate of interest is stated at a rate that is too low, the lending rate on which the Consumer Loan Contract is based is reduced by the percentage by which the effective rate of interest is too low. The lessor’s right to terminate a contract with the consumer, if the consumer is in payment default, is only permitted under strict conditions.

Even if we comply with all information requirements, consumers also have the statutory right to withdraw from a Consumer Loan Contract within 14 days after conclusion of the agreement or after delivery of the service or product (or from the day on which the consumer receives the contractual terms and information, if that day is later than the aforementioned date) without giving any reason. If information obligations have been violated by us, the right of withdrawal expires no later than twelve months and 14 days after conclusion of the

agreement. This could be the case in particular if the German Federal Court of Justice (*Bundesgerichtshof*) were to decide that our contracts, which we consider to be Consumer Loan Contracts, should instead be qualified as Consumer Distance Contracts (as defined below) (see “1.3.1. *Standard clauses used in our vehicle subscription agreements and in our contracts with our customers and third party suppliers and service providers may be invalid, and we thus may not be able to enforce such clauses or the contracts in which such clauses are found.*”).

### **13.3.2 Consumer Distance Contracts Regulation**

Most of our contracts with our customers are concluded online or per mail. The contracts are contracts concluded outside business locations (*außerhalb von Geschäftsräumen geschlossene Verträge*, “**Consumer Distance Contracts**”) within the meaning of Section 312g BGB. Therefore, consumers have the statutory right to withdraw from a Consumer Distance Contract within 14 days after conclusion of the agreement or after delivery of the service or product (or from the day on which the consumer receives the contractual terms and information, if that day is later than the aforementioned date) without giving any reason. If information obligations have been violated by us, the right of withdrawal shall expire no later than twelve months and 14 days after conclusion of the agreement. This could be the case in particular if the German Federal Court of Justice (*Bundesgerichtshof*) were to decide that our contracts, which we consider to be Consumer Distance Contracts, should instead be qualified as consumer loan contracts (see “13.3.2 *Consumer Loan Contracts Regulation*” and “1.3.1. *Standard clauses used in our vehicle subscription agreements and in our contracts with our customers and third party suppliers and service providers may be invalid, and we thus may not be able to enforce such clauses or the contracts in which such clauses are found.*”).

Furthermore, there are additional requirements for contracts concluded with consumers in electronic commerce. The Company has to provide technical means to enable the customer to recognize and correct input errors before entering into a contract. It has to provide certain information, confirm receipt of the order immediately and, if general terms and conditions are used, make them as well as the contractual provisions retrievable and storable for the consumer upon conclusion of the contract. In addition, the customer must expressly confirm that he or she will place an order subject to payment when concluding the contract. Our online platforms are designed to comply with these requirements.

### **13.3.3 Data Protection Regulation**

In our business we handle and process large amounts of consumer personal data, such as names, account numbers, contact information and other data. We may also deal with personal data of customers and potential customers for sales and marketing purposes or personal data of contractors. In addition, we process personal data with respect to our employees such as data regarding health, religious beliefs, trade union memberships and disabilities. Therefore, we must comply with applicable data protection regulations.

Our ability to obtain, retain, share and otherwise process this personal data is governed by the GDPR, which went into effect in May 2018. The GDPR is supplemented by local data protection laws in the EU member states, in Germany by the revised Federal Data Protection Act (*Bundesdatenschutzgesetz*, “**BDSG**”), which is also applicable since May 2018. The GDPR is a uniform framework laying down principles for legitimate data processing in the European Union and the European Economic Area. Compared to the predecessor Data Protection Directive (95/46/EC), the GDPR contains significantly stricter requirements for data protection, in particular for data mapping, transparency, data subject rights, processor (service provider) obligations, the requirement to designate a data protection officer and the obligations to demonstrate compliance with the GDPR, including submitting data breach notifications to the supervisory authority and data subjects.

#### **13.3.3.1 Basic Principles**

The basis of the GDPR is that data subjects have a fundamental right to the protection of their personal data. In order to protect this right, the GDPR requires that organizations process personal data in a fair, transparent and lawful manner. Under the GDPR, personal data may only be collected for specified, explicit and legitimate purposes, and may only be processed in a manner consistent with these purposes. Personal data must be adequate, relevant and limited to what is necessary in relation to the purposes for which it is collected and/or processed, and it must not be kept in a form that permits identification of consumers for longer than is necessary for those purposes. The GDPR requires that we inform customers and employees about how we collect, use and maintain their personal data, the lawful basis we rely on to process it and who we share their personal data with according to the purpose for which the data subject has provided or understood that their personal data would be used.

#### 13.3.3.2 Data Subject Rights

The GDPR provides data subjects with personal rights to have access to their personal data as well as update, have their personal data transmitted to another organization and in some instances stop the organization from processing their personal data or require the deletion of their personal data. Another important data subject right, relevant to our business, is that data subjects have the right not to have decisions, which have a legal or similarly significant effect for the data subject, made about them using automated decision making and profiling without human intervention. These obligations also increase our customer services requirements, oversight and expenses on an ongoing basis. The GDPR has also led to an increase in requests from data subjects based on their enhanced rights such as the right to access their personal data and the right of deletion.

#### 13.3.3.3 IT Security

In addition, the GDPR requires us to implement appropriate technical and organizational measures to ensure a level of security appropriate to the organization's processing requirements and risk. Accordingly, certain cyber-security requirements must be fulfilled to ensure that data is processed and stored safely. These measures may include, *inter alia*, physical security against unauthorized access and manipulation (*e.g.*, secure storing and transportation of physical data carriers), password assignment, authorization concepts, logging of subsequent changes of data, separation of data which has been collected for different purposes, reasonable encryption, as well as protection against accidental loss, destruction or damage. In addition, the management of data processing entities must ensure that appropriate compliance management measures cover the detection and control of IT-related risks. Organizations must notify the relevant supervisory authority about data breaches within 72 hours and in some instances, provide notification to data subjects.

#### 13.3.3.4 Sanctions and other Risks

We are also subject to the supervision of local data protection authorities in Germany. The GDPR provides for significantly increased sanctions and penalties. Data protection authorities can, *inter alia*, impose monetary penalties of up to €20 million or 4% of global annual group turnover, whichever is the greater, on organizations for serious breaches of GDPR and, under certain circumstances, criminal fines and penalties. The GDPR also provides a private right of action for material or non-material damage and the right to receive compensation from the data controller for the damage suffered as a result of an infringement. Finally, in addition to these regulatory risks, infringement of these laws can lead to reputational risk and significantly undermine customers' trust in our business.

#### 13.3.3.5 Web Analysis Technologies

In addition, legal uncertainties about the legality of web analysis technologies such as cookies or tracking tools (*e.g.*, Google Analytics) may increase regulatory scrutiny, and increase potential civil liability under data protection or consumer protection laws. Such web analysis technologies enable the operator of a website to personalize its offers and marketing to better match the customers' interests. Even though most web analysis tools anonymize or pseudonymize collected data and do not allow for a subsequent allocation of data to individual data subjects, the use of such tools may still be subject to data privacy laws. For example, the use of cookies is regulated by the ePrivacy Directive which provides for an opt in regime pursuant to which the use of cookies requires an informed consent of the website user. While the ePrivacy Directive has not yet been fully implemented in all EU member states, several countries in the EU including Germany have recently issued guidance on the use of cookies and similar tracking technologies which, in line with recent court decisions, require an additional layer of consent from website users for third party advertising, social media advertising and analytics. Consent to place cookies on a user's device requires explicit consent to each type of cookie and transparency notices outlining the processing of cookie data.

#### 13.3.3.6 Data Protection Organization

We have implemented an internal data protection organization, including the appointment of data protection officer, and we have established data protection processes and policies. Overall, we have a robust data protection framework that is based on the GDPR and other applicable local data protection laws. However, the task of meeting all the data protection law requirements is complex, in particular taking into account that there are still material legal uncertainties in various respects and that data protection authorities continuously publish more detailed GDPR guidance. Our GDPR program identified risks and associated mitigation plans and we adopted a risk based approach to their prioritization

The ‘Data Protection by Design and by Default’ concept under the GDPR has required a reappraisal of our IT and Business change and procurement approaches to integrate data protection into our processes, practices and systems from the design stage right through the lifecycle. This includes carrying out data protection impact assessments, ensuring that data minimization is embedded across the business so that only the appropriate amount of data required for any particular purpose is processed, deleting unnecessary data and anonymizing data wherever possible. Furthermore, our profiling activities are also subject to the carrying out of data protection impact assessments. Profiling can be defined as any form of automated processing of personal data intended to evaluate certain personal aspects relating to a natural person or to analyze or predict that natural person’s economic situation, location, health, personal preferences, reliability or behavior.

Specific provisions in the BDSG regulate the legitimacy of credit reporting and scoring as well as transparency requirements for such types of data processing. It may only be used if data protection rules are met, if relevant data are used and if the score is based on acknowledged, reliable mathematical-statistical methods. If address data are used the law requires a prior notice to the data subject. The use of a probability value calculated by credit reporting agencies to determine a natural person’s ability and willingness to pay is subject to further requirements stipulated in the Federal Data Protection Act.

### **13.3.4 Direct Marketing and Advertising**

The ePrivacy Directive governs privacy in electronic communications including direct marketing via email and phone as well as tracking technologies. The current EU Member States’ local guidance in line with GDPR has significantly increased the risk of penalties for breach of the GDPR and law implementing the ePrivacy Directive. Increased regulation of privacy and data protection may lead to broader restrictions about the way we market our products, increase our risk of regulatory oversight and affect our ability to reach our consumers and our capability to provide our consumers with personalized services and experiences. The European Union’s institutions are debating a new ePrivacy Regulation, which would repeal and replace the current ePrivacy Directive that regulates electronic marketing and use of cookies and tracking technologies.

Subject to certain exceptions, email advertisements (*e.g.*, newsletters) may only be sent to addressees who have given their explicit prior consent. In Germany, case law requires in certain cases that consent must be obtained by way of a so-called double opt-in procedure. Pursuant to such procedure, data subjects will need to give their consent twice (*e.g.*, once by filling out an online subscription form, a second time by confirming their email address after they subscribe). Also, data subjects must be clearly informed on the scope and consequences of their consent. A declaration of consent may, for example, not be hidden in general terms and conditions but must be clearly highlighted. Consent may be withdrawn at any time, without giving a reason. As an exception from the consent requirement, personalized product recommendations may be sent to customers without their explicit prior consent provided, amongst others, that such recommendations only relate to goods identical or similar to those previously purchased by the respective customer.

Also, advertisements must not be misleading, constitute an unreasonable nuisance or make use of harassment, coercion or undue influence. These criteria leave wide room for interpretation, and the assessment of courts and other competent bodies is often difficult to predict. In case of non-compliance, warning letters, amongst other possible sanctions, may be issued to a company.

### **13.3.5 Telemedia Act**

In addition, sector specific statutes set forth specific data privacy rules which apply to certain industries or businesses. When providing internet services, the service provider must comply with the specific requirements provided in the German Telemedia Act (*Telemediengesetz*) which takes into consideration the peculiarities of online communication.

## **13.4 Financial Regulatory Requirements**

### **13.4.1 License Requirements and Regulatory Status**

Pursuant to the German Banking Act (*Kreditwesengesetz*, “KWG”), the provision of banking business and financial services generally requires a license from BaFin. Furthermore, the provision of payment services generally requires a BaFin-license pursuant to the German payment services supervision act (*Zahlungsdienstaufsichtsgesetz*).

Our subsidiary Mobility Concept offers financial leasing to its customers, which is a financial service in terms of the KWG and requires a corresponding license as a financial services institution pursuant to Section 32 in conjunction with Section 1 para. 1a) sentence 2 no. 10 KWG. Mobility Concept holds a corresponding license to provide financial leasing since December 25, 2008. As a licensed financial institution, Mobility Concept needs to comply with certain regulatory requirements and is subject to the ongoing supervision by BaFin as the competent supervisory authority who performs its supervisory function in close coordination with the German Central Bank (*Deutsche Bundesbank*). In addition, the provision of fleet management and leasing services frequently includes making certain payments to third parties (such as tax authorities or car repair workshops) which – depending on the specific circumstances – might be deemed by governmental authorities to require an additional license for the provision of payment services. By way of precaution, Mobility Concept is therefore considering the filing of an application to obtain an additional license for the provision of payment services.

Furthermore, the Company or its subsidiaries may from time to time provide loans to other group entities. While providing loans is generally considered to be a banking service and requires a corresponding BaFin license, a license is not required if the exemption for the intra-group provision of banking business (*Konzernprivileg*) in Section 2 para. 1 no. 7 KWG applies. According to such group exemption, entities that conduct banking business solely with their parent undertaking or with their subsidiaries or affiliated entities are not required to obtain a corresponding license. Currently, the Company and its subsidiaries rely on the intra-group exemption when providing loans to other group entities. However, if the lending and the borrowing entity do not qualify as members of the same group within the meaning of Section 2 para. 1 no. 7 KWG in the future anymore, this option will no longer be available and alternative forms of financing such as external debt would need to be utilized.

#### **13.4.2 Key Applicable Ongoing Regulatory Requirements**

As an enterprise carrying out financial leasing activities, Mobility Concept is subject to certain ongoing regulatory requirements. In particular, Mobility Concept needs to comply with requirements regarding *inter alia* the suitability of board members, risk management, business organization, and reporting.

In the area of risk management, Mobility Concept must comply with certain risk management requirements set out in Section 25a KWG, as interpreted by the BaFin circular on Minimum Requirements for Risk Management (*Mindestanforderungen an das Risikomanagement – MaRisk*). Based on such requirements, Mobility Concept must *inter alia* ensure its risk-bearing capacity and define a sustainable business and risk strategy and establish risk management and risk control processes in order to ensure that the material risks are identified, assessed, managed, monitored and reported. Furthermore, it must allocate sufficient resources to fulfill such requirements appropriately. In addition, with regard to remuneration of the management, Mobility Concept must comply with certain requirements stipulated by the Regulation regarding the Requirements for a Remuneration System of Institutions (*Verordnung über die aufsichtsrechtlichen Anforderungen an Vergütungssysteme von Instituten – Institutsvergütungsverordnung*). With regard to minimum requirements to the IT, Mobility Concept needs to comply in particular with the Supervisory Requirements for IT in Financial Institutions (*Bankaufsichtliche Anforderungen an die IT*) stipulating requirements to define and implement a sustainable IT strategy.

Activities and processes material to providing financial services may generally be outsourced, if this does not incur any excessive additional risks. When outsourcing certain activities, Mobility Concept must ensure ongoing appropriate and effective risk management that includes the outsourced activities and processes. Mobility Concept remains ultimately responsible for the outsourced activities.

The German Banking Act (*Kreditwesengesetz*) also stipulates a number of reporting obligations vis-à-vis BaFin and the German Central Bank (*Bundesbank*). In particular, annual accounts together with management reports and audit reports must be filed. Furthermore, Mobility Concept must promptly inform BaFin and the German Central Bank (*Deutsche Bundesbank*) of certain changes affecting the company including their intention to appoint or the removal of a member of the management body as well as a number of other structural measures. Also, the intention to acquire a qualifying holding in Mobility Concept, another credit or financial services institution must be notified to the BaFin and the German Central Bank (*Bundesbank*) according to Section 2c KWG. For more information, see “16.10 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors Dealings”.

Should Mobility Concept receive a license for the provision of payment services (see “13.4.1 License Requirements and Regulatory Status” above), it will be subject to certain additional ongoing regulatory requirements including, in particular, additional organizational, reporting, and capital requirements.



Incompliance with the regulatory requirements may particularly lead to fines, the revocation of the license to provide financial leasing activities, and/or criminal sanctions.

### **13.5 Anti-Money Laundering Regulation**

As a financial services institution, Mobility Concept must comply with certain anti-money laundering regulations, included in particular in the German Anti-Money Laundering Act (*Geldwäschegesetz*) and the KWG. Incompliance with anti-money laundering provisions, may lead to fines and/or, in persistent cases, the prohibition to continue to conduct financial leasing activities.

Anti-money requirements that Mobility Concept must comply with include requirements for risk management, customer due diligence, and suspicious activity reporting. In particular, Mobility Concept must determine and evaluate the risks of money laundering and terrorist financing associated with the business activities they engage in and implement appropriate business- and customer-oriented internal safeguards in order to manage and mitigate the risks of money laundering and terrorist financing. Furthermore, Mobility Concept must comply with certain customer due diligence obligations when establishing a business relationship, or when carrying out occasional transactions without a business relationship amounting to €15,000 or more, or when there is a suspicion of money laundering or terrorist financing, or when there are doubts about the veracity or adequacy of previously obtained customer identification data. Such diligence obligations generally include identification of contracting parties, potentially persons acting on their behalf and beneficial owners as well as monitoring of transactions for suspicious activities. In addition, Mobility Concept must take measures ensuring that the customer's identity and is verified and have appropriate risk-based procedures in place to determine whether the customer or beneficial owner is a so-called "politically exposed person" (*i.e.*, natural persons who are or have been entrusted with prominent public functions and immediate family members or persons known to be close associates of such persons). If the customer or the beneficial owner is a politically exposed person, senior management must approve the establishment of a business relationship with such a customer, adequate measures must be taken to establish the source of wealth and source of funds that are involved in the business relationship or transaction and enhanced ongoing monitoring of the business relationship must be conducted. Because the contracts of Mobility Concept are generally distance contracts where the customer has not been physically present for identification purposes, Mobility Concept generally considers their customer relationships as high-risk business and generally conducts enhanced due diligence. Although certain due diligence measures may be performed through third parties, the ultimate responsibility remains with Mobility Concept, subject to the anti-money laundering provisions.

In May 2020, the European Commission published an action plan for a comprehensive Union policy on preventing money laundering and terrorist financing which *inter alia* aims at creating an EU-level anti-money laundering and counter-financing of terrorism ("AML/CFT") supervisory system to ensure harmonized application of the AML/CFT-rules and their effective enforcement. Legislative proposals for implementing the action plan are scheduled for Q1 2021. When new regulations are enacted, our business must adapt its risk management and internal structure to comply with such new rules and regulations and additional requirements may increase cost for compliance.

### **13.6 Insurance and Loan Broker Regulation**

MeinAuto GmbH and Mobility Concept do also conduct certain insurance brokerage activities and therefore need to comply with the requirements for insurance brokers (*Versicherungsmakler*) under German law.

Pursuant to Section 34d German Trade and Commerce Act (*Gewerbeordnung*), insurance brokers (*Versicherungsvermittler*) who commercially facilitate the conclusion of insurance contracts are generally required to obtain a permit from the relevant Chamber of Industry and Commerce (*Industrie und Handelskammer*). MeinAuto GmbH holds such a permit. Mobility Concept is exempted from the permit requirement as it only conducts insurance brokerage services as a supplement to their principal leasing activity and fulfills certain exemption requirements. Should Mobility Concept in the future not fulfill the relevant exemption requirements any longer, it may need to obtain a permission.

As insurance brokers, Mobility Concept and MeinAuto GmbH must pursuant to Section 34d German Trade and Commerce Act, the provisions of the Insurance Broker Regulation (*Verordnung über die Versicherungsvermittlung und -beratung – Versicherungsvermittlerverordnung*), Section 48 German Insurance Supervision Act (*Versicherungsaufsichtsgesetz*), and Sections 59 – 67 German Insurance Contract Act (*Gesetz über den Versicherungsvertrag*) comply with certain ongoing regulatory requirements including suitability requirements for persons involved in the brokerage activities, organizational requirements, conduct rules, and

notification requirements vis-à-vis the relevant Chamber of Industry and Commerce and the broker register (*Vermittlerregister*).

In addition, in connection with the selling of cars Mobility Concept frequently brokers loans to the purchasers which – depending on the specific circumstances – might be considered to require a license for the provision of loan brokerage services pursuant to Section 34c German Trade and Commerce Act. While such brokerage typically falls within the exemption from brokerage license requirements pursuant to Section 34c para. 5 German Trade and Commerce Act, by way of precaution, Mobility Concept is considering to obtain a corresponding license. Should Mobility Concept receive such license, it will be subject to certain additional ongoing requirements such as record keeping and notification obligations pursuant to Section 34c German Trade and Commerce Act in conjunction with the German Broker and Property Regulation (*Makler- und Bauträgerverordnung – MaBV*). Should Mobility Concept not receive such license it can only provide loan brokerage services falling in scope of the exemption pursuant to Section 34c para. 5 German Trade and Commerce Act for financing the sales of goods or services provided by Mobility Concept.

## 13.7 Tax Law

German tax law contains specific provisions on the treatment of lessor and lessee of lease agreements.

### 13.7.1 Lessor

If lease contracts fulfill certain criteria, leasing assets are capitalized on the balance sheet of the lessor who may depreciate their value over time and thereby decrease his taxable income. In order for us to capitalize leasing assets as previously described, we, as lessor, must be the “beneficial owner” (*wirtschaftlicher Eigentümer*) of the vehicle in the sense of the German Fiscal Code (*Abgabenordnung*). On the basis of its position as a beneficial owner, the lessor may depreciate the leased item in the course of its service life in the amount of the acquisition costs as a component of the fixed assets and amortize the leased item in accordance with Section 7 German Income Tax Act (*Einkommensteuergesetz*), Section 8, para. 1 German Corporate Income Tax Act (*Körperschaftsteuergesetz*). The German Federal Ministry of Finance (*Bundesfinanzministerium*) issued several decrees specifying when it considers the criteria of beneficial ownership of the lessor to be fulfilled and addresses the correct accounting treatment for leasing contracts. With respect to finance leasing, those criteria were, in particular, specified in the Decree by the German Federal Ministry of Finance (*Bundesfinanzministerium*) of April 19, 1971 regarding the treatment of leasing contracts on movable economic goods for income tax purposes (*BMF-Schreiben vom 19.4.1971, Ertragsteuerliche Behandlung von Leasing-Verträgen über bewegliche Wirtschaftsgüter*) (the “**Decree on the Treatment of Leasing Contracts on Movable Economic Goods**”). Although this ordinance does not specify the tax treatment conclusively and is not binding, it nonetheless has substantially influenced contractual practice. According to the Decree on the Treatment of Leasing Contracts on Movable Economic Goods, in a full amortization leasing contract the leased asset is attributed to the lessor if the basic term of the lease amounts to at least 40% and at most 90% of the common service life of the asset. Further conditions must be met in case contracts provide for partial amortization and/or a purchase option. Changes in German tax law could repeal such tax advantages and could have VAT implications.

### 13.7.2 Lessee

Lessees may also take advantage of tax benefits when the criteria of the Decree on the Treatment of Leasing Contracts on Movable Economic Goods are fulfilled. In that case, if leased vehicles are used for business, the lease installments paid by the lessee can be written off as operating expenses, under certain conditions, according to German income tax, German corporation tax and German trade tax law. The lessee may claim the lease installments as operating expenses in each fiscal year such that leasing is also balance sheet neutral according to German GAAP. Advantages are yielded compared to partial payment financing alternatives in which the acquired object must be fully recognized by the purchaser or borrower who may only claim operating expenses in the amount of the interest proportion of the loan or purchase price installment.

For leased vehicles that are dually used for business and for private purposes, the German legislator created the 1% rule to simplify taxation. According to Section 8 para. 2 sentence 2 German Income Tax Act in connection with Section 6 para. 1 no. 4 German Income Tax Act (*Einkommensteuergesetz*), those who also use a company car privately can either recognize a lump sum of 1% of the gross list price of the new vehicle (plus 0.03% of the gross list price for each kilometer commuted between work and home per month) as a benefit in kind (*geldwerter Vorteil*) and other taxable income or, alternatively, the costs of using the vehicle for business purposes may be claimed; in the latter case, however, the costs must be documented through a logbook. The 1% rule also applies with regard to VAT (*Umsatzsteuer*).

### 13.7.3 Fuel Cards

We provide fuel card services to our customers with which they can pay their fuel bills at gas stations of designated oil companies. Following prepayment of our customers' fuel bills, we periodically issue collective invoices to our customers through which we pass on their fuel bills to them. Both the oil companies and we charge VAT on our invoices. VAT must only be applied to these bills if, for tax purposes, it can be established that the fuel has been delivered from the oil company to us and from us to our lessees. However, in two rulings in 2003 and 2019 the European Court of Justice held that such fuel card services generally constitute a direct fuel delivery by the oil company to the lessee, without involvement of the intermediary. Under this interpretation of the ruling, revenue passing from the consumer to the oil company would not be reflected on our profit and loss statement and would have to be treated differently for VAT purposes. Nonetheless, pursuant to a non-application exemption promulgated by the German Federal Ministry of Finance (*BMF-Schreiben vom 15.6.2004, Umsatzsteuerliche Behandlung von Kraftstofflieferungen im Kfz-Leasingbereich*) a series of transactions as described above is deemed to exist, if certain conditions are met. While we believe that our VAT practice falls within this exemption, tax authorities could challenge our assessment.

### 13.8 Competition Law

Within the EU, the relevant European and national antitrust provisions must be observed. Compliance with such provisions is monitored by the European Commission and the national competition authorities. Article 101 para. 1 Treaty on the Functioning of the European Union (the "TFEU") prohibits agreements or concerted practices between undertakings that are anti-competitive, either by object or by effect. In case such agreements do not have pro-competitive effects which outweigh the restrictive effects on competition within the meaning of Article 101 para. 3 TFEU, they are automatically void pursuant to Article 101 para. 2 TFEU. While the motor vehicle sector is subject to competition law in the same way as any other sector, *i.e.*, as regards cartel agreements, abuse of dominance and merger control, EU competition law provides for specific guidance on how to comply with these rules.

With regard to the application of exemptions under Article 101 para. 3 TFEU, the EU has implemented certain umbrella block exemption regulations creating a safe harbor for groups of agreements that are assumed to generally have pro-competitive effects. An individual analysis of the agreement or concerted practice is not necessary if all requirements of the specific regulation are met. The European Commission Regulation No. 330/2010 on the application of Article 101 para. 3 TFEU to categories of vertical agreements and concerted practices ("**Vertical Restraints Block Exemption Regulation**") contains the non-sector-specific requirements under which vertical agreements (*i.e.*, an agreement or concerted practice entered into between two or more undertakings each of which operates at a different level of the production or distribution chain, and relating to the conditions under which the parties may purchase, sell or resell certain goods or services) are exempt from the application of Article 101 para. 1 TFEU.

Vertical agreements relating to the purchase, sale or resale of new motor vehicles fall within the regime set out in the Vertical Restraints Block Exemption Regulation. Article 3 of the European Commission Regulation No. 461/2010 on the application of Article 101 para. 3 TFEU to categories of vertical agreements and concerted practices in the motor vehicle sector ("**Motor Vehicle Sector Regulation**") provides for a separate block exemption for vertical agreements relating to purchase, sale or resale of spare parts for motor vehicles or repair and maintenance services for motor vehicles. The exemption applies provided that (i) neither the Company nor its contracting party holds a market share of more than 30% of the relevant market on which they are active, respectively, (ii) the vertical agreements do not include hardcore restrictions (pursuant to the Vertical Restraints Block Exemption Regulation and the additional restrictions in the Motor Vehicle Sector Regulation), and (iii) the contracting parties are not competitors.

Hardcore restrictions are in particular those which affect competition on the relevant markets to an intolerable extent to the detriment of consumers, with the result that an exemption under Article 101 para. 3 TFEU cannot be justified in any way.

In principle, distributor agreements concluded between vehicle manufacturers and vehicle dealers may not impose restrictions on dealers with respect to the customer groups and the prices they may sell the vehicles. According to the Motor Vehicle Sector Regulation, the term "end user" in the Vertical Restraints Block Exemption Regulation must be read to include leasing companies and, thus, subscription services provider such as the Company. Therefore, distributors in selective distribution systems may generally not be prevented from selling

new motor vehicles to leasing companies of their choice, unless there is a verifiable risk that those companies will resell them while still new.

### 13.9 Product Safety Regulation

The vehicle industry is, to quite some extent, subject to product safety regulations. In particular, distributors who place products on the market in the EU have to ensure that the products are safe. This is also the general purpose of Directive 2001/95/EC of the European Parliament and of the Council of December 3, 2001 on general product safety (the “**General Product Safety Directive**”), as well as Regulation (EU) 2018/858 of the European Parliament and of the Council of May 30, 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (“**Market Surveillance Regulation**”) and Decision No. 768/2008/EC of the European Parliament and of the Council of July 9, 2008 on a common framework for the marketing of products. According to these legislations, producers must only put products on the market which comply with general safety requirements. In addition, they must provide consumers with the relevant information necessary in order to assess a product’s inherent risks, particularly where such risks are not directly obvious and take precautions against such risks.

Manufacturers shall take the necessary measures to avoid such risks, including performance of market surveillance tests, warning consumers, the withdrawal of products from the market and, as a last resort, a recall from consumers. In this context, it is important that under the General Product Safety Directive an importer of a product that was manufactured in a country outside of the EU generally qualifies as the manufacturer of the product. In addition, the manufacturer (if established in the EU), any other person presenting themselves as the manufacturer by affixing to the product their name, trade mark or other distinctive mark as well as the person who reconditions the product, also qualifies as a producer.

The General Product Safety Directive, the Market Surveillance Regulation and the Decision No. 768/2008/EC of the European Parliament and of the Council of July 9, 2008 on a common framework for the marketing of products do not only regulate the obligations of manufacturers but also stipulate obligations that distributors, like us, must comply with. According to the General Product Safety Directive, distributors are obliged not to supply products which they know (or should have presumed) do not comply with general safety requirements, to participate in monitoring the safety of products placed on the market, amongst others by keeping and providing the documents necessary for tracing the origin of products. If producers or distributors know or ought to know that a product that they have placed on the market is dangerous, they must notify the competent authority and, if necessary, cooperate with them. In case of recalls, the distributors must also cooperate. The Market Surveillance Regulation obliges distributors to verify, before making available on the market a vehicle, system, component or separate technical unit, that the vehicle has been approved by the market surveillance agency. In Germany, the market surveillance agencies work together with the German technical inspection association (*Technischer Überwachungsverein – TÜV*). In addition, distributors shall immediately inform the relevant manufacturer of any complaints they received relating to risks, suspected incidents or non-compliance issues with vehicles and ensure that, while a vehicle is under their responsibility, storage or transport conditions do not jeopardize its compliance with the Market Surveillance Regulation. Further obligations may be placed on distributors in the future.

In Germany, the Directive on Product Safety has been implemented by the German Product Safety Act (*Gesetz über die Bereitstellung von Produkten auf dem Markt - Produktsicherheitsgesetz*) of November 8, 2011, as amended. Further details are determined in various governmental regulations (*Rechtsverordnungen*) on the safety of specific products and product groups. A violation of the requirements of European and/or national law may be sanctioned with a fine and, in severe cases, with a criminal sanction.

## 14. MAJOR SHAREHOLDERS

### 14.1 Shareholder Structure (Before and After the Offering)

Prior to the completion of the Offering the sole shareholder of the Company is the Selling Shareholder, which has its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg commercial register (*Registre de Commerce et des Sociétés*) under RCS number B218274. Due to its ownership of all voting rights the Company is directly controlled by the Selling Shareholder. These voting rights held by the Selling Shareholder are attributed to Alderaan Holdco Limited and HgCapital LLP (UK), which are the controlling shareholder of the Selling Shareholder through various entities and a trust agreement pursuant to Section 34 WpHG.

HgCapital 8 Nominees Limited (UK), an indirect subsidiary of Alderaan Holdco Limited, indirectly holds the interest in the Selling Shareholder through Salvator Mobility Holding S.à r.l. and Salvator Mobility Holding TopCo S.à r.l. HgCapital 8 Nominees Limited (UK) holds its interest in Salvator Mobility Holding TopCo S.à r.l. in trust for Hg Genesis 8 Aggregator L.P. (Guernsey) by virtue of a contractual arrangement. The sole general partner of Hg Genesis 8 Aggregator L.P. (Guernsey) is Hg Genesis 8 Aggregator GP (Guernsey) Limited, which is a 100% subsidiary of HgCapital LLP (UK).

In addition, HgCapital 8 Nominees Limited (UK) holds its interest in Hg Genesis 8 Aggregator L.P. (Guernsey) in trust for certain funds of Hg. The sole general partner of each of the funds is Hg Capital 8 General Partner L.P. Inc., an indirect subsidiary of Alderaan Holdco Limited.

Irrespective of the voting rights ultimately being attributed to HgCapital LLP (UK) and Alderaan Holdco Limited, the indirect voting rights in the Selling Shareholder are effectively exercised by HgCapital LLP (UK)'s subsidiary Hg Pooled Management Limited on the basis of management agreements; the decisions at the level of Hg Pooled Management Limited are passed in investment committees. The limits imposed under German law, in particular by the German Stock Corporation Act (*Aktiengesetz*), on the ability of a controlling shareholder to unduly exercise its control have been observed by the Selling Shareholder and the Company. Neither the Selling Shareholder nor any of the members or the Management Board or Supervisory Board intend to subscribe Shares in the Offering.

The following table sets forth all major shareholders which directly or indirectly hold an interest of 3% or more (calculated pursuant to Sections 33 et seqq. WpHG) in the Company's capital and voting rights immediately prior to the Offering, and its expected shareholding, together with the expected shareholding of the public float, upon completion of the Offering.

<u>Shareholder<sup>(1)</sup></u>	<u>Actual (indirect) ownership in the Company (in %)</u>		
	<u>immediately prior to the offering</u>	<u>upon completion of the offering (assuming no exercise of Greenshoe Option and issuance of New Shares in full)</u>	<u>upon completion of the offering (assuming full exercise of Greenshoe Option and issuance of New Shares in full)</u>
Alderaan Holdco Limited <sup>(2)</sup> .....	100	69.87	65.35
HgCapital LLP (UK) <sup>(3)(4)</sup> .....	100	69.87	65.35
Public float .....	0	30.13	34.65

(1) For indirect shareholdings of the current and appointed members of the Management Board and certain members of the Supervisory Board see "17.4 Shareholdings of the Members of the Management Board and Supervisory Board".

(2) The voting rights held by the sole shareholder are attributed to Alderaan Holdco Limited through the following entities pursuant to Section 34 WpHG (full chains of controlled undertakings; each chain attributed to Alderaan Holdco Limited as the ultimately controlling legal entity): (i) HgCapital 8 General Partner (Guernsey) Limited; Hg Capital 8 Nominees Limited (UK); Salvator Mobility Holding TopCo S.à r.l.; Salvator Mobility Holding S.à r.l.; Salvator Mobility Holding MidCo S.à r.l.; (ii) HgCapital 8 General Partner (Guernsey) Limited; Hg Capital 8 General Partner L.P. Inc; (a) HgCapital 8 A L.P.; (b) HgCapital 8 B L.P.; (c) HgCapital 8 C L.P.; (d) HgCapital 8 D L.P.; (e) HgCapital 8 E L.P.; (f) HGT 8 L.P.; (g) HgCapital 8 Executive Co-Invest L.P.; Hg Genesis 8 Aggregator L.P.; Hg Capital 8 Nominees Limited (UK); Salvator Mobility Holding TopCo S.à r.l.; Salvator Mobility Holding S.à r.l.; Salvator Mobility Holding MidCo S.à r.l.

(3) The voting rights held by the sole shareholder are attributed to HgCapital LLP (UK) through the following entities pursuant to Section 34 WpHG (full chains of controlled undertakings; attributed to HgCapital LLP (UK) as the ultimately controlling legal entity): Hg Genesis 8 Aggregator GP (Guernsey) Limited; Hg Genesis 8 Aggregator L.P.

- (Guernsey); Hg Capital 8 Nominees Limited (UK); Salvator Mobility Holding TopCo S.à.r.l.; Salvator Mobility Holding S.à.r.l.; Salvator Mobility Holding MidCo S.à.r.l.
- (4) HgCapital 8 Nominees Limited (UK) holds all shares in Salvator Mobility Holding TopCo S.à r.l. in trust for Hg Genesis 8 Aggregator L.P. (Guernsey) by way of a trust agreement.

## 14.2 Controlling Interest

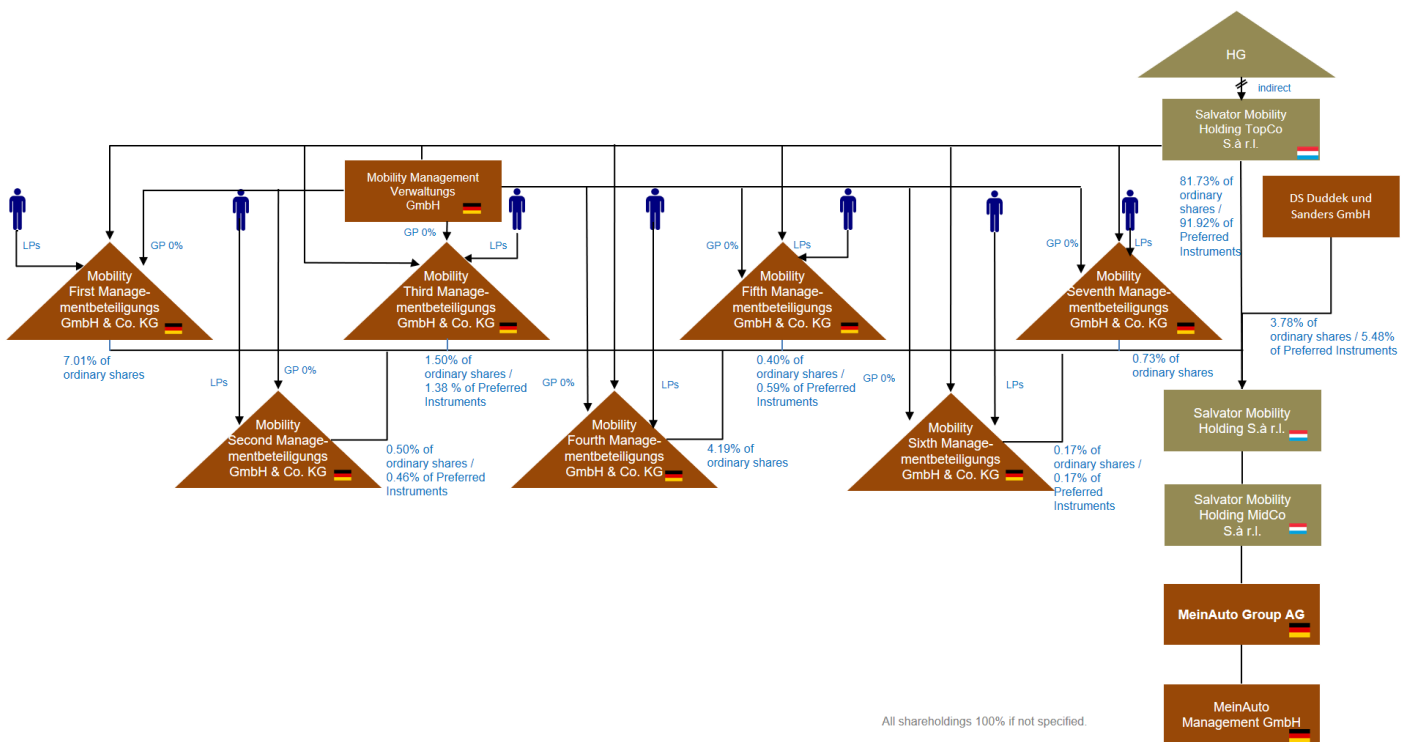
The Selling Shareholder holds 100% of the voting rights in the Company and therefore holds a controlling interest in the Company.

Following completion of the Offering and assuming (i) full placement of the Base Shares, and the Upsize Shares, if any, and (ii) full exercise of the Greenshoe Option, the Selling Shareholder will continue to hold at approximately 65.35% of the Company's share capital.

## 14.3 Indirect Shareholders and Management Equity Participation

The chart set forth below provides an overview (in simplified form) of the Company's shareholder structure as of the date of the Prospectus, in particular including the Selling Shareholder and its sole shareholder Salvator Mobility Holding S.à r.l. ("**HoldCo S.à r.l.**") as well as HoldCo S.à r.l.'s majority shareholder Salvator Mobility Holding TopCo S.à r.l. ("**TopCo S.à r.l.**"). Parts of the shares in HoldCo S.à r.l. are held by several limited partnerships (*Kommanditgesellschaften*) under German law (the "**MEP Co-Invest KGs**") as well as DS Duddek und Sanders GmbH, Essen, Germany (the "**MEP Co-Investor**"). The MEP Co-Invest KGs and MEP Co-Investor are entities through which the current and appointed members of the Management Board as well as certain employees of the Group have invested in HoldCo S.à r.l. and thereby indirectly in the Group (see "*17.5.1 Management Equity Program*"). For the indirect shareholding structure above TopCo S.à r.l., see "*14.1. Shareholder Structure (Before and After the Offering)*"). Part of the relevant participants are directly, others by way of a personal investment vehicle invested as a limited partner (*Kommanditist*, "**LP**") in the MEP Co-Invest KGs. Mobility Management Verwaltungs GmbH, Munich, Germany, is a wholly-owned subsidiary of TopCo S.à r.l., Luxembourg, and the general partner (*Komplementär*, "**GP**") of the MEP Co-Invest KGs.

HoldCo S.à r.l. has issued to its shareholders (i) ordinary shares (the "**Ordinary Shares**") and interest-bearing instruments (the "**Preferred Instruments**"), which entitle their holders to a certain yield, accruing and capitalizing annually. Subject to the Extraordinary Distribution (see "*17.4.3 Extraordinary Distribution*"), the accrued yield together with the subscription amount paid for Preferred Instruments has to be repaid to the holders of Preferred Instruments prior to any payments being effected to holders of Ordinary Shares under the terms of the shareholders agreement entered into with respect to HoldCo S.à r.l. Most MEP Co-Invest KGs participate in Ordinary Shares and Preferred Instruments, except for three MEP Co-Invest KGs which only participate in Ordinary Shares (the "**MEP Ords KGs**").



As of the date of the Prospectus, 12 participants, including the current and appointed members of the Management Board as well as certain other employees and advisors of the Group, have indirectly invested in the Company by becoming LPs of MEP Co-Invest KGs. As of the date of the Prospectus, the participants in the MEP indirectly hold through the MEP Co-Invest KGs approximately 12.49% of the Ordinary Shares and 1.06% of the Preferred Instruments.

#### 14.4 Other Participation Programs

As of the date of the Prospectus, we do not have any management or employee participation programs except for the existing management equity program (“MEP”) and the virtual stock appreciation rights plan, dated April 1, 2019 (“SAR Plan”), see “17.4 Share Participation Programs”. Following the Offering, we will also implement long-term incentive plan, see “17.5.3 Future Incentive Plans”.

## 15. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

### 15.1 Formation and Incorporation

The Company was founded under the name “Weichensee 892. V V GmbH” as a limited company (*Gesellschaft mit beschränkter Haftung*) under German law by articles of association dated November 28, 2017. It was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Munich, under docket number HRB 237339. The Company changed its name to “Mobility Holding II GmbH” on December 27, 2017.

On March 18, 2021, the extraordinary shareholders’ meeting resolved to change the Company’s legal form into a German stock corporation (*Aktiengesellschaft*) under the legal name MeinAuto Group AG. The changes in legal form and name were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany on April 6, 2021 under registration number HRB 264916. All changes were effected in accordance with the applicable provisions of the German Transformation Act (*Umwandlungsgesetz*).

### 15.2 History and Development

The Company was founded in 2017 as a platform set-up by Hg to acquire businesses in the automotive distribution and financing space. It was established following the investments in MeinAuto GmbH and ASS, both leading B2C online platforms for car purchases or leasing, and Mobility Concept, a leading B2B fleet leasing company in 2018. It is the ultimate holding company with no operating business.

MeinAuto GmbH was founded in 2007 and is headquartered in Cologne. As of December 31, 2020, MeinAuto GmbH had approximately 160 employees at six offices in Germany and around 16 thousand subscribers.

Mobility Concept, which was founded in 2000, has its registered seat in Oberhaching, Germany. As of December 31, 2020, it had more than 100 employees and approximately 19 thousand subscribers.

ASS with its registered seat in Bochum was founded in 1997. Initially, ASS offered its services to Olympic training centers and state sports associations. It then developed its business and now offers an exclusive range of new cars to civil servants and members of the German armed forces as well as selected companies. As of December 31, 2020, ASS had more than 90 employees and approximately 16 thousand subscribers.

### 15.3 Commercial name, registered office, LEI

The Company is a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany having its registered office in Munich, Germany. The legal name of the Company is MeinAuto Group AG. It is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany under registration number HRB 264916.

The Company is the parent company of the MeinAuto Group. The Company and the MeinAuto Group operate under the commercial name “MeinAuto”. In addition, some of the Company’s subsidiaries use other commercial names reflecting other important Group brands.

The Company’s registered business address is at Grünwalder Weg 34, 82041 Oberhaching, Germany (tel. +49 89 63266-120).

The Legal Entity Identifier (LEI) of the Company is 529900JE7O1126GKVC40.

### 15.4 Fiscal Year, Duration of the Company and Corporate Purpose

The Company’s fiscal year is the calendar year. The Company was established for an unlimited period of time.

Pursuant to Section 2.1 of the Articles of Association, the Company’s corporate purpose is heading a group of enterprises which operate in particular in the following business segments or parts thereof:

- a. creation, operation and marketing of internet platforms for automobile sales as well as the intermediation of automobile purchases;



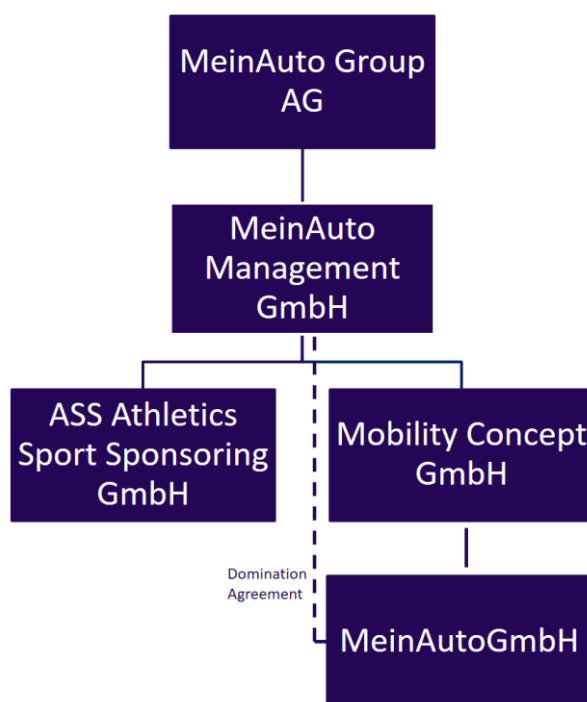
- b. trading in automobiles of all kinds for own and third-party account including leasing, installment purchasing and other financing models;
- c. the provision and intermediation of additional services and products related to the objects mentioned above, including insurances.

### 15.5 Group Structure

The Company is the parent company of the MeinAuto Group. Its direct subsidiary and the sole shareholder of ASS and Mobility Concept is MeinAuto Management GmbH (former Mobility Holding GmbH). MeinAuto GmbH is held by Mobility Concept. MeinAuto Management GmbH is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Munich, under docket number HRB 235160 and its registered office is at Grünwalder Weg 34, Oberhaching, Germany.

The MeinAuto Group’s audited consolidated financial statements include all material subsidiaries whose financial and business policy can be controlled by the Company, either directly or indirectly, and the equity interests of the MeinAuto Group whose financial and business policy can be influenced by the MeinAuto Group to a significant extent. The group of consolidated companies includes three subsidiaries as of the date of the Prospectus.

The following diagram sets forth a summary (in simplified form) of the Company’s position in the MeinAuto Group and the Company’s significant subsidiaries as of the date of the Prospectus.



### 15.6 Significant Subsidiaries

The following table provides an overview of the Company’s significant subsidiaries as of the date of the Prospectus. The shareholdings reflect the MeinAuto Group’s direct and indirect economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation. As of December 31, 2020, no amount was outstanding under the issued shares for each of the below listed subsidiaries.

Name and registered office	Field of activity / principal area of business (in %)	Company share of capital <sup>(1)</sup> (in %)	Issued capital as of December 31, 2020 (in €)	Capital reserves as of December 31, 2020	Net income/loss for the fiscal year 2020	Payables to the Company as of December 31, 2020	Receivables from the Company as of December 31, 2020
(in € million, unless otherwise specified, unaudited)							
<b>MeinAuto Management GmbH,</b> Oberhaching, Germany.....	Intermediate holding company	100	25,000	76,767	(26,837)	-	-
<b>Mobility Concept GmbH,</b> Germany.....	Offering of vehicle subscription	100	4,000,000	121,207	-	-	-
<b>ASS Athletic Sport Sponsoring GmbH,</b> Germany.....	Offering of vehicle subscription	100	700,000	-	24,553	-	-
<b>MeinAuto GmbH,</b> Germany.....	Offering of vehicle subscription	100	102,484	11,105	1,563	-	-

(1) Directly or indirectly held.

## 15.7 Statutory Auditor

Deloitte GmbH Wirtschaftsprüfungsgesellschaft (“**Deloitte**”) was appointed as the statutory auditor of the Company for the 2020, 2019 and 2018 fiscal years. Deloitte audited the consolidated financial statements prepared in accordance with IFRS and the unconsolidated financial statements prepared in accordance with German GAAP. Deloitte conducted its audits in accordance with generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, “**IDW**”) and issued in each case an unqualified auditor’s report (*uneingeschränkter Bestätigungsvermerk*). Deloitte is a member of the German Chamber of Auditors (*deutsche Wirtschaftsprüferkammer*) and a member of the IDW.

## 15.8 Notifications

In accordance with Section 3 of the Articles of Association, the Company’s notifications are published in the German Federal Gazette (*Bundesanzeiger*), unless mandatory statutes provide otherwise.

In accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), notifications in connection with the approval of the Prospectus or any supplements thereto will be published in the manner of publication provided for in the Prospectus, *i.e.*, through publication on the Company’s website at [www.meinauto-group.com](http://www.meinauto-group.com) under Investor Relations.

## 16. DESCRIPTION OF SHARE CAPITAL OF MEINAUTO GROUP AG AND APPLICABLE REGULATIONS

### 16.1 Current Share Capital; Shares

The Company's share capital currently amounts to €65,000,000.00. It is divided into 65,000,000 ordinary bearer shares with no par value (*Stückaktien*). The Company's shares were created pursuant to the laws of Germany and are denominated in euro.

### 16.2 Development of the Share Capital since the Company's Foundation

The share capital of the Company has developed as follows:

On December 4, 2017, the Company was incorporated in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law with a share capital of €25,000.00. The Company's shareholders' meeting passed a resolution on the increase of the share capital from own funds (*Kapitalerhöhung aus Gesellschaftsmitteln*) to EUR 50,000.00 and to change the legal form by way of a conversion of Mobility Holding II GmbH into a German stock corporation (*Aktiengesellschaft*).

On April 15, 2021, the Company's shareholders' meeting resolved to increase the Company's share capital by way of a capital increase from own funds from €50,000.00 by €64,950,000.00 to €65,000,000.00 by converting a partial amount of €64,950,000.00 of the capital reserves of the Company reported in the balance sheet as of December 31, 2020. The capital increase was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, on April 26, 2021.

Additionally, by resolution of the extraordinary shareholders' meeting expected to be held on or about May 4, 2021, the Company's share capital is expected to be increased by up to €9,375,000.00 against cash contributions. The Selling Shareholder is expected to waive its subscription rights. If the Selling Shareholder does not waive its subscription rights, no New Shares could be delivered to the investors on May 14, 2021. It is anticipated that the IPO Capital Increase will be registered with the commercial register on or about May 11, 2021.

### 16.3 Authorized Capital

Pursuant to Section 4(3) of the Articles of Association, the Management Board is authorized, subject to the consent of the supervisory board, in the period ending on April 14, 2026, to increase the Company's registered share capital in one or more tranches by up to EUR 32,500,000.00 in the aggregate by issuing up to 32,500,000 new no par value bearer shares against cash contribution and/or contributions in kind. The Company expects that the authorized capital will equal at least 43.7% of the Company's share capital following the consummation of the IPO Capital Increase (assuming issuance of all New Shares).

In principle, shareholders are to be granted subscription rights. However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the statutory subscription rights of the shareholders in relation to one or more increases of the share capital within the scope of the authorized capital in the event of any of the following conditions,

- to exclude fractional amounts resulting from the subscription ratio from the statutory subscription rights of the shareholders;
- in the case of increases of the share capital against contributions in kind in particular – but without limitation – to acquire companies, divisions of companies or interests in companies;
- in the case that the increase of the share capital is against contribution in cash and provided that the issue price of the new shares is not substantially lower (within the meaning of Sections 203 para. 1 and 2, 186 para. 3 sentence 4 AktG) than the stock exchange price for shares in the Company of the same class and having the same conditions already listed at the time of the final determination of the issue price and provided that the amount of the share capital represented by the shares issued pursuant to this lit (iii) under the exclusion of the statutory subscription right as set forth in Section 186 para. 3 sentence 4 AktG does not exceed 10% of the share capital at the time of this authorization coming into effect or being exercised. Such amount of 10% of the registered share capital shall include shares, which (a) have been or are to be issued or sold during the term of this authorized capital until its respective exercise on another legal basis subject to exclusion of subscription rights

in direct or analogous application of Section 186 para. 3 sentence 4 AktG and (b) have been or are to be issued during the term of this authorized capital until its respective exercise to fulfil warrant-linked or convertible bonds to the extent that such bonds are issued or to be issued subject to the exclusion of subscription rights in analogous application of Section 186 para. 3 sentence 4 AktG;

- to grant the holders of warrant-linked or convertible bonds (or combinations of such instruments) issued by the Company or by companies which are controlled by it or in which it holds a majority interest, a subscription right in the scope to which they would be entitled after exercise of the rights or obligations under such instruments; and
- to fulfil obligations of the Company arising from warrants and conversion options or conversion obligations from warrant-linked or convertible bonds which have been issued by the Company or by companies which are controlled by it or in which it holds a majority interest.

#### **16.4 Conditional Capital**

The Company's shareholder meeting expected to be held on or around May 4, 2021 is expected to resolve a conditional increase of the share capital of the Company by up to €32,500,000 through the issuance of up to 32,500,000 new no-par value bearer shares ("**Conditional Capital**").

The Conditional Capital serves to grant shares to the holders or creditors of convertible or warrant-linked bonds as well as profit-sharing certificates with option or conversion rights which are issued based on the authorization expected to be approved by the Company's shareholders' meeting expected to be held on or around May 4, 2021 by the Company or companies which are controlled by it or in which it holds a majority interest. The Conditional Capital may only be implemented to the extent that warrants or conversion rights under the aforementioned warrant-linked bonds and convertible bonds as well as profit-sharing certificates conferring option or conversion rights have been exercised or conversion obligations under such bonds have to be fulfilled and to the extent that neither treasury shares nor new shares from the authorized capital are used to fulfil such claims. The issue amount of the new shares in this regard shall be equal to the warrant and/or conversion price to be set in each case subject to the aforementioned authorization. The Management Board is expected to be authorized to stipulate the additional details of the implementation of the Conditional Capital.

#### **16.5 Authorization to Issue Convertible Bonds and Other Instruments**

The Company's shareholder meeting expected to be held on or around May 4, 2021 is expected to authorize the Management Board, with effect from registration in the commercial register of the Conditional Capital and subject to the consent of the Supervisory Board, to issue in one or more tranches in the period up to May 3, 2026 registered or bearer warrant-linked or convertible bonds as well as profit-sharing certificates conferring option or conversion rights in an aggregate nominal amount of up to €2,000,000,000.00 of limited or unlimited term and to grant the holders or creditors of the bonds option or conversion rights for up to 32,500,000 new shares of the Company with a pro rata amount of the registered share capital of up to €32,500,000 further subject to the terms and conditions of the respective warrant-linked or convertible bonds and/or terms and conditions of the profit-sharing certificates to be defined by the Management Board.

Other than in euros, the bonds may also be issued – subject to the limitation to the corresponding equivalent value in euros – in a foreign legal currency. The bonds may also be issued by companies which are controlled by the Company or in which it holds a majority interest; in such case the Management Board is authorized, subject to the consent of the Supervisory Board, to assume on behalf of the Company the guarantee for the bonds and to grant the holders of such bonds option and/or conversion rights for shares of the Company and to effect further declarations and acts as are required for a successful issue.

The issues of the bonds may in each case be divided into partial bonds with equal entitlement amongst themselves. The issue of bonds may also be effected against non-cash contribution provided that the value of the non-cash contribution is equal to the issue price and such issue price is not substantially lower than the hypothetical market value of the bonds calculated using recognized financial calculation methods.

The shareholders are entitled to a statutory subscription right for the bonds, which may also be subscribed by a bank or by an undertaking acting pursuant to section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (financial institution) or a syndicate of such banks and/or financial institutions with the obligation to offer them indirectly to the shareholders for subscription within the meaning of section 186 (5) AktG.

However, the Management Board is expected to be authorized, subject to the consent of the Supervisory Board, to exclude the subscription right of the shareholders for bonds:

- to exclude fractional amounts, resulting from the subscription ratio, from the statutory subscription right of the shareholders for the bonds;
- to issue bonds against non-cash contribution in particular – but without limitation – to acquire companies, divisions of companies or equity interests in companies;
- to issue bonds against cash payment provided that such sale is effected at an issue price which is not substantially lower than the hypothetical market value of the partial bonds calculated using recognized, in particular financial calculation methods.

However, such authorization to exclude the subscription rights shall apply only provided that the shares issued to fulfil the option or conversion rights and/or in the case of fulfilment of the conversion obligation represents no more than 10% of the registered share capital. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive. Such amount shall include the pro rata amount of the registered share capital (i) represented by shares which have been or will be issued during the term of this authorization until its exercise out of an authorized capital subject to exclusion of the subscription right pursuant to section 186 (3) sentence 4 AktG, (ii) represented by treasury shares of the Company which have been or will be sold during the term of this authorization until its exercise on the basis of authorizations pursuant to section 71 (1) no. 8 AktG subject to exclusion of the subscription right of the shareholders pursuant to section 186 (3) sentence 4 AktG and (iii) represented by shares which have been or are to be issued to fulfil warrant-linked or convertible bonds respectively profit-sharing certificates conferring conversion or option rights or establishing a conversion obligation to the extent that such bonds were issued during the term of this authorization until its exercise based on another authorization subject to the exclusion of the statutory subscription right in analogous application of section 186 (3) sentence 4 AktG; and

- to the extent required to grant the holders of warrant-linked bonds, convertible bonds, or profit-sharing certificates conferring conversion or option rights or establishing a conversion obligation (or combinations of all such instruments) issued by the Company or by companies which are controlled by it or in which it holds a majority interest, a subscription right in the scope to which they would be entitled after exercise of the rights and/or fulfilment of the obligations.

Under the authorization, the issue of bonds subject to exclusion of subscription rights shall be permitted only if the shares issued to fulfil the option or conversion rights and/or in the case of fulfilment of the conversion obligation represent no more than 10% of the registered share capital. What is decisive for calculating the threshold of 10% of the registered share capital is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive. Such amount shall include the pro rata amount of the registered share capital.

If convertible bonds or profit-sharing certificates conferring conversion rights are issued, their holders shall be granted the right to convert their bonds into new shares of the Company further subject to the terms and conditions of the bonds. The conversion ratio shall be calculated by dividing the nominal amount of a bond by the conversion price set for a new share of the Company. The conversion ratio may also be calculated by dividing the issue amount of a bond that is below the nominal amount by the conversion price set for a new share of the Company. The conversion ratio may be rounded up or down to an integer; moreover, a supplemental payment to be made in cash may be stipulated. Lastly, it may be provided for fractional amounts to be combined and/ or compensated in cash. The pro rata amount in the registered share capital of the shares of the Company to be issued per bond shall not exceed the nominal amount of the bond or an issue amount of the bond that is below the nominal amount.

The terms and conditions of the bonds may provide for the right of the Company to pay the holders of conversion rights, in the case of conversion, instead of shares of the Company the equivalent value in cash which, further subject to the terms and conditions of the bonds, shall be equal to the arithmetic mean value of the closing prices of the share of the Company on the Frankfurt Stock Exchange as determined in Xetra trading (or any

comparable trading system substituting Xetra) for the last ten trading days preceding the notification of conversion.

The terms and conditions of the bonds may moreover provide for the right of the Company to grant to the holders of the conversion rights, in the case of conversion, treasury shares of the Company or new shares out of an authorized capital. The terms and conditions of the bonds may also provide for a conversion obligation at the end of the term or at another time.

The terms and conditions of the bonds may provide for the right of the Company to grant the holders of the bonds new shares or treasury shares of the Company wholly or partially in lieu of payment of a money amount owed. In each case the shares shall be included at a value which, further subject to the terms and conditions of the bonds, shall be equal to the arithmetic mean value of the closing prices of the share of the Company on the Frankfurt Stock Exchange as determined in Xetra trading (or any comparable trading system substituting Xetra) for the last ten trading days preceding the maturity of the money amount.

If warrant-linked bonds or profit-sharing certificates conferring option rights are issued, one or more warrants shall be attached to each partial bond and/or each profit-sharing certificate which entitle the holder to subscribe shares of the Company further subject to the terms and conditions of the bonds. The terms and conditions of the bonds may provide for the option holders to be granted treasury shares of the Company or new shares out of an authorized capital. The pro rata amount in the registered share capital of the shares of the Company to be subscribed per warrant-linked bond or per profit-sharing certificate shall not exceed the exercise price of the warrant-linked bond or of the profit-sharing certificate.

The warrant or conversion price for a share shall amount to at least 80% of the arithmetic mean value of the exchange prices of the shares of the Company as determined in the Xetra closing auction on the Frankfurt Stock Exchange (or any comparable trading system substituting Xetra):

- a) if the subscription right is excluded or no trading in subscription rights otherwise occurs, during the ten trading days preceding the adoption of the resolution by the Management Board on the issue of the bonds, or, otherwise,
- b) during the trading days on which subscription rights for bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days of trading in subscription rights.

Without prejudice to section 9 (1) AktG, the warrant or conversion price shall be reduced on the basis of an anti-dilution clause further subject to the terms and conditions of the bonds by payment of an equivalent amount in cash on exercise of the conversion right or by reduction of the supplemental payment if the Company, during the warrant or conversion term, subject to the granting of a subscription right to its shareholders, increases the registered share capital or issues additional bonds and/or grants or guarantees option or conversion rights and in this connection the holders of already existing option or conversion rights are not granted any subscription right to which they would be entitled after exercise of the option or conversion right.

Instead of a payment in cash or a reduction in the supplemental payment, the conversion ratio may also, to the extent possible, be adjusted by dividing it by the reduced conversion price. For other measures of the Company that may lead to a dilution of the value of the option or conversion rights, as well as in the case of capital reduction, share split or special dividend, the terms and conditions of the bonds may also provide for a value-preserving adjustment of the warrant or conversion price.

The Management Board is expected to be authorized, subject to observance of the foregoing requirements, to stipulate the further details with regard to the issue and features of the bonds and their terms and conditions, and/or to define the same in mutual agreement with the bodies of the group companies issuing the bonds, notably interest rate, issue price, term and denomination, subscription and/or conversion ratio, establishment of a conversion obligation, defining of a cash supplemental payment, compensation for or combining of fractional amounts, cash payment instead of delivery of shares, warrant and/or conversion price and the warrant and/or conversion period.

## **16.6 Purchase of Own Shares**

The Company does not currently hold any of its own shares, nor does a third party hold any such shares on behalf of, or for account of, the Company.

The Company's shareholder meeting expected to be held on or around May 4, 2021 is expected to authorize the Management Board, subject to the consent of the Supervisory Board, to purchase treasury shares up to a total amount equal to no more than 10% of the registered share capital. Decisive for the threshold of 10% shall be the registered share capital figure on the date when this authorization becomes effective. If the registered share capital figure is lower at the time when this authorization is exercised, such lower value shall be decisive. In this connection, the shares purchased on the basis of this authorization together with other shares of the Company which the Company has already purchased and still holds shall not exceed 10% of the respective registered share capital existing at any one time. The authorization may also be exercised by companies which are controlled by the Company or in which it holds a majority interest or by third parties for the account of the Company or companies controlled by it or in which it holds a majority interest. The authorization may be exercised to the full extent of repurchases thereby authorized or in partial amounts, on one or several occasions. It is expected to take effect upon the conclusion of the Company's shareholder meeting expected to be held on or around May 4, 2021 and shall apply until on or around May 3, 2026.

The purchase shall be effected on the stock market by way of public purchase offer to all shareholders of the Company or a public solicitation to submit sales offers, respectively, by using derivatives and/or from a credit or financial institution.

If the purchase of the shares is effected on the stock market, the purchase price (excluding ancillary purchasing costs) may not be more than 10% higher or lower than the opening auction trading price of the shares of the Company in Xetra trading or on any comparable trading system substituting Xetra on the Frankfurt Stock Exchange on the respective trading day. If no opening auction is carried out, the first trading price paid for the shares of the Company in Xetra trading or on any comparable trading system substituting Xetra) on the Frankfurt Stock Exchange on the respective trading day shall be decisive.

If a purchase is effected via a public purchase offer, the Company may either publish a formal offer or publicly request shareholders to submit offers to sell. The offered purchase price (excluding ancillary purchasing costs) or the limits of the purchase price range per share determined by the Company (excluding ancillary purchasing costs) in each case may not be more than 10% higher or lower than the arithmetic mean value of the closing prices (closing prices of the share of MeinAuto Group AG as determined in Xetra trading or on any comparable trading system substituting Xetra) on the Frankfurt Stock Exchange for the last three trading days preceding the publication of the purchase offer or the request to submit offers. If the stock price of the shares of the Company deviates materially from the relevant price after the offer has been published, the offer may be adjusted

The repurchase volume may be limited. To the extent the shares offered for purchase by the shareholders exceed the total amount of the Company's purchase offer, acceptance shall take place in the ratio of the total amount of the purchase offer to the total quantity of shares offered by the shareholders for the relevant purchase price or a lower price. In addition, it may also be provided that preferential acceptance is given for smaller numbers of up to 100 offered shares per shareholder. The purchase offer or request to submit offers may contain further terms and conditions.

The acquisition of treasury shares can also be effected by way of (i) the acquisition of options entitling the Company to acquire shares of the Company (call-options), (ii) the sale of options obliging the Company in the event of the options being exercised to acquire shares of the Company (put-options), and/or (iii) entering into forward purchase agreements relating to shares of the Company which have a period of more than two stock exchange trading days between the day of the conclusion of the respective forward purchase agreement and its settlement with shares of the Company (forward purchase agreements). A combination of different derivatives is permissible.

The terms and conditions of the derivatives have to stipulate that they are only served with shares of the Company that have been purchased over the stock exchange in compliance with the principle of equal treatment. The purchase price (not including ancillary acquisition costs) paid for such shares of the Company, may not be more than 10% higher or lower than the opening auction trading price or the first trading price of the shares of the Company in Xetra trading or on any comparable trading system substituting Xetra on the Frankfurt Stock Exchange on the respective trading day.

The purchase price per share stipulated in the derivatives may not be more than 10% higher or lower than the arithmetic mean value of the closing prices (closing prices of the share of MeinAuto Group AG as determined in Xetra trading or on any comparable trading system substituting Xetra) on the Frankfurt Stock Exchange for the

last three trading days preceding the conclusion of the respective derivative agreement. In addition, the purchase price paid by the Company for call-options or forward purchase agreements, or the respective option premium, shall not be materially higher and the price received by the Company for the sale of put-options, or the respective option premium, shall not be materially lower than the theoretical market price of the derivatives as determined in accordance with generally accepted valuation methods. When determining the theoretical market value, the price per share stipulated in the derivatives shall be taken into consideration in an appropriate manner.

Finally, the Company may agree with one or more credit institutions or other entities fulfilling the prerequisites of section 186 para. 5 sentence 1 AktG that these deliver to the Company, during a predefined period, a previously determined number of shares or a previously determined euro equivalent of shares in the Company. In such case, the price at which the Company purchases treasury shares must be calculated taking into account a deduction from the arithmetic mean of the share's volume-weighted average price in the Xetra trading system of the Frankfurt Stock Exchange (or any equivalent successor system), calculated during a period comprising a previously determined number of exchange trading days. However, the share's price may not fall short of the aforementioned mean by more than twenty percent. Moreover, the credit institutions or other entities fulfilling the prerequisites of section 186 para. 5 sentence 1 AktG must undertake to purchase the shares to be delivered on the stock exchange at prices that are within the range that would apply if these shares were directly purchased on the stock exchange by the Company itself.

The authorization may be exercised for any purpose permitted by law, in particular, to pursue one or more of the objectives specified below.

The Management Board is expected to be authorized, subject to the consent of the Supervisory Board, to cancel the treasury shares purchased on the basis of this authorization pursuant to section 71 (1) no. 8 AktG without adopting another resolution of the Company's shareholder meeting. The cancellation may be restricted to part of the shares purchased. The authorization to effect cancellation may be exercised more than once. As a general rule, the cancellation shall result in a capital reduction. In derogation from this, the Management Board may stipulate that the registered share capital remain unchanged and that instead the proportion of the remaining shares in the registered share capital be increased as a result of the cancellation pursuant to section 8 (3) AktG. In this case the Management Board is expected to be authorized to adjust the corresponding number in the Articles of Association.

The Management Board is expected to be authorized, subject to the consent of the Supervisory Board, to use the shares purchased on the basis of the authorization by means other than by a sale via the stock market or an offer to all shareholders subject to full or partial exclusion of subscription rights of the shareholders as follows:

- (a) to exclude fractional amounts resulting from the subscription ratio from the statutory subscription right of the shareholders;
- (b) for sale against non-cash contribution, in particular - but without limitation - to acquire companies, divisions of companies or equity interests in companies;
- (c) for sale against cash payment provided that this takes place at a price that is not substantially lower than the market price of shares of the Company at the time of the sale (simplified exclusion of subscription rights pursuant to section 186 (3) sentence 4, section 71 (1) no. 8 sentence 5 half-sentence 2 AktG). The authorization shall be limited, subject to inclusion of other shares and warrant-linked or convertible bonds as well as profit-sharing certificates conferring an option or conversion right or a conversion obligation which have been issued or sold subject to the exclusion of subscription rights of the shareholders during the term of this authorization until its exercise in direct or analogous application of section 186 (3) sentence 4 AktG, to a threshold of 10% in aggregate of the current registered share capital. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive;
- (d) to fulfil obligations of the Company arising from warrants and conversion options or the conversion obligations from warrant-linked or convertible bonds or profit-sharing certificates (or combinations of all these instruments) conferring conversion or option



rights or establishing a conversion obligation which have been issued by the Company or by companies which are controlled by it or in which it holds a majority interest; and

- (e) to grant to holders of warrant-linked bonds, convertible bonds or profit-sharing certificates conferring conversion or option rights or establishing a conversion obligation (or combinations of all such instruments) issued by the Company or by companies which are controlled by it or in which the Company holds a majority interest, subscription rights in the scope to which they would be entitled after exercise of the rights or obligations under such instruments;
- (f) to transfer shares under a participation program or a share based remuneration. The transfer of shares or respective commitments or agreements shall only be made to/with persons who participate in such program or receive such share-based remuneration as a member of the Management Board of the Company, a member of the managing body of a company dependent from the Company or an employee of the Company or a company dependent from the Company. A transfer to such persons may be made at reduced prices or without any separate consideration. To the extent treasury shares are to be granted to members of the Company's Management Board under this authorization, the Supervisory Board of the Company shall decide on the allocation and all other relevant details.

The authorizations above are expected to be possibly also exercised by companies which are controlled by the Company or in which it holds a majority interest or by third parties for the account of the Company or companies controlled by it or in which it holds a majority interest.

Under the authorization, the sale of treasury shares subject to exclusion of subscription rights is expected to be permitted only if the sum of the sold shares and together with new shares issued by the Company from an authorized capital during the term of the authorization until its exercise by exercising another authorization subject to the exclusion of subscription rights of the shareholders, as well as together with rights issued during the term of this authorization until its exercise by exercising another authorization subject to exclusion of subscription rights and enabling the conversion into or the subscription of shares of the Company or establishing an obligation for such conversion or subscription, nominally represents no more than 10% in aggregate of the registered share capital. What is decisive for calculating the threshold of 10% of the registered share capital is the registered share capital figure on the date when the authorization becomes effective. In the event that the registered share capital figure should be lower at the time when the authorization is exercised, such lower value is expected to be decisive.

#### **16.7 General Provisions Governing a Liquidation of the Company**

Apart from liquidation as a result of insolvency proceedings, the Company may only be liquidated with a vote of 75% or more of the share capital represented at the vote. Furthermore, the commencement of insolvency proceedings regarding the assets of the Company, the rejection of insolvency proceedings for insufficient assets to cover the costs of the proceedings, a cancellation of the Company for lack of funds or the imposition of a final decision of the registry court about a material defect in the Articles of Association could lead to a cancellation of the Company. In the event of the Company's liquidation, the AktG provides that any assets remaining following settlement of the Company's liabilities shall be distributed among the Company's shareholders in proportion to their shareholdings. The AktG provides certain protections for creditors in the event of a liquidation of the Company.

#### **16.8 General Provisions Governing a Change in the Share Capital**

The AktG provides that the share capital of a stock corporation may be increased by a resolution adopted at the general shareholders' meeting. Such resolution must be adopted by a majority of at least 75% of the share capital represented when the resolution is passed, unless the stock corporation's articles of association provide for a different majority. Section 19(1) of the Articles of Association provides that resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast, except as otherwise provided by mandatory law (as in case of a capital increase) or the Articles of Association of the Company. In case of an increase of capital, the profit share of the new shares can be determined in deviation from Section 60 para. 2 AktG according to Section 20 para. 3 of the Articles of Association. Section 60 para. 2 AktG provides that, if contributions to share capital have not been made in the same proportion for all shares, shareholders shall first be paid from the distributable profit in an amount of 4% of the contributions made, and, if the profit is insufficient to make such payment, the amount to be paid shall be determined on the basis of an appropriately lower percentage

(contributions which have been made during the course of the fiscal year shall be taken into account in proportion to the time which has elapsed since the date of such contributions).

In addition, shareholders may resolve to issue authorized capital (*Genehmigtes Kapital*) upon a vote of 75% of the share capital represented at the passing of the resolution authorizing the Management Board to issue shares of up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time the resolution of the general shareholders' meeting is registered with the commercial register (*Handelsregister*). The authorized capital for the Company is described above under "16.3 Authorized Capital".

Additionally, shareholders may resolve to create conditional capital (*Bedingtes Kapital*) for the purpose of issuing shares (i) to holders of convertible bonds or other securities convertible into shares of the Company, (ii) as consideration in connection with a merger with another company or (iii) to executives and employees. A resolution to create conditional capital must be adopted by at least 75% of the share capital represented at the passing of the resolution. The nominal amount of the conditional capital created for the purpose of share issues to executives and employees may not exceed 10% of the nominal share capital in existence at the time such resolution is passed, while the nominal amount of the conditional capital created for the purpose of share issues to holders of convertible bonds or other securities convertible into shares of the Company or as consideration in connection with a merger with another company may not exceed 50% of the nominal share capital in existence at the time such resolution is passed; however, there is generally no limitation with respect to a time period during which the contingent capital may be used. The conditional capital for the Company is described above under "16.4 Conditional Capital". The authorization of the Management Board to issue convertible bonds or other securities convertible into shares of the Company must be limited to a period not exceeding five years from the date of the respective shareholder resolution (see "16.5 Authorization to Issue Convertible Bonds and/or Warrant Bonds").

## **16.9 General Provisions Governing Subscription Rights**

Section 186 AktG generally grants all shareholders the right to subscribe for new shares of the Company issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have the right to demand admission to trading for subscription rights. The Company's shareholders' meeting may resolve to exclude shareholders' subscription rights with a vote of 75% or more of the share capital represented at the vote. Exclusion of shareholders' subscription rights, wholly or in part, also requires a report from the Management Board to the shareholders' meeting that justifies the exclusion and demonstrates that the Company's interest in excluding subscription rights outweighs the interests of the shareholders to be granted subscription rights. An exclusion of shareholders' subscription rights is, in particular, permissible if:

- the Company increases its share capital against cash contributions;
- the amount of the capital increase of the issued shares with no subscription rights does not exceed 10% of the share capital at issue, both at the time when the authorization takes effect and at the time when it is authorized; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price of the Company's shares.

## **16.10 Exclusion of Minority Shareholders**

### ***16.10.1 Squeeze-Out under Stock Corporation Law***

Sections 327a *et seq.* AktG, which govern a so-called "squeeze-out under stock corporation law", provide that upon request of a shareholder holding 95% or more of the Company's share capital, the Company's shareholders' meeting may resolve to transfer the shares of minority shareholders to such majority shareholder against payment of an adequate compensation in cash. The amount of the cash compensation offered to minority shareholders must reflect "the circumstances of the Company" at the time the shareholders' meeting passes the resolution. The amount of the cash compensation is based on the full value of the Company, which is generally determined using the capitalized earnings method. Minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), wherein the court will review the fairness (*Angemessenheit*) of the cash compensation.

### **16.10.2 Squeeze-Out and Tender Rights under Takeover Law**

Under Sections 39a and 39b of the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, “WpÜG”), in the event of a so-called “squeeze-out under takeover law”, an offeror holding at least 95% of the voting share capital of a target company (as defined in the WpÜG) following a takeover bid or mandatory offer may, within three months of the expiration of the deadline for acceptance of the offer, petition the regional court (*Landgericht*) of Frankfurt am Main, Germany, to order the transfer of the remaining voting shares to such offer or against payment of an adequate compensation. Such transfer does not require a resolution of the target company’s shareholders’ meeting. The consideration paid in connection with the takeover bid or mandatory offer is considered adequate if the offeror has obtained at least 90% of the share capital that was subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer, while at all times a cash compensation must also be offered.

In addition, following a takeover bid or mandatory offer, the shareholders in a target company who have not accepted the offer may do so up to three months after the acceptance period has expired (Section 39c WpÜG), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG.

The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

### **16.10.3 Squeeze-Out under Reorganization Law**

Under Section 62 para. 5 of the German Transformation Act (*Umwandlungsgesetz*, “UmwG”), a majority shareholder holding at least 90% of the Company’s share capital may require the Company’s shareholders’ meeting to resolve to transfer the shares of the minority shareholders to such majority shareholder against payment of an adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation (*Aktiengesellschaft (AG)*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien (KGaA)*) or a European company (*Societas Europaea (SE)*) having its registered office in Germany and (ii) the squeeze-out is performed to facilitate a merger under the UmwG between the majority shareholder and the Company. The shareholders’ meeting held to approve the squeeze-out must take place within three months of the conclusion of the merger agreement.

The procedure for a squeeze-out under the UmwG is essentially identical to the “squeeze-out under stock corporation law” described above, including the minority shareholders’ right to judicial review of the appropriateness of the cash compensation.

### **16.10.4 Integration**

Under Section 319 *et seq.* AktG, the Company’s shareholders’ meeting may vote for an integration (*Eingliederung*) into another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the Company. The former shareholders of the Company are entitled to adequate compensation, which generally must be provided in the form of shares in the parent company. The amount of the compensation must be determined using the “merger value ratio” (*Verschmelzungswertrelation*) between the two companies, *i.e.*, the exchange ratio which would be considered reasonable in the event of merging the two companies. Fractional amounts may be paid out in cash.

## **16.11 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors’ Dealings**

Once the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company will be subject to German Securities Trading Act (*Wertpapierhandelsgesetz*) provisions governing, *among other things*, disclosure requirements for significant shareholdings, the WpÜG provisions governing takeover bids and mandatory offers, as well as the Market Abuse Regulation (Regulation (EU) 596/2020 of April 16, 2020 – “MAR”) provisions governing, *among other things*, directors’ obligations to disclose transactions in the Shares, debt instruments, related derivatives or other related financial instruments.

## ***16.11.1 Notification Requirements of Shareholders***

### ***16.11.1.1 Notification Thresholds and Attribution Rules***

Pursuant to Section 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz* – “**WpHG**”), anyone who acquires or whose shareholding in any other way reaches or exceeds 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Company, is required to concurrently notify both the Company and BaFin of such occurrence. Subsequent notifications are required if such person sells or in any other way falls below the aforementioned thresholds.

All such notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances should have had knowledge of, their proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge at the latest two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares. If a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest.

In connection with these requirements, Section 34 WpHG contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person’s or entity’s discretion are also attributed to such person or entity. Furthermore, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting-in-concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Company (*e.g.*, fundamental changes to the Group’s business model or a sale of a substantial part of the Group’s assets). Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting-in-concert. Coordination in individual cases, however, is not considered as acting-in-concert.

Except for the 3%-threshold, similar notification requirements towards the Company and BaFin exist, if the aforementioned thresholds are reached, exceeded or undercut, because the shareholder holds financial instruments that (i) confer to him (a) the unconditional right to acquire already issued shares of the Company to which voting rights are attached when due or (b) discretion to exercise their right to acquire such shares, or (ii) relate to such shares and have a similar economic effect as the aforementioned instruments, whether or not conferring a right to a physical settlement. Thus, the latter mentioned notification requirements also apply, for example, to share swaps against cash consideration and contracts for difference. The number of voting rights relevant for the notification requirement will generally be calculated by reference to the full nominal amount of shares underlying the instrument except where the instrument provides exclusively for a cash settlement. Details for such calculations are laid down in the Commission Delegated Regulation (EU) 2015/761 of December 17, 2020. In addition, a person or entity is subject to a notification requirement towards the Company and BaFin if the sum of the voting rights from shares and (financial) instruments held or attributed to such person or entity reaches, exceeds or falls below the aforementioned thresholds, again except for the 3% threshold.

### ***16.11.1.2 Exceptions to Notification Requirements***

There are certain exceptions to the notification requirements. For example, a company is exempt from notification obligations if its parent company has filed a group notification pursuant to Section 37 (1) WpHG. If the Company’s parent company is itself a subsidiary, then the relevant company is exempt from notification obligations if its parent’s parent company has filed such group notification. Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the European Union or in an EEA Member State are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) the shares or instruments are held in such credit institution’s or credit securities services company’s trading book, (ii) they amount to no more than 5% of the Company’s voting rights, do not grant the right to acquire more than 5% of the voting rights, or do not have a similar economic effect and (iii) it is ensured that the voting rights pertaining to such shares or instruments are not exercised or otherwise utilized.

### *16.11.1.3 Fulfilment of Notification Requirements*

If any notification obligation is triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the German Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice may be submitted either in German or English, in writing or via fax. Irrespective of the event triggering the notification, the notice must include (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by, or attributed to, the notifying person or entity. In addition, the notice must include certain attribution details (*e.g.*, the first name, surname and date of birth of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and whether voting rights or instruments are attributed).

As a domestic issuer in Germany, the Company is required to publish such notices without undue delay, but no later than three trading days after receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire European Union and in all EEA Member States. Such publications shall only be made in the English-language. The Company is also required to transmit these publications to BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

### *16.11.1.4 Consequences of Violations of Notification Requirements*

Rights of shares held by shareholders, or from which voting rights are attributed to shareholders, do not exist for as long as the notification requirements are not fulfilled or not fulfilled appropriately. This temporary nullification of rights applies, in particular, to dividend, voting and subscription rights. However, it does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted willfully and have since been submitted. If the shareholder willfully or grossly negligently fails to disclose the correct proportion of voting rights held, then the rights attached to shares held by or attributed to such shareholder cease to exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds, including the 3% threshold, was omitted. In addition, a fine may be imposed for failure to comply with notification obligations.

### *16.11.1.5 Special Notification Requirements for more than 10% of the Voting Rights*

Pursuant to Section 43 WpHG, a shareholder who reaches or exceeds the threshold of 10% of the voting rights of the Company, or a higher threshold, is required to notify the Company within 20 trading days regarding the objective being pursued through the acquisition of such voting rights, as well as regarding the source of funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10%-threshold has been reached, the aforementioned attribution rules apply. The Company is required to publish any notification pursuant to Section 43 WpHG it receives without undue delay and no later than within three trading days.

### **16.11.2 Mandatory Offers**

Pursuant to the WpÜG, every person whose share of voting rights reaches or exceeds 30% of the voting rights of the Company is required to publish this fact, including the percentage of its voting rights, within seven calendar days of crossing this threshold. Such publication must be furnished on the internet and by means of an electronic system for disseminating financial information. The WpÜG contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to such shares.

Once the share of voting rights exceeds 30% of the voting rights of the Company, such shareholder is required to make a mandatory tender offer to all shareholders of the Company. Under certain conditions, BaFin may grant an exemption from this rule. If the relevant shareholder fails to give notice of reaching or exceeding the 30%-threshold or fails to submit the mandatory tender offer, such shareholder is barred from exercising the rights associated with these shares (including voting rights and, in case of willful failure to send the notice and failure to subsequently send the notice in a timely manner, the right to dividends) for the duration of the delinquency. A fine may also be imposed in such cases.

### **16.11.3 Managers' Transactions**

A person discharging managerial responsibilities within the meaning of Article 3 (1) no. 25 MAR (*i.e.*, the members of the Management Board and the Supervisory Board), must notify the Company and BaFin of transactions undertaken for their own account relating to the Shares or to financial instruments based on the Shares (subject to a €20,000.00 *de minimis* exception per calendar year for all such transactions). This also applies to persons closely associated with a person discharging managerial responsibilities within the meaning of Article 3 (1) no. 26 MAR. Such notifications shall be made promptly and no later than three business days after the date of the relevant transaction. The Company shall ensure that such notifications are made public promptly and no later than three business days after the relevant transaction.

During a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the Company is required to make public according to (i) the rules of the trading venue where the Shares are admitted to trading or (ii) national law, persons discharging managerial responsibilities are prohibited from conducting for their own account or for the account of a third party any transactions directly or indirectly relating to shares or debt instruments of the Company, or to derivatives or other financial instruments linked to such securities.

### **16.11.4 Holder Control Procedure**

Pursuant to Section 2c KWG any person intending to acquire a direct or indirect qualifying holding (*bedeutende Beteiligung*) in a financial services institution must notify BaFin and the German Central Bank (*Deutsche Bundesbank*) of such intention without undue delay. A qualifying holding means a direct or indirect holding in an undertaking which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

While the Company is not itself a financial service institution it holds indirectly 100% of the shares of its subsidiary Mobility Concept (which is a financial service institution). Therefore, acquiring for example 10% or more of the Company's shares would result in an indirect qualifying holding in Mobility Concept and the intention to acquire the shares would require a corresponding notification by the proposed acquirer (and potentially direct and indirect shareholders of the proposed acquirer). The notification must include in particular information about the contemplated acquisition, financial soundness of the proposed acquirer, and intentions with regard to Mobility Concept, as well as information demonstrating the reliability of the proposed acquirer and – if the proposed acquirer is an entity – its authorized representatives. The notification must be submitted to BaFin and the Regional Office of the German Central Bank for Bavaria (*Bundesbank Hauptverwaltung in Bayern*).

BaFin may, within a period of up to ninety working days following confirmation of completeness of such filing, prohibit the intended acquisition if facts are known which warrant the assumption that, amongst others, the proposed acquirer or its (future) directors and officers are not reliable or do not satisfy the requirements to be set in the interests of the sound and prudent management of Mobility Concept, that Mobility Concept will not be able to comply and continue to comply with prudential requirements, or that the proposed acquirer does not have the necessary financial soundness. If a person acquires a qualifying holding despite such prohibition or without notifying BaFin and the competent Regional Office of the German Central Bank, BaFin may preclude the acquirer from exercising the voting rights in the Company or commission a trustee to sell the interest in the Company insofar as it establishes a qualifying holding. In addition, non-compliance with the disclosure requirement pursuant to Section 2c KWG may result in the imposition of a fine in accordance with statutory provisions.

In addition to the notification requirement for the intention to acquire a qualifying interest in Mobility Concept, ongoing notification requirements apply to holders of a qualifying interest in Mobility Concept. In particular, additional filings pursuant to Section 2c KWG are required for an intended increase or decrease of a qualifying holding that would result in reaching, exceeding or falling below the thresholds of 10%, 20%, 30% and 50% of the capital of the Company or would result in controlling or no longer controlling the Company. Furthermore, BaFin and the competent Regional Office of the German Central Bank must be notified of certain changes concerning the holder of a qualifying holding, including the appointment of new authorized representatives.

## **16.12 EU Short Selling Regulation (Ban on Naked Short-Selling)**

Pursuant to Regulation (EU) 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the "Short Selling Regulation"), the European Commission's delegated regulation for the purposes of detailing the Short Selling Regulation, and the German

EU Short Selling Implementation Act (*EU Leerverkaufs Ausführungsgesetz*) of November 15, 2012, the short selling of the Shares is only permitted under certain conditions. Additionally, under the provisions of the Short Selling Regulation, significant net short selling positions in the Shares must be reported to BaFin and published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net Short Positions (*Netto Leerverkaufspositionsverordnung*) of December 17, 2012. The net short selling positions are calculated by offsetting the short positions of a natural person or legal entity in the Shares with its long positions in such shares. The details are regulated in the EU Short Selling Regulation and the other regulations the European Commission enacted on short selling. In certain situations described in the Short Selling Regulation, BaFin may restrict short selling and comparable transactions.

## 17. DESCRIPTION OF THE GOVERNING BODIES OF MEINAUTO GROUP AG

### 17.1 Overview

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The powers and responsibilities of these governing bodies are governed by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association and the bylaws of the Management Board and the Supervisory Board.

The Management Board manages the Company's business in accordance with the law, the Articles of Association and the bylaws of the Management Board, taking into account the resolutions of the shareholders' meeting. The Management Board represents the Company in its dealings with third parties. The Management Board is required to implement and maintain appropriate risk management and risk controlling measures, including setting up a monitoring system in order to ensure that any developments that could potentially endanger the continued existence of the Company can be identified early. In addition, the Management Board must report regularly to the Supervisory Board on the performance and the operations of the Company. The Management Board is also required to present to the Supervisory Board for its approval, no later than at the last Supervisory Board meeting of each fiscal year, certain business planning matters (including financial investment and personnel planning) for the following fiscal year. Furthermore, each member of the Management Board who becomes aware of any matter that is of particular significance to the Company must immediately report such matter, orally or in writing, to the chairman and the vice chairman of the Supervisory Board or to all members of the Supervisory Board. Significant matters include any development or event at an affiliated company that could have a material impact on the Company.

The Supervisory Board advises the Management Board in the management of the Company and monitors its management activities. The Management Board may not transfer management tasks to the Supervisory Board. However, pursuant to the Articles of Association in combination with the bylaws of the Management Board, the Management Board must obtain the consent of the Supervisory Board for certain transactions and measures, including changes to the Company's lines of business as well as termination of existing and adoption of new lines of business or any material change to the geographical area of its business, including the establishment and dissolution of branches as well as incorporation, acquisition, sale, transfer or transformation of a subsidiary.

Pursuant to the Articles of Association, the shareholders' meeting appoints six members of the Supervisory Board. Each member of the Supervisory Board may be removed at any time by the body or party that appointed them. The Supervisory Board appoints the members of the Management Board and has the right to remove them for good cause. Simultaneous membership on the Management Board and the Supervisory Board is prohibited.

The members of the Management Board and the Supervisory Board owe duties of loyalty and due care to the Company. In discharging these duties, the members of the governing bodies are required to take into account a broad range of interests, including those of the Company, its shareholders, its employees and its creditors. The Management Board must also take into account the rights of shareholders to equal treatment and equal information. If the members of the Management Board or the Supervisory Board fail to discharge their duties, they are jointly and severally liable to the Company for damages. A D&O insurance policy, which provides for a deductible for the Management Board and Supervisory Board members, protects the Management Board and Supervisory Board members against claims for damages.

Under the German Stock Corporation Act (*Aktiengesetz*), neither individual shareholders nor any other person may use its influence on the Company to cause a member of the Management Board or the Supervisory Board to act in a manner that would be detrimental to the Company. Persons using their influence to cause a member of the Management Board or the Supervisory Board, an authorized signatory (*Prokuristen*) or an assistant manager (*Handlungsbevollmächtigter*) to act in a manner that causes harm to the Company or its shareholders, are liable to compensate the Company for any resulting losses. Moreover, in this case, the members of the Management Board and Supervisory Board are jointly and severally liable in addition to the person using its influence if they have acted in breach of their obligations to the Company.

Generally, an individual shareholder may not take action against the members of the Management Board or the Supervisory Board if such shareholder believes that they have acted in breach of their duties to the Company and, as a result, the Company has suffered loss. The Company's claims for damages against the members of the Management Board or the Supervisory Board may generally only be pursued by the Company itself. In the case of claims against members of the Supervisory Board, the Company is represented by the Management Board, and



in case of claims against members of the Management Board, it is represented by the Supervisory Board. Pursuant to a ruling by the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board must bring claims that are likely to succeed against Management Board members unless significant considerations of the Company's well-being, which outweigh or are at least equivalent to those in favor of such claim, render such a claim inadvisable. If the relevant governing body decides against pursuing a claim, it must nevertheless be asserted if the shareholders' meeting adopts a resolution to this effect by a simple majority.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a general shareholders' meeting or exercise voting rights in a general shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that the Company was harmed by dishonesty or a gross violation of law or the Articles of Association, shareholders who collectively hold 1% of the share capital or a pro rata share of €100,000 may also, under certain further conditions, seek damages from members of the Company's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the Company itself files a claim for damages.

The Company may only waive or settle a claim for damages against board members if at least three years have elapsed since the vesting of the claim, so long as the shareholders' meeting approves the waiver or settlement by a simple majority and provided that no minority of shareholders whose aggregate shareholdings amount to at least one-tenth of the share capital records an objection to such resolution in the minutes of the shareholders' meeting.

## 17.2 Management Board

### 17.2.1 Current Composition of the Management Board

Pursuant to Section 6(1) of the Articles of Association and Section 78 AktG, the Management Board consists of one or more persons and the Supervisory Board determines the exact number of the members of the Management Board. The Supervisory Board may appoint a Management Board member as chairman, vice chairman, spokesman or vice spokesman of the Management Board. Currently, the Management Board consists of two members.

Reappointment or extension, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a Management Board member prior to the expiration of his or her term for good cause, such as a gross breach of fiduciary duty, or if the shareholders' meeting passes a vote of no confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating employment agreements with Management Board members and, in general, for representing the Company in and out of court against the Management Board.

Pursuant to Section 7 of the Articles of Association, the Company is represented vis-à-vis third parties and in court proceedings by the Management Board. If the Management Board consists of several persons, the Company will be represented by two members of the Management Board or a member of the Management Board jointly with an authorized signatory (*Prokurist*). The Supervisory Board may determine that all or specific members of the Management Board are authorized to represent the Company individually.

The table below lists the current and appointed members of the Management Board:

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Rudolf Rizzolli .....	47	2021	2024	Chief Executive Officer
Guus Stoelinga .....	57	2021*	2024	Chief Financial Officer

\* Mr. Guus Stoelinga was appointed as a member of the Management Board on April 22, 2021 with his appointment becoming effective, due to currently existing COVID-19 restrictions, on May 12, 2021.

The following description provides summaries of the *curricula vitae* of the current and appointed members of the Management Board and indicates their principal activities outside the MeinAuto Group to the extent that those activities are significant with respect to the MeinAuto Group.

**Rudolf Rizzolli** was born in Bolzano, Italy, in 1973.

Mr. Rizzolli earned his degree in business administration from the University of Luigi Bocconi in 1998. He started his career working for the Boston Consulting Group in Germany and India from 1998 to 2007. Concurrently, from 2003 to 2008, he fulfilled the role of a chief executive officer of the Kamps Group in Germany and Switzerland. From 2008 to 2012, he served as chief executive officer of the Hülpert Group. Before Mr. Rizzolli joined the MeinAuto Group as chief executive officer, he was chief executive officer of Sixt Leasing SE, which he successfully steered to an IPO.

Alongside his office as a CEO and chairman of the Management Board, Mr. Rizzolli is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- 123Fahrschule SE, member of the supervisory board (since 2021);
- Cuornero AG, member of the management board (since 2019); and
- Frifefa GmbH, managing director (since 2015).

**Previously:**

- Automath GmbH, managing director (2016 to 2020)
- Nummum AG, member of the board of directors (*Verwaltungsrat*) (2015 to 2019); and

Sixt Leasing SE, chief executive officer (and management board positions at certain affiliates)(2012 to 2017). Other than listed above, Mr. Rizzolli has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

**Augustinus “Guus” Stoelinga** was born in Heemskerk, Netherlands, in 1963.

Mr. Stoelinga was a trained and registered chartered accountant at the Royal Netherlands Institute of Chartered Accountants (NIVRA). He started his career at KPMG, where he focused on the financial services sector and was involved in various activities in the field of external audits. After working for Banque Paribas Nederland N.V. as a controller he joined LeasePlan Corporation in 1991, where he worked in various management positions and since 2007 as chief financial officer. In addition, he served as financial director at Auto Lease Holland from 1996 to 2000. Since 2007, Mr. Stoelinga is non-executive chairman of the board at Euro Insurance DAC. In addition, he was a member in various supervisory boards. He was appointed a member of the advisory board of MeinAuto Management GmbH before he was appointed chief financial officer at MeinAuto Group AG in 2021.

Alongside his office as a CFO and member of the Management Board, Mr. Stoelinga is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- LifeSight by Willis Towers Watson, chairman of the supervisory board (since 2017); and
- Euro Insurance DAC, non-executive chairman of the board (since 2007).

**Previously:**

- KAF; Stichting Almeerse Theatres, chairman of the supervisory board (2014 to 2019);
- LeasePlan Corporation N.V., chief financial officer (2007 to 2017).

Other than listed above, Mr. Stoelinga has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

The members of the Management Board may be reached at the Company's office at Grünwalder Weg 34, 82041 Oberhaching, Germany (tel. +49 89 63266-120).

### **17.2.2 Service Agreements**

New service agreements between the Company and the two current and appointed members of the Management Board, Mr. Rizzolli and Mr. Stoelinga, were concluded on April 29, 2021. The service agreement of Mr. Rizzolli became effective on March 18, 2021 and the service agreement of Mr. Stoelinga will become effective on May 12, 2021. The terms of the service agreements run until March 15, 2024 for both Mr. Stoelinga and Mr. Rizzolli. The service agreements may generally only be terminated by mutual agreement or for cause. In the event a member of the Management Board has been suspended from the Management Board or his appointment has been revoked, the Company can release the respective member of the Management Board from his duties under his service agreement provided it continues to pay him the base compensation. Both service agreements do not provide for a termination right in the event of a change of control of the Company.

### **17.2.3 Compensation and Other Benefits of the Management Board Members**

#### **17.2.3.1 Compensation in the Fiscal Year Ended December 31, 2020**

All members of the Management Board were appointed after December 31, 2020. Accordingly, no member of the Management Board received any compensation from the Company during the financial year ended December 31, 2020. In the fiscal year ended December 31, 2020, the Company was not yet transformed into a German stock corporation (Aktiengesellschaft) and has not disclosed the individual compensation for each member of its management board. For further information, see "18.1.1 Compensation of key management personnel".

#### **17.2.3.2 Compensation System and Benefits**

The compensation after the Offering will be based on new service agreements between the Management Board members and the Company with a duration of three years as well as new terms and conditions for the compensation elements. It is particularly aimed at aligning the Management Board members' compensation with the long-term development and success of the Company and at complying with the legal requirements for Management Board members' compensation in listed companies under Sections 87 and 87a of the German Stock Corporation Act (*Aktiengesetz*) as well as with the recommendations of the German Corporate Governance Code. After the Offering, the compensation of the members of the Management Board by the Company generally will consist of a fixed annual base salary, variable compensation components (together with the base salary the "**Total Target Compensation**"), consisting of a short-term and a long-term incentive, as well as additional fringe benefits/benefits in kind (in the following referred to as "**Additional Benefits**").

#### **(A) Annual Base Salary**

The current and appointed members of the Management Board will receive a fixed annual base salary in cash, which is paid out in twelve equal monthly installments. The fixed base gross salary amounts to €675,000 for Mr. Rizzolli and to €300,000 for Mr. Stoelinga.

#### **(B) Variable Compensation**

In addition to the fixed annual salary, the current and appointed members of the Management Board are entitled to variable compensation elements, the short-term incentive ("**STI**") and the long-term incentive ("**LTI**") which are oriented towards the company's sustainable development and which incorporate relevant key performance indicators as well as the share price development of the Company. In order to incentivize the long-term development, the LTI makes up the majority of the variable compensation. Moreover, the STI is paid out in restricted stocks and comprises an additional one-year holding period after the one-year performance period. Both variable compensation components are share-based and therefore create a strong link between the interests of shareholders and the Management Board.

(1) *Short-Term Incentive (STI)*

The STI is designed as a target bonus with a one-year performance period and an additional one-year holding period. For each Management Board member, the Supervisory Board has set a target amount for the STI. The gross target amount is EUR 350,000 for Mr. Rizzolli and EUR 125,000 for Mr. Stoelinga. The preliminary value of the STI at the end of the performance period depends on the annual performance with regard to the financial and non-financial targets set by the Supervisory Board. As financial targets, the Supervisory Board has defined the adjusted EBITDA and the net sales growth, both of which are measured against the budget for the respective financial year. The weighting of these financial targets can range between 30% and 70% each (always 100% in total) and is defined by the Supervisory Board for each tranche of the STI depending on the operative focus. The target achievement of the financial targets can range between 0% and 150%. For the overall target achievement of the STI, the financial target achievement is multiplied with a modifier with a range of 0.8 to 1.2. Within the modifier, the Supervisory Board sets individual and collective targets for the members of the Management Board. In addition, relevant targets from the area of environmental, social and governance (ESG) are taken into account. The preliminary value of the STI is determined by multiplying the target amount with the overall target achievement and is capped at 150% of the target amount.

The preliminary value of the STI is converted into restricted stock units (“RSU”). The allocated RSU are subject to a further one-year holding period. The number of allocated RSU depends on the preliminary value of the STI and the 20-day average closing share price of MeinAuto Group AG prior to the end of the financial year, in which the STI was granted. The value of the allocated RSU depends on the absolute share price development of MeinAuto Group AG. The payout value of the STI is based on the share price at the end of the holding period and is capped at 300% of the target amount for the STI. The final payout is made in shares, but can also be made in cash at the Company’s sole discretion.

(2) *Long-Term Incentive (LTI)*

The LTI is designed as a virtual stock options plan (“VSOP”) with a four-year waiting period followed by a four-year exercise period and is granted annually. The individual gross grant amount is EUR 400,000 for Mr. Rizzolli and EUR 250,000 for Mr. Stoelinga. Before the beginning of each tranche of the VSOP, the Supervisory Board defines the exercise price of the granted Virtual Stock Options. The number of granted Virtual Stock Options is then determined by dividing the individual grant amount by the Fair Market Value of one Stock Option at the time of the grant. The vesting period of the VSOP is one year. After a four-year waiting period, Management Board members have the right to exercise all or part of the granted Virtual Stock Options within four years after the waiting period within pre-defined exercise periods. When exercised, each Stock Option entitles the Management Board member to a cash payment by the Company in the amount equal to the excess of the average closing price of MeinAuto Group AG on the first ten trading days of an exercise period over the respective exercise price. The Company is entitled, at its sole discretion, to deliver (in full or in part) shares in the Company instead of a cash payment. Stock Options that are not exercised within the defined four year timeframe lapse in full.

(C) *Total Target Compensation*

The Total Target Compensation (including the fixed base salary, STI target amount and LTI grant amount) will amount to EUR 1,425,000 for Mr. Rizzolli and EUR 625,000 for Mr. Stoelinga. 53% of Total Target Compensation of Mr. Rizzolli and 76% of Total Target Compensation of Mr. Stoelinga are attributable to variable compensation components. Thus, the compensation of the Management Board members is closely linked to the actual performance of MeinAuto AG Group.

(D) *Additional Benefits*

Additional benefits which correspond to common market practice are granted to the members of the Management Board. These include a contribution to health and nursing care insurance, a monthly car allowance, D&O insurance and reasonable travel expenses. Insofar as benefits constitute taxable compensation, the taxes shall be borne by the Management Board member.

(E) *IPO-Bonus*

For the preparation of the Offering a one-time bonus of EUR 550,000 for Mr. Rizzolli and EUR 250,000 for Mr. Stoelinga as well as for certain employees of the Group in an aggregate amount of up to EUR 1,850,000 has been agreed on, subject to the condition that the first-time admission of the shares of the Company to trading on the regulated market of the Frankfurt Stock Exchange takes place by December 31, 2021.

#### 17.2.3.3 Maximum Compensation

In addition to the individual caps for the variable compensation components, a maximum compensation pursuant to Section 87a para 1 no. 1 AktG has been determined in the gross amount of EUR 9 million for Mr. Rizzolli and in the gross amount of EUR 4.5 million for Mr. Stoelinga. The maximum compensation limits the total compensation (base salary, STI, LTI and additional benefits) of the members of the Management Board, that is paid out for a financial year, regardless of the actual payment date. If compensation exceeds this maximum, the respective amount in excess of the maximum is forfeited without refund or replacement.

#### 17.2.3.4 Malus and Clawback

The Supervisory Board has the right of reducing variable compensation that has not yet been paid out (malus) or of reclaiming variable compensation that has already been paid out (clawback). The set of events in which such an opportunity applies, is defined in the service agreements. Such options comprise cases of deliberate breaches of duty (compliance malus/clawback) as well as cases of incorrect consolidated financial statements (performance clawback).

#### 17.2.3.5 Non-Compete

During the term of their service agreement and for a period of one year following its termination, the current and appointed members of the Management Board are subject to certain non-compete obligations, including a prohibition from working (as an employee, in a freelance or advisory capacity, or through certain investments, except for participations of less than 5% of the share capital and voting rights) for a company that is a competitor of the Company. The post-contractual non-compete obligations entail an obligation of the Company to pay a non-compete compensation to the current and appointed members of the Management Board for the duration of the twelve months post-contractual non-compete period. The compensation is to be paid in monthly installments and amounts to 100% of the contractual fixed compensation plus 50% of the target amount of the STI that the member of the Management Board received prior to the end of the service agreement. The Company can waive its right under the non-compete clause with the effect that the obligation to pay a non-compete compensation ceases six months after receipt by the member of the Management Board of the declaration of waiver.

#### 17.2.3.6 Severance Payment

In the event of a termination of the service agreement prior to the end of the term of the respective service agreement, any agreed payments to the respective member of the Management Board, including fringe benefits, shall compensate no more than the remaining term of the service agreement, but in any case not exceed the amount of two times the annual compensation (severance cap). The severance cap is calculated on the basis of the total compensation for the past financial year and the expected total compensation for the current financial year in which the service agreement ends. In case the termination by the Company is based on cause within the meaning of Section 626 BGB no severance payment will be due.

### **17.3 Supervisory Board**

Pursuant to Section 8(1) of the Articles of Association, the Supervisory Board consists of six members. It is not subject to employee codetermination as provided by the German One-Third Employee Representation Act (*Dritteteiligungsgesetz*) or the German Codetermination Act (*Mitbestimmungsgesetz*). The shareholder's meeting appoints the members of the Supervisory Board.

A quorum of the Supervisory Board is present if three members are present. Resolutions of the Supervisory Board are passed with simple majority, unless otherwise mandated by law. In case of a tied vote, the chairman of the Supervisory Board shall have the casting vote. This also applies to elections. If the chairman of the Supervisory Board has not been elected or if he abstains from voting, a tied vote is deemed to be a rejection of the resolution.

Section 100(5) of the German Stock Corporation Act (*Aktiengesetz*) requires the Supervisory Board to have at least one member with expertise in the fields of accounting or auditing and the members of the Supervisory Board as a whole must be familiar with the industry in which the Company conducts its business. Within the Supervisory Board of the Company, the members Prof. Dr. Joachim Schindler and Dr. Florian Wolff are considered to possess the required expertise in the fields of accounting or auditing. In addition, according to the German Corporate Governance Codex, the chair of the Supervisory Board, the chair of the audit committee, as

well as the chair of the committee that addresses Management Board remuneration, shall be independent from the Company and the Management Board. The chair of the audit committee shall also be independent from the Selling Shareholder. Dr. Martin Enderle, as chairperson of the Supervisory Board and chairperson of the nomination and strategy committees as well as Prof. Dr. Joachim Schindler as chairperson of the audit committee are considered to possess the required independence.

For each member of the Supervisory Board, the shareholders may, at the same time the respective member is elected, appoint substitute members. These substitute members will replace the elected Supervisory Board member in the event of his premature departure in an order that was defined at the time of the appointment. The term of office of the substitute member replacing the departing member terminates if a successor is elected at the next shareholders' meeting or the following one, at the close of the shareholders' meeting, otherwise on the expiry of the term of office of the departed member of the Supervisory Board. Members of the Supervisory Board who were elected by the shareholders' meeting may be dismissed at any time during their term of office by a resolution of the shareholders' meeting adopted by 75% of the votes cast. In accordance with Section 8(5) of the Articles of Association, any member or substitute member of the Supervisory Board may resign at any time, even without providing a reason, by giving fourteen days' notice of his resignation in writing. This does not affect the right to resign with immediate effect for good cause.

### 17.3.1 Members of the Supervisory Board

The table below lists the current members of the Supervisory Board:

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Dr. Martin Enderle .....	55	2021	2026	Chairperson of the Supervisory Board
Dr. Florian Wolff .....	50	2021	2026	Deputy chairperson of the Supervisory Board
Dr. Christian Böing .....	49	2021	2026	Member of the Supervisory Board
Doreen Huber .....	39	2021	2026	Member of the Supervisory Board
Prof. Dr. Joachim Schindler .....	64	2021	2026	Member of the Supervisory Board
Justin von Simson .....	46	2021	2026	Member of the Supervisory Board

The following summaries of the *curricula vitae* of the current members of the Supervisory Board indicate their principal activities outside the MeinAuto Group to the extent those activities are significant with respect to the MeinAuto Group.

**Dr. Martin Enderle** was born in 1965, in Karlsruhe, Germany.

Dr. Enderle began his professional career in 1995 with McKinsey & Company, after graduating with a degree in mathematics and physics and receiving a doctorate degree from the University of Hanover in 1995. In 1999, he became managing director of Speed Ventures GmbH. After further engagements with T-Online International AG as senior vice president of international business from 2001 to 2005, Deutsche Telekom AG as senior vice president of digital services between 2011 to 2014 and nine years as chief executive officer of Scout24 Holding GmbH from 2005 to 2014, Dr. Enderle is now member of the management board of allmyhomes GmbH and Crown PropTech Acquisitions. Dr. Enderle is board member of the board of trustees at Egmont International Holding A/S and since 2017, he is chairman of the supervisory board of Delivery Hero SE. In 2021, Dr. Enderle was appointed chairman of the supervisory board of MeinAuto Group AG.

Alongside his office as chairperson of the Supervisory Board, Dr. Enderle is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- Crown PropTech Acquisitions, member of the board of directors (since 2021);
- Delivery Hero SE, chairman of the supervisory board (since 2017);

- allmyhomes GmbH, member of the board of directors (since 2016);
- Chaconne GmbH, managing director (since 2016);
- digi.me GmbH, managing director (since 2015); and
- Egmont International Holding A/S, member of the board of trustees (since 2014).

**Previously:**

- allmyhomes GmbH, managing director (2016 to 2020);
- Cewe Stiftung & Co. KGaA, member of board of trustees (2016-2018);
- Rocket Internet SE, member of the supervisory board (2015-2017);
- feegoo invest UG, managing director (2015-2018).

Other than listed above, Dr. Enderle has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

*Dr. Florian Wolff* was born in Freiburg, Germany, in 1971.

Dr. Wolff holds a master of arts in history from the University of Cambridge as well as a master of science in economic history from the London School of Economics and Political Science, where he graduated in 1998. In addition, Dr. Wolff earned his Ph.D. in economics and finance at the Otto Beisheim School of Management (WHU). He started his career at Chase Capital Partners and McKinsey & Company Inc. In 2009, he became director at Advent International before he joined HgCapital LLP in 2016 and became a partner in 2019. Since then he has been a board member of several companies.

Alongside his office as deputy chairperson of the Supervisory Board, Dr. Wolff is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- HgCapital Verwaltungs GmbH, member of the management board;
- Salvator Mobility Holding TopCo S.à r.l. member of the management board (since 2018);
- Salvator Mobility Holding S.à r.l. member of the management board (since 2018);
- Salvator Mobility MidCo S.à r.l., member of the management board (since 2018); and
- Laika d.o.o., managing director.

**Previously:**

- Eucon Holding S.à r.l., member of the management board (2018 to 2019);
- CogitalGroup Limited, director (2018 to 2019); and
- Advent International, director (2009 to 2016).

Other than listed above, Dr. Wolff has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

*Dr. Christian Böing* was born in Bocholt, Germany, in 1971.

Dr. Böing holds a degree in business administration from the University of Muenster where he also earned his Ph.D. in marketing. He started his career at BBDO Consulting in 2001. In 2004, he became head of business marketing and in 2006, head of national sales at Vodafone D2 GmbH. From 2008 to 2011, he was head of international product management hosting for 1&1 Internet AG. Before he joined Strato AG in 2012, he headed media sales at telegate AG and was a member of the management board. In 2018, Dr. Böing also joined 1&1 IONOS as chief venture officer and he became deputy chief executive officer and chief sales marketing officer at IONOS Cloud in 2020. In addition, Dr. Böing was a member of the supervisory board, different committees and advisory boards at several companies. He is advisor to the MeinAuto Group since 2020 and was appointed member of the Supervisory Board of the Company in 2021.

Alongside his office as member of the Supervisory Board, Dr. Böing is or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- University of Muenster, member of the advisory board (since 2018).

**Previously:**

- home.pl, member of the supervisory board (2018 to 2020);
- Strato AG, chief executive officer (2012 to 2020);
- 1&1 IONOS SE, deputy chief executive officer and chief revenue officer (2018 to 2020);
- United domains AG, member of the supervisory board (2018 to 2020);
- openXchange AG, member of the supervisory board (2020 to 2020); and
- Cronon AG, chairman of the supervisory board (2012 to 2018).

Other than listed above, Dr. Böing has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

***Doreen Huber*** was born in Staaken, Germany, in 1982.

Ms. Huber earned a degree in literature, art history and media at Humboldt University of Berlin in 2009. She started her career as an entrepreneur in various companies with a strong focus on sales. In 2006 she founded Yields. Sales & Services GmbH and served as managing director until 2010. After the sale of her start-up to eKomi Limited she worked as chief sales officer at the company, before she served as chief sales officer and chief operations officer at Delivery Hero SE from 2011 to 2013. She worked as managing director at Springstar GmbH and founded the Company LEMONCAT GmbH in 2016 where she worked as chief executive officer until 2020 when it was acquired by B2B Food Group. Since 2020 she is non-executive director of Domino's Pizza Enterprises Limited and in 2021, she was appointed member of the supervisory board of MeinAuto Group AG. In addition, Ms. Huber supports various startups and entrepreneurs as a mentor.

Alongside her office as member of the Supervisory Board, Ms. Huber is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- Domino's Pizza Enterprises Limited, non-executive director (since 2020); and
- German Startup Association, board member (since 2019).

**Previously:**

- LEMONCAT GmbH, chief executive officer (2016 to 2020); and



- Yields Internet Ventures GmbH, managing director (2014 to 2020).

Other than listed above, Ms. Huber has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

**Prof. Dr. Joachim Schindler** was born in 1957, in Herford, Germany.

Prof. Dr. Schindler earned his business degree at University of Cologne and his PhD at FernUniversität in Hagen. From 2008 to 2020 he taught at the Free University in Berlin as honorary professor. In addition, he was certified as tax advisor (*Steuerberater*) in 1986 and as chartered accountant (*Wirtschaftsprüfer*) in 1989. He started his career in a medium-sized auditing firm before he worked at KPMG in Cologne, London and Berlin serving global clients like BMW, SAP and BASF as well as medium-sized companies and start-ups. Within KPMG he held various management positions, in particular as head of audit in Germany (member of the management board KPMG AG) and the EMA region as well as global head of audit for KPMG International (member of the global executive team). Since 2015, he works as a freelance chartered accountant. Prof. Dr. Schindler holds a number of supervisory board positions. In 2021, he was appointed member of the Supervisory Board at MeinAuto Group AG.

Alongside his office as member of the Supervisory Board, Prof. Dr. Schindler is or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- Rocket Internet SE, deputy chairperson of the supervisory board (since 2018) (member and chairperson of the audit committee from 2015 to 2018);
- Salzgitter AG, member of the supervisory board (since 2017) and chair of the audit committee (since 2018);
- CORE SE, chairperson of the supervisory board (since 2017); and
- Zoologischer Garten Berlin AG, member of the supervisory board (since 2015).

**Previously:**

- Centogene AG, member of the supervisory board (2014 to 2017, thereof chairperson from 2015 to 2017); and
- Immanuel Diakonie, member of board of trustees (2011 to 2018).

Other than listed above, Prof. Dr. Schindler has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

**Justin von Simson** was born in Solihull, Great Britain, in 1974.

Mr. von Simson earned a degree in economics and business administration from the University of Cologne, Germany. He started his career at Deloitte & Touche LLP and Goldman Sachs. He joined Hg in 2003 where he worked as an associate director and as a director before he joined the partnership of Hg in 2008. In addition, he is director of various companies.

Alongside his office as member of the Supervisory Board, Mr. von Simson is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the MeinAuto Group:

**Currently:**

- SFC Koenig S.à r.l., director;
- HgCapital LLP, partner;

- HgCapital Verwaltungs GmbH, director (since 2010);
- Qundis Luxembourg S.à r.l., director;
- Salvator Mobility Holding Topco S.à r.l., director;
- Salvator Mobility Holding Midco S.à r.l.; director;
- Salvator Mobility Holding S.à r.l., director;
- P&I Personal & Informatik Aktiengesellschaft, deputy chairperson of the supervisory board (since 2020);
- Athena Management Verwaltungs GmbH, director;
- Edge Management Vermögensverwaltungs-GmbH, director;
- Spider Investments Luxembourg S.à r.l., director;
- Spider Midco Luxembourg S.à r.l., director; and
- Spider Holding Luxembourg S.à r.l., director.

**Previously:**

- P&I I Holding S.à r.l., director (until 2016);
- Emerald Bidco B.V., director (until 2018);
- Emerald Management Holding B.V., director (until 2018);
- Emerald Holdings S.à r.l., director (until 2019);
- CR Verwaltungs GmbH (2010 to 2019); and
- Must 4 Management GmbH (2010 to 2019).

Other than listed above, Mr. von Simson has not been a member of any administrative, management or supervisory body of any other company or partnership outside the MeinAuto Group within the last five years.

The members of the Supervisory Board may be reached at the Company's office at Grünwalder Weg 34, 82041 Oberhaching, Germany (tel. +49 89 63266-120).

### ***17.3.2 Supervisory Board Committees***

The Supervisory Board may form committees subject to applicable legal provisions. Currently, the Supervisory Board has established an audit committee and a nomination committee that will also have the tasks of a remuneration committee as recommended by the German Corporate Governance Code. Furthermore, the Supervisory Board has established a strategy committee.

### ***17.3.3 Compensation of the Members of the Supervisory Board***

The remuneration of the Supervisory Board members is regulated by Section 13 of the Articles of Association. The members of the Supervisory Board shall receive a fixed compensation in the amount of EUR 40,000. Notwithstanding the foregoing, the chairperson of the Supervisory Board shall receive a fixed compensation in the amount of EUR 80,000 and his deputy shall receive a fixed compensation in the amount of EUR 60,000. In addition, Supervisory Board members shall receive an additional fixed compensation for the membership in the audit committee and the strategy committee in the amount of EUR 15,000 per committee and an additional fixed compensation for the membership in the nomination committee of EUR 12,500, provided that the relevant committee met at least once per year to perform its tasks.

The chairpersons of the audit committee and the strategy committee shall receive an additional fixed annual remuneration of EUR 35,000 and the chairperson of the nomination committee of EUR 25,000.

Members of the Supervisory Board are also reimbursed for their out-of-pocket expenses (plus VAT, if any). The Company is obligated to take out market standard and appropriate D&O insurance for the benefit of the members of the Supervisory Board and without any deductible to the extent legally permitted.

## 17.4 Shareholdings of the Members of the Management Board and Supervisory Board

### 17.4.1 Participation via holding of Ordinary Shares in HoldCo S.à r.l.

Mr. Rudolf Rizzolli and Mr. Guus Stoelinga indirectly hold shares in the Company via MEP Co-Invest KGs, HoldCo S.à r.l. and the Selling Shareholder (see “17.5.1. Management Equity Program”). On a look-through basis their shareholdings in the Company are as follows as of the date of the Prospectus:

	<b>Look-through percentage based on percentage held in Ordinary Shares at the level of HoldCo S.à r.l.</b>
	<b>(in %)</b>
<b>Current and Appointed Members of the Management Board</b>	
Rudolf Rizzolli .....	3.49
Guus Stoelinga .....	0.41

The shareholding in Ordinary Shares corresponds on a look-through basis to the percentage the respective member of the Management Board indirectly holds at the date of this Prospectus in the equity of the Company, provided, however, subject to the Extraordinary Distribution (see “17.4.3 Extraordinary Distribution”) that prior to any payments being due to holders of Ordinary Shares, as described under “14.3 Indirect Shareholders and Management Equity Participation”, all Preferred Instruments issued by HoldCo S.à r.l. will have to be repaid to its shareholders including accrued yield (capitalizing annually) in full.

### 17.4.2 Further participation in Preferred Instruments

The members of Management Board also participate, via the MEP Co-Invest KGs, in Preferred Instruments as follows:

	<b>Economic interest in the Preferred Instruments issued by HoldCo S.à r.l.</b>
	<b>(in %)</b>
<b>Current and Appointed Members of the Management Board</b>	
Rudolf Rizzolli .....	0.1
Guus Stoelinga .....	0.016

The Preferred Instruments entitle the current and appointed members of the Management Board to a certain yield, accruing and capitalizing annually which under the terms of the shareholders agreement entered into with respect to HoldCo S.à r.l., but subject to the Extraordinary Distribution (see “17.4.3 Extraordinary Distribution”), together with the subscription amount paid for Preferred Instruments generally has to be repaid to the holders of Preferred Instruments prior to any payments being effected to holders of Ordinary Shares. Thus, the Preferred Instruments are treated similar to a loan granted by these persons.

### 17.4.3 Extraordinary Distribution

Based on the shareholders’ agreement at the level of HoldCo S.à r.l. in its current form as of the Offering and following the upstreaming of the proceeds from the Offering received by the Selling Shareholder to HoldCo S.à r.l., a certain portion of such proceeds shall be used to effect a payment to all holders of Ordinary Shares through repurchasing one class of Ordinary Shares as well as to the beneficiaries of SARs (as defined below) on a *pro rata* basis prior to any payments being effected under the terms of the Preferred Instruments. It is anticipated that by virtue of such distribution, an amount of approximately 1/3 of the equity valuation of the shares held by the Selling Shareholder in the Company at the time of Offering, less fees payable by the Selling Shareholder in connection with the Offering and less the accrued value of the Preferred Instruments existing at the time of the extraordinary distribution, will be distributed to holders of Ordinary Shares and SARs (as defined below). Any

remaining proceeds repatriated at the level of HoldCo S.à r.l. will be used to repay, at least in part, the outstanding amounts of the Preferred Instruments plus accrued and capitalized yield in accordance with the provisions of the shareholders agreement at the level of HoldCo S.à r.l.

#### ***17.4.4 Stock Options of Martin Enderle***

Dr. Martin Enderle holds options to acquire, in total, 0.875% of the shares in the Company issued immediately prior to the capital increase in connection with this Offering, such options having been granted by TopCo S.à r.l, the indirect majority shareholder of the Selling Shareholder. The options are subject to a minimum one year holding period, following which the options can be exercised over a time period of five years, subject to certain provisions.

### **17.5 Share Participation Programs**

#### ***17.5.1 Management Equity Program***

In connection with the acquisition of MeinAuto GmbH, Mobility Concept GmbH and ASS Athletics Sport Sponsoring GmbH the MEP was set up in order to substantiate alignment between the economic interests of members of the management team, including the current and appointed members of the Management Board and other employees of the Group, and the interests of the further shareholders of the Group. The MEP granted participating persons, in particular the current and appointed members of the Management Board and certain employees as well as certain further board members, the opportunity to indirectly acquire Ordinary Shares as well as Preferred Instruments (as defined under “*14.3 Indirect Shareholders and Management Equity Participation*”) issued by HoldCo S.à r.l. and thereby an indirect stake in the equity of the Group. In connection with the implementation of the MEP, the participants became directly or via an investment vehicle LPs of the MEP Co-Invest KGs (see “*14.3 Indirect Shareholders and Management Equity Participation*”). The MEP Co-Invest KGs were established for the purpose of pooling the participants’ interests in HoldCo S.à r.l.

The investments in the MEP are governed by a shareholders’ agreements as well as the partnership agreements of the MEP Co-Invest KGs. The partnership agreements of the MEP Ord KGs provide, among other things, that participants who cease to actively work for any Group company may be required to sell all of their partnership interests in the respective MEP Co-Invest KGs to TopCo S.à r.l (the “**Leaver Call Option Rights**”), such Leaver Call Option Rights continue to apply also after the Offering. The compensation which a Leaver receives following the exercise of a Leaver Call Option Right is calculated based on a vesting schedule which incentivizes the employees, including the Management Board, who are invested in the MEP not to voluntarily leave the Group for a period of, in average, about 2.5 years from the Offering.

Please refer to “*17.4.3 Extraordinary Distribution*” regarding the extraordinary distribution which has been agreed in connection with the MEP to allow participants in the MEP and the beneficiaries of SARs (see “*17.5.2 SARs*”) to participate in the proceeds from the Offering received by HoldCo S.à r.l.

#### ***17.5.2 SARs***

HoldCo S.à r.l. has granted certain managers, employees and consultants of the Group virtual stock appreciation rights (each an “**SAR**”) under the SAR Plan dated 1 April 2019. Economically, SARs are treated as Ordinary Shares, but without the holders of the SARs being treated as shareholders of HoldCo S.à r.l. Holders are only entitled to a cash payment equal to their share of the proceeds distribution at the same level, in the same manner and to the same extent as holders of Ordinary Shares, but only after holders of Ordinary Shares received repayment of the subscription amount of the Ordinary Shares at the final level of the waterfall set out in the shareholders agreement at the level of HoldCo S.à r.l. Under the SAR Plan, a payment claim of proceeds attributable to SARs generated from a public offering generally only arises subject to the condition precedent that Hg’s participation falls below a certain threshold (the “**SARs Pay-out CP**”). As of the date of the Prospectus, HoldCo S.à r.l. has granted 340,623 SARs with an aggregate virtual issue value of EUR 218,000.00 to 15 participants.

In connection with the Extraordinary Distribution, HoldCo S.à r.l. will under waiver of the SARs Pay-out CP use certain portions of the Proceeds from the sale of Existing Shares in connection with the Offering to effect a special payments to the holders of SARs on a pro rata basis.

### 17.5.3 Future Incentive Plans

In addition to the existing MEP and the SAR Plan, the Company will implement a long-term incentive plan (the “LTI Plan”) following the Offering.

### 17.6 Certain Information Regarding the Current and Appointed Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences. In the last five years, no member of the Management Board or the Supervisory Board has been associated with any bankruptcy, receivership, liquidations or companies put into administration acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the current and appointed members of the Management Board or the members of the Supervisory Board, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the current and appointed members of the Management Board or the members of the Supervisory Board from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Dr. Florian Wolff and Justin von Simson are partners at Hg, which is an affiliate of the Selling Shareholder. If the interest of the Selling Shareholder should diverge from those of the Company, conflicts of interest may arise for Dr. Wolff and Mr. von Simson. Apart from this, there are no conflicts of interest or potential conflict of interest between the current and appointed members of the Management Board and the members of the Supervisory Board vis-à-vis the Company and their private interests, membership in governing bodies of companies, or other obligations.

No member of the Management Board or the Supervisory Board has entered into a service agreement with a company of the MeinAuto Group that provides for special benefits, such as severance pay, at the end of the business relationship (other than pensions or compensation in the case of an early termination of the service agreement, which is determined on the basis of the remaining term of the agreement and the contractually agreed compensation). The current and appointed members of the Management Board are not bound by restrictive covenants and may therefore engage in competing activities following the end of their office.

There are no family relationships between the current and appointed members of the Management Board and those of the Supervisory Board, either among themselves or in relation to the members of the respective other body.

### 17.7 Shareholders' Meeting

Pursuant to Section 175 of the German Stock Corporation Act (*Aktiengesetz*), the annual shareholders' meeting must take place within the first eight months of each fiscal year and must be held, as the convening body shall decide, at the Company's registered office, a branch office of the Company or in a German city where a stock exchange is located. Except where other persons are authorized to do so by law or by the Articles of Association, the shareholders' meeting is convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days before the day of the shareholders' meeting (the “Minimum Term”); the day of the meeting itself and the day of the receipt of the notice not being included when calculating this period. The articles may provide that attendance at the meeting or the exercise of voting rights shall require the shareholders giving notice of their attendance prior to the meeting. The notice of attendance must be delivered to the Company at least six days prior to the shareholders' meeting at the address specified for this purpose in the notice calling the shareholders' meeting. The articles or the notice if authorized by the articles may provide for a shorter time limit which is to be calculated in days. The day of receipt shall not be included in this calculation. The Minimum Term shall be prolonged by the number of days of the deadline for giving notice of attendance.

If the Management Board does not convene the shareholders' meeting in due time or if required for the Company's welfare, the Supervisory Board may convene the shareholders' meeting. Additionally, shareholders whose shares collectively make up 5% of the capital stock of the Company may convene a shareholders' meeting. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*).

Prior to the shareholders' meeting, shareholders are required to register in order to be entitled to participate in the shareholders' meeting and to exercise voting rights and have to provide evidence of their shareholding in the form of a confirmation by the depository institute prior to the beginning of the twenty- first day before the shareholders' meeting.

Each ordinary share entitles its holder to one vote at the shareholders' meeting. Unless otherwise stipulated by mandatory statutory provisions or provisions of the Articles of Association, resolutions of the shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required, by a simple majority of the registered share capital represented in the resolution. The Management Board is authorized to allow shareholders to vote by mail or to participate in the shareholder's meeting online.

According to the current version of the German Stock Corporation Act (*Aktiengesetz*), resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- amendments, other than editorial amendments, to the articles of association of the company;
- approval of contracts within the meaning of Section 179a of the German Stock Corporation Act (*Aktiengesetz*) (transfer of the entire assets of the company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;
- capital increases, including the creation of conditional or authorized capital;
- the issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions, including the withdrawal of shares pursuant to Sections 237(3) to (5) of the German Stock Corporation Act (*Aktiengesetz*);
- withdrawal of shares pursuant to Section 237(2) of the German Stock Corporation Act (*Aktiengesetz*);
- liquidation of the company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;
- approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*); and
- action within the meaning of the German Reorganization and Transformation Act (*Umwandlungsgesetz*).

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares of the Company or exercise the voting rights associated therewith.

## **17.8 Corporate Governance**

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) (the “**DCGK**”), in its most recent version of December 16, 2019 and as published in the German Federal Gazette (*Bundesanzeiger*) on March 20, 2020, includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges. It is based on internationally and nationally recognized standards of good, responsible corporate management. The DCGK contains recommendations (“shall provisions”) and suggestions (“should provisions”) for corporate governance in relation to shareholders and the shareholders' meeting, the management board and the supervisory board, transparency and accounting as well as auditing of financial statements. While compliance with the recommendations or suggestions of the DCGK is not mandatory, the German Stock Corporation Act (*Aktiengesetz*) requires the management and supervisory boards of a listed

company to disclose each year which recommendations were and will be complied with and which recommendations were not or will not be applied and why (so-called “declaration of conformity”). Deviations from the suggestions contained in the DCGK need not be disclosed. The declaration of conformity must be made publicly available on the Company's website at all times.

Prior to the Listing, the Company is not subject to the obligation to render a declaration as to compliance with the DCGK. As of the date of this Prospectus, the Company – as a corporation whose shares are not yet listed – does not comply with the recommendations of the DCGK.

The Company will fully meet the obligation as a listed company to submit, publish and provide shareholders with permanent access to disclosure in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*) during the course of the current fiscal year. The Management Board and Supervisory Board of MeinAuto Group believe in the objectives of the DCGK to foster a responsible and transparent corporate management and control directed towards achieving a sustained increase in shareholder value.

The Company intends to comply after the listing of the Shares with all recommendations in the DCGK. As of the date of this Prospectus, the Company complies with all recommendations of the Code, apart from the following:

**Section F.2 of the Code – Reporting:** Section F.2 of the Code provides that the consolidated financial statements and the group management report should be made publicly accessible within 90 days following the end of the respective fiscal year, while mandatory interim financial information should be made publicly accessible within 45 days after the end of the respective reporting period.

With respect to mandatory interim financial information required under applicable stock exchange rules to be published in, or to be prepared for, the three-month period ending March 31, 2021, the Company has decided to publish the respective financial information within the respective publication period stipulated by the applicable stock exchange rules for such financial information. The Company believes that a publication within such period will sufficiently satisfy the need for information of the shareholders, creditors and other stakeholders as well as the public. Starting with the financial information to be published for the six-month period ending June 30, 2021, the Company intends to comply with the publication timelines provided for in Section F.2 of the Code.

## 18. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and the Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and the Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below in is a detailed description of such transactions with related parties for the fiscal years ended December 31, 2018, 2019 and 2020 and up to and including the date of this Prospectus. Business relationships between consolidated companies of MeinAuto Group are not included. Further information with respect to related party transactions, including quantitative amounts, are contained in the notes to the Company's audited consolidated financial statement as of and for the fiscal years ended December 31, 2020, 2019 and 2018, which are all included in this Prospectus in the Section "22. Financial Information" on pages F 1 et seq.

### 18.1 Transactions with Related Parties

The tables below provide an overview of significant account balances and transactions from transactions with related parties:

Euro (thousands)	Receivables from related parties			Liabilities to related parties		
	For the fiscal year ended December 31,			For the fiscal year ended December 31,		
	2020	2019	2018	2020	2019	2018
		(audited)			(audited)	
Salvator Mobility Holding MidCo S.à.r.l. ....	100	100	100	258,728	241,797	212,056
Mobility Solutions GmbH .....	-	242	-	8	312	17
DFD Deutscher Fahrzeugdienst GmbH.....	86	3,208	1	-	2,698	-
ASS Athletics Sport Sponsoring GmbH (Austria) .....	-	157	153	-	-	-
Mega Marketing Agentur GmbH .....	448	-	-	-	-	-
<b>Total .....</b>	<b>634</b>	<b>3,707</b>	<b>254</b>	<b>258,736</b>	<b>244,807</b>	<b>212,073</b>

Euro (thousands)	Services rendered			Services received		
	For the fiscal year ended December 31,			For the fiscal year ended December 31,		
	2020	2019	2018	2020	2019	2018
		(audited)			(audited)	
Salvator Mobility Holding MidCo S.à.r.l. ....	-	-	-	-	-	-
Mobility Solutions GmbH .....	41	321	45	-	216	6
DFD Deutscher Fahrzeugdienst GmbH.....	813	4,751	205	608	2,698	26
ASS Athletics Sport Sponsoring GmbH (Austria) .....	-	-	-	-	-	-
Mega Marketing Agentur GmbH .....	24	-	-	4,539	-	-
<b>Total .....</b>	<b>878</b>	<b>5,072</b>	<b>250</b>	<b>5,147</b>	<b>2,914</b>	<b>32</b>



Euro (thousands)	<b>Interest paid</b>		
	<b>For the fiscal year ended</b>		
	<b>December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<i>(audited)</i>		
Salvator Mobility Holding MidCo S.à.r.l. ....	16,931	15,065	8,759
Mobility Solutions GmbH.....	-	-	-
DFD Deutscher Fahrzeugdienst GmbH.....	-	-	-
ASS Athletics Sport Sponsoring GmbH (Austria) .....	-	-	-
Mega Marketing Agentur GmbH .....	-	-	-
<b>Total .....</b>	<b>16,931</b>	<b>15,065</b>	<b>8,759</b>

Liabilities to the Selling Shareholder result from subordinated loans amounting to of €248.5 million bearing an interest rate of 7%. The interest rate is considered to be valued at market. Interests are subordinated too and accrued until maturity of the respective loan.

### **18.1.1 Compensation of key management personnel**

Key management personnel of MeinAuto Group AG comprises the board of directors and the supervisory board of MeinAuto Management GmbH according to IAS 24.10.

The total remuneration of the board of directors of MeinAuto Management GmbH in the financial year ended December 31, 2020 amounts to €3,340 thousand (2019: €2,155 thousand, 2018: €1,016 thousand). The remuneration includes short-term employee benefits of €3,060 thousand (2019: €2,155 thousand; 2018: €1,016 thousand) and for the reporting period 2020 termination benefits of €280 thousand.

For the advisory board of MeinAuto Management GmbH the remuneration amounts to €223 thousand (2019: €89 thousand, 2018: €0) short-term compensation.

In the financial year ended December 31, 2020 the directors of MeinAuto Group AG were members of the supervisory board of MeinAuto Management GmbH and the remuneration is included in the compensation of the supervisory board.

In the reporting period 2019, the directors are members of the board of directors and of the advisory board of MeinAuto Management GmbH and the remuneration was included in the short-term employee benefits of the board of directors and the compensation for the advisory board of MeinAuto Management GmbH. In the reporting period 2018, the director of MeinAuto Group AG was a member of the board of directors of MeinAuto Management GmbH and the remuneration was included in the short-term benefits of the board of directors of MeinAuto Management GmbH.

## **18.2 Relationships with the Selling Shareholder**

### **18.2.1 Cost Reimbursement and Indemnity Agreement**

On May 3, 2021, the Selling Shareholder and the Company entered into an agreement regarding their cooperation relating to the preparation of the offering. As required by law, the Selling Shareholder will reimburse the Company for all external costs that are incurred in connection with the preparation and the execution of the offering (except for costs relating to certain corporate measures such as the IPO Capital Increase) pursuant to this agreement on a pro rata basis calculated according to the ratio of (i) the gross proceeds from the Existing Shares placed in the offering to (ii) the sum of the gross proceeds from the Existing Shares and the New Shares placed in the offering. The costs to be reimbursed on such basis include, in particular, legal, auditor and other advisor fees, and underwriters' expenses of the offering. As regards underwriters' commissions, the commissions relating to the placement of the New Shares will be borne pursuant to this agreement by the Company and the commissions relating to the placement of the Existing Shares and the Over-Allotment Shares will be borne by the Selling Shareholder. The cost reimbursement obligation of the Selling Shareholder remains unaffected if the offering is postponed or cancelled. As required by law, the Selling Shareholder further agreed to indemnify the Company from all liability risks in connection with the offering on a pro rata basis according to the above ratio, including the pro rata share of all reasonable legal costs. In addition, the Company has agreed, upon indemnification by the

Selling Shareholder and to the extent legally permissible, to assign certain claims that the Company may have against board members of the Company or third parties to the Selling Shareholder.

### 18.3 Transactions with key management personnel

Goods and services provided to key management personnel related to leased vehicles:

Euro (thousands)	For the fiscal year ended December 31,		
	2020	2019	2018
	<i>(audited)</i>		
Receivables from key management personnel .....	15	-	-
Goods and services rendered to key management personnel.....	35	4	0
<b>Total .....</b>	<b>50</b>	<b>4</b>	<b>0</b>

For additional information on the MEP (see “17.5.1. Management Equity Program”). Furthermore, key management personnel of MeinAuto Management GmbH hold minority interest in International Sports Pass GmbH, Bochum, Germany (ISP).

As of December 31, 2020, MeinAuto Group had not made any pension commitments to members of the Management Board or the Supervisory Board.

## 19. UNDERWRITING

### 19.1 General

On May 3, 2021, the Company, the Selling Shareholder and the Underwriters entered into the Underwriting Agreement relating to the offer and sale of the Offer Shares in connection with the offering.

The offering consists of 25,774,375 ordinary bearer shares with no par value (*Stückaktien*), each representing a notional share of €1.00 in the Company's share capital and with full dividend rights as of January 1, 2021, comprising 9,375,000 New Shares from the IPO Capital Increase against cash contributions, 11,000,000 Existing Base Shares and up to 2,037,500 Upsize Shares from the holdings of the Selling Shareholder as well as 3,361,875 Over-Allotment Shares from the holdings of the Selling Shareholder made available to the stabilization manager on behalf of the Underwriters by way of a share loan to cover potential Over-Allotments. 9,375,000 of the Offer Shares are New Shares and 16,399,375 of the Offer Shares are existing shares.

The offering consists of a public offering of the Offer Shares in Germany and private placements of the Offer Shares in certain jurisdictions outside Germany. The Offer Period is expected to begin on May 3, 2021 and is expected to end on May 10, 2021. In the United States, the Offer Shares will be offered for sale by the Underwriters to qualified institutional buyers in reliance on Rule 144A. Outside the United States, the Offer Shares will be offered and sold to professional and institutional investors in reliance on Regulation S. Any offer and sale of the Offer Shares in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Securities Exchange Act of 1934.

The offer price for each Offer Share is expected to be determined jointly by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators on or about May 11, 2021 on the basis of an order book prepared during the bookbuilding process.

<b>Underwriters</b>	<b>Number of Offer Shares to be acquired<sup>(1)</sup></b>	<b>Percentage of Underwritten Offer Shares</b>
BofA Securities Europe SA 51 rue La Boétie 75008 Paris France.....	7,087,953	27.5
Barclays Bank Ireland PLC One Molesworth Street Dublin 2 D02 RF29 Ireland .....	5,154,875	20.0
Citigroup Global Markets Europe AG Reuterweg 16 60323 Frankfurt am Main Germany.....	5,154,875	20.0
Jefferies International Limited 100 Bishopsgate London EC2N 4JL United Kingdom		
Jefferies GmbH Bockenheimer Landstraße 24 60323 Frankfurt am Main Germany.....	5,154,875	20.0
UniCredit Bank AG Arabellastraße 12 81925 Munich Germany.....	3,221,797	12.5
<b>Total .....</b>	<b>25,774,375</b>	<b>100</b>

(1) Assuming exercise of Greenshoe Option and issuance of all New Shares in full.

## **19.2 Underwriting Agreement**

In the Underwriting Agreement, dated May 3, 2021, the Underwriters agreed to underwrite and purchase the Offer Shares with a view to offering them to investors in this offering. The Underwriters agreed to remit to the Company the purchase price of the New Shares (less agreed commissions and expenses), at the time the shares are delivered, which is expected to be two bank working days after admission to trading. The Underwriters further agreed to acquire 13,037,500 Existing Shares (as well as up to 3,361,875 additional shares of the Company with regard to a possible Over-Allotment) from the Selling Shareholder and to sell such shares as part of the offering. The Underwriters agreed to remit the purchase price (less agreed commissions and expenses) of the Existing Shares to the Selling Shareholder and the purchase price (less agreed commissions and expenses) of the shares from the exercise of the Greenshoe Option, if any, to the Selling Shareholder at the time the shares are delivered.

The obligations of the Underwriters are subject to various conditions, including, but not limited to, (i) the absence of a material event, *e.g.*, a material adverse change in or affecting the business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Company, or a suspension or material limitation in trading in securities generally on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the London Stock Exchange or the New York Stock Exchange, (ii) receipt of customary certificates, legal opinions, auditor letters, and (iii) the introduction of the Company's shares to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Underwriters have provided and may in the future provide services to the Company and the Selling Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with the Company and the Selling Shareholder in their capacity as financial institutions. For a more detailed description of the interests of the Underwriters in the offering, see "3.12 *Interests of Parties Participating in the Offering*".

## **19.3 Commission**

The Underwriters will offer the Offer Shares at the offer price. As consideration for the services to be provided and expenses to be incurred by or on behalf of the Underwriters, the Company with respect to the New Shares and the Selling Shareholder with respect to the Existing Shares and with respect to the Over-Allotment Shares will pay to the Underwriters certain commission. The Underwriters will receive, from the Company and from the Selling Shareholder, a gross commission of 2.00% of the aggregate gross sales proceeds of the Base Shares. In addition, to the extent the Greenshoe Option is exercised, the Underwriters shall receive the Transaction Fee on the aggregate gross sales proceeds of the Over-Allotment Shares. In addition, the Company and the Selling Shareholder may in their discretion decide to pay the Underwriters an additional fee of up to 1.75% of the aggregate gross sales proceeds of the Offering (including any proceeds relating to over-allotments). The decision to pay any discretionary fee and its amount are within the sole discretion of the Company and the Selling Shareholder, and such determination and payment of a discretionary fee is to be made 38 days after closing of the Offering. The Company and the Selling Shareholder will also agree to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

## **19.4 Greenshoe Option and Securities Loan**

For the purpose of a possible Over-Allotment, the stabilization manager, for the account of the Underwriters, will be provided with up to 3,361,875 Over-Allotment Shares in the form of a securities loan free of charge from the Selling Shareholder; this number of Over-Allotment Shares will not exceed 15% of the Base Shares and the Upsize Shares, if any. The stabilization manager, for the account of the Underwriters, is entitled to exercise the Greenshoe Option to the extent Over-Allotments were initially made; the amount of shares is to be reduced by the number of shares held by the stabilization manager as of the date on which the Greenshoe Option is exercised and that were acquired by the stabilization manager in the context of stabilization measures. The Greenshoe Option will terminate 30 calendar days after the commencement of trading of the Shares on the Frankfurt Stock Exchange.

## **19.5 Termination/Indemnification**

The Underwriting Agreement provides that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the Offer Shares have been allotted and listed, up to delivery and settlement. Reasons for termination include, in particular, if:

- there has been any adverse change, or any development involving a prospective reasonably likely adverse change in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the MeinAuto Group;
- the Company or the MeinAuto Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business, other than in each case as disclosed in the Prospectus;
- there is a suspension of trading on the Frankfurt am Main, London or New York stock exchanges;
- a general moratorium is imposed on commercial banking activities in Frankfurt am Main, London, or New York by the relevant authorities;
- a material disruption takes place in securities settlement or clearance services in Europe or the United States; or
- an outbreak or escalation of hostilities or any calamity or crisis has a material adverse impact on the financial markets in Germany, the United Kingdom or the United States, the effect of which, in any such case, is in the reasonable judgment of the Joint Global Coordinators so material and adverse as to make it impractical or inadvisable to market or underwrite the Offer Shares or to proceed with the Offering or the delivery of the Offer Shares on the terms and in the manner contemplated in the Prospectus.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company has agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

## **19.6 Selling Restrictions**

The distribution of this Prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company, the Selling Shareholder or the Joint Global Coordinators to permit a public offering of the Offer Shares anywhere other than in Germany or the transmission or distribution of this Prospectus into any other jurisdiction, where additional actions for that purpose may be required.

Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than in Germany, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### ***19.6.1 United States***

The Company does not intend to register either the Offering or any portion of the Offering in the United States, or to conduct a public offering of shares in the United States. The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with securities regulators of individual states of the United States. The Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal requirements. The Offer Shares may only be sold in or into the United States to persons who are QIBs as defined in, and in reliance on, Rule 144A, or pursuant to another available exemption from, or transactions not subject to, the registration requirements of the Securities Act, and outside the United States in accordance with Rule 903 of Regulation S and in compliance with other United States legal requirements, and no (i) "direct selling efforts" as defined in Regulation S or

(ii) “general advertising” or “general solicitation”, each as defined in Regulation D under the Securities Act in relation to the Offer Shares may take place. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker dealers who are registered as such under the Securities Act. Terms used above shall have the meanings ascribed to them by Regulation S and Rule 144A under the Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the Securities Act, if such offer or sale does not comply with Rule 144A or another exemption from registration under the Securities Act.

### **19.6.2 United Kingdom**

In the United Kingdom, no offer of Offer Shares to the public has been or will be made, except:

- to qualified investors as defined under Article 2 of the UK Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”),

provided that no such offer of the Offer Shares shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this paragraph, the expression “offer of Offer Shares to the public” in relation to the United Kingdom means a communication to persons in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares, so as to enable an investor to decide to purchase or subscribe to Offer Shares, including any placing of Offer Shares through financial intermediaries, and the expression “UK Prospectus Regulation” means the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, this Prospectus is only addressed and directed to investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), and/or (ii) who are high net worth entities falling within Article 49(2)(a)-(d) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to, and will only be engaged in with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person must not act or rely on this Prospectus or any of its contents.

### **19.6.3 European Economic Area**

In the member states of the EEA (the “**Relevant States**”), no offer of Offer Shares to the public has been or will be made, except for the offer to the public in Germany (once this Prospectus has been approved by BaFin and published in accordance with the Prospectus Regulation) and any offers of Offer Shares in any Relevant State in accordance with the following exceptions under the Prospectus Regulation:

- to qualified investors as defined in Article 2 lit. (e) of the Prospectus Regulation; or
- to fewer than 150 natural or legal persons per Relevant State (other than qualified investors as defined in Article 2 lit. (e) of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1 para. 4 of the Prospectus Regulation.

For the purposes of this Prospectus, the expression “offer to the public” in relation to any Relevant State means a communication to persons in any form and by any means, presenting sufficient information on the terms

of the Offering and the Offer Shares, so as to enable an investor to decide to purchase or subscribe to Offer Shares, including any placing of Offer Shares through financial intermediaries.

## 20. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

*Income received from shares of the Company is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the Company's shareholders and the tax laws of the Company's state of incorporation, statutory seat and place of effective management (i.e., Germany) may affect the income received from shares of the Company.*

*The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares in the Company. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders of the Company. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.*

*This section does not replace the need for individual shareholders of the Company to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares of the Company and what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual shareholders.*

### 20.1 Taxation of the Company

The Company's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits the Company receives from domestic and foreign corporations are not generally subject to corporate income tax; however, 5% of each type of income is deemed to be a non-deductible business expense. The same applies to profits earned by the Company from the sale of shares in another domestic or foreign corporation. Different rules apply to free floating dividends, i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the calendar year. Such free floating dividends are fully taxed at the corporate income tax rate. The acquisition of a shareholding of at least 10% is deemed to have occurred at the start of the calendar year. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the amount of shareholding.

In addition, the Company is subject to a trade tax with respect to its taxable trade profits from its permanent establishments in Germany.

The trade tax rate depends on the local municipalities in which the Company maintains its permanent establishments. It currently amounts to between approximately 7% and 21% of the taxable trade profit, depending on the local trade tax multiplier (in 2020, for the Company in a range of 8.75% (Oberhaching) to 17.325% (Bochum)).

For trade tax purposes dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if the Company held and continues to hold at least 15% of the registered share capital of the distributing corporation at the beginning of the relevant tax assessment period. Otherwise, the profit shares will be fully subject to trade tax.

The provisions of the interest barrier restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) are generally only deductible up to 30% of the taxable EBITDA (taxable earnings adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. Interest expense that is not deductible in a given year may be carried forward to subsequent fiscal years of the Company (interest carry-forward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carry-forward). For the purpose of trade tax, however, an additional barrier to the deductibility of interest expenses exists to the extent that the sum of certain trade taxable add-back items exceeds €100,000; since 25% of the interest expenses, to the



extent they were deducted for income tax purposes, are added back then to compute the trade tax base, the deductibility generally amounts to only 75%.

Any remaining losses of the Company can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of €1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax-loss carry-forwards. The remaining 40% is subject to tax (minimum taxation). The rules also provide for a tax carry-back to the previous year in regard to corporate income tax up to an amount of €1 million (increased to €5 million for losses incurred in the assessment periods 2020 and 2021 as part of the COVID-19 tax reliefs). Unused tax carry-forwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital, the membership interests, equity interests or voting rights is transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all tax-loss carry-forwards and interest carry-forwards are forfeited. A group of acquirers with aligned interests is also considered to be an acquiring party for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. Tax-loss carry-forwards, unused losses and interest carry-forwards taxable in Germany will not expire to the extent that they are covered by hidden reserves taxable in Germany at the time of such acquisition.

## **20.2 Taxation of Shareholders**

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale or disposal of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

### **20.2.1 Taxation of Dividend Income**

To the extent that the Company is able to pay dividends from a tax-recognized contribution account (*steuerliches Einlagekonto*) in the future, such dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. Yet dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gains upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

### **20.2.2 Withholding Tax**

Dividends distributed by the Company that are not paid out of the tax-recognized contribution account (*steuerliches Einlagekonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's shareholders' meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Company's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Company is generally not responsible for withholding the withholding tax. Instead one of the following entities in Germany is responsible and authorized to collect withholding tax and to remit it to the relevant tax authority for the account of the relevant shareholder: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages such shares and that pays out or credits the shareholder's investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository (*Wertpapiersammelbank*) holding the collective deposit shares in custody if it pays the investment income to a foreign entity, or (iii) the Company itself if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are

treated as stock being held separately (*abgesetzte Bestände*), (each person within the meaning of (i) through (iii) a “**Dividend Paying Agent**”)

The Company assumes no responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that the Company is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the European Union within the meaning of Article 2 of Council Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states, as amended (the “**Parent-Subsidiary Directive**”), withholding of the dividend withholding tax may not be required (withholding tax exemption) or may be refunded, provided that the required application is submitted and additional requirements are met. This also applies to dividends distributed to a permanent establishment located in another member state of the European Union of such parent company or of a parent company that is tax resident in Germany, if the interest in the dividend-paying subsidiary is part of the respective permanent establishment’s business assets. An important prerequisite for the exemption from withholding at the source or a refund of withholding tax under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company’s registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*), with its registered offices in An der Kuppe 1, 53225 Bonn, Germany, has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to shareholders without a tax residence in Germany will be reduced in accordance with any applicable double taxation treaty between Germany and the relevant shareholder’s country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*), with its registered offices in An der Kuppe 1, 53225 Bonn, Germany, for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which usually amounts to between 5% and 15%. Depending on the applicable double taxation treaty, a reduced withholding tax rate may be applicable, if the shareholder has applied for an exemption from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). The applicable double taxation treaty may also provide for a full exemption from the German dividend withholding tax, if the relevant shareholder has directly held at least 10% of the Company’s registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*).

Corporations that are not tax residents in Germany will upon application receive a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided for under the Parent-Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from, or (partial) refund of, German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the aforementioned relief in accordance with applicable double taxation treaties as well as the credit of withholding tax described for shares held as private and as business assets (see “20.3 Taxation of Dividends of Shareholders with a Tax Domicile in Germany”) is subject to the following three cumulative prerequisites: (i) the relevant shareholder must qualify as beneficial owner of the shares in the Company for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder is not required to fully or largely, directly or indirectly, transfer the dividends to third parties (the tests under (i) through (iii) together the “**Minimum Risk Test**”).

Should any of the three prerequisites not be met, the following applies:

- As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends may not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed €20,000.00 or who has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.
- As regards the taxation of dividends of shareholders without a tax residence in Germany who have applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that directly holds at least 10% of the shares in the Company and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, or (ii) that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.
- In addition to the aforementioned statutory provisions, the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) has published a decree outlining the treatment of transactions where the credit of withholding tax will be denied even when the statutory minimum tests described above are met, in order to prevent abuse. Shareholders of the Company should seek their own professional tax advice on the possibility of obtaining a tax credit or refund of withholding tax on dividends.

Prospective shareholders should seek their own professional advice as to whether they can obtain a tax credit or tax refund with respect to withholding taxes on dividends.

The Dividend Paying Agent which keeps or administrates the shares and pays or credits the capital income is required to create so-called pots for offsetting losses (*Verlustverrechnungstöpfe*) to allow for negative capital income to be set off against current and future positive capital income. A set off of negative capital income at one Dividend Paying Agent against positive capital income at another Dividend Paying Agent is only possible in the course of the income tax assessment at the level of the respective shareholder. In such case, the relevant shareholder has to apply for a certificate confirming the amount of losses not offset with the Dividend Paying Agent where the pot for offsetting losses exists. The application is irrevocable and must reach the Dividend Paying Agent until December 15 of the respective year, as otherwise the losses will be carried forward by the respective Dividend Paying Agent to the following year.

Withholding tax will not be withheld by a Dividend Paying Agent if the shareholder provides such Dividend Paying Agent with an application for exemption (*Freistellungsauftrag*) to the extent such shareholder's capital income does not exceed the annual lump sum allowance (*Sparerpauschbetrag*) of €801.00 (€1,602.00 for jointly filing individuals) as outlined on the application for exemption. Furthermore, no withholding tax will be levied if the shareholder provides the Dividend Paying Agent with a non-assessment certificate (*Nichtveranlagungsbescheinigung*) to be applied for with the competent tax office.

## **20.3 Taxation of Dividends of Shareholders with a Tax Domicile in Germany**

### ***20.3.1 Individuals who Hold the Shares as Private Assets***

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold their shares in the Company as private assets, the withholding tax of 25% plus solidarity surcharge of currently 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if any) will generally serve as a final tax (*i.e.*, once such tax has been deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his annual tax return (the "**Flat Tax**")).

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned (*i.e.*, taxation that is irrespective of the individual's personal income tax rate). Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's

personal income tax rate if this results in a lower tax burden. In this case, the base for taxation is the gross dividend income less the savers' allowance of €801.00 (€1,602.00 for jointly filing individuals). Subject to the Minimum Risk Test, any tax and solidarity surcharge already withheld is credited against the income tax and solidarity surcharge so determined, and any overpayment refunded. Income related expenses cannot be deducted from capital gains in either case. The only possible deduction is the savers' allowance of €801.00 (€1,602.00 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Company and is able to exercise a significant entrepreneurial influence on the business activity of the Company by virtue of his professional activity (*berufliche Tätigkeit*) for the Company, or (ii) at least 25% of the shares in the Company, the tax authorities may upon application allow for the dividends to be taxed under the partial income method (see "20.3.4 *Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his private information regarding his affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense. 26.375% of the church tax withheld on the dividends is, however, deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his dividends in his income tax return. The church tax on the dividends will then be imposed during the assessment.

Contrary to the above, dividend payments that are funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do not form part of the shareholder's taxable income. If the dividend payment funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, the German tax authorities take the view that negative acquisition costs will arise which may result in a higher capital gain in case of a disposal of the shares. This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Participation**") and (ii) the dividend payment funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In case of a Qualified Participation, a dividend payment funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) is considered a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds to the taxation of capital gains of shareholders maintaining a Qualified Participation (see "20.5 *Taxation of Capital Gains*").

### **20.3.2 Shares Held as Business Assets**

The Flat Tax does not apply to dividends from shares of the Company held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. Subject to the Minimum Risk Test, the withholding tax withheld and paid to the tax authorities, including the solidarity surcharge, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder, and any overpayment will be refunded.

Dividend payments that are funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) and paid to shareholders who are tax resident in Germany and whose shares are held as business assets are generally fully tax exempt in the hands of such shareholders. At the same time such dividend payments lead to a corresponding reduction of the acquisition costs/book value for the relevant shares. To the extent the dividend payments funded from the Company's tax recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs/book value of the shares, a taxable capital gain should occur. The taxation of such gain corresponds to the taxation of shareholders whose shares are held as business assets (see "20.4 *Taxation of Capital Gains*"). As regards the application of the 95% exemption in case of a corporation, this is, however, not undisputed.

### **20.3.3 Corporations**

Dividends received by corporations that are tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge. 5% of the dividends are, however, treated as a non deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio dividends (*i.e.*, dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year) are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are only attributable to such shareholder on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and with a direct business relationship to the dividends may be fully deducted.

Any dividends (after deducting business expenses related to the dividends) are fully subject to trade tax, unless the corporation held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In such case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

### **20.3.4 Sole Proprietors (Individuals)**

If the shares in the Company are held as part of the business assets of a sole proprietor (individual) with his tax residence in Germany, 40% of any dividend is tax exempt (so-called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method also applies when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). The partial income method does, however, not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the respective shareholder held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. Trade tax is, however, generally credited, in full or in part, as a lump sum against the relevant shareholder's personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of such shareholder.

### **20.3.5 Commercial Partnerships**

If a shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, dividends are generally 95% tax exempt. Dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are, however, fully subject to taxation (see "20.3.3 Corporations"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax. In this case, the partial income method does not apply with respect to church tax, if applicable (see "20.3.4 Sole Proprietors (Individuals)").

In addition, if the shares are held as business assets of a domestic permanent establishment of an actual or presumed commercial partnership, the full amount of dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on the relevant partner's portion of the partnership's income is generally credited as a lump sum, in full or in part, against the individual's personal income tax liability depending on the tax rate imposed by the local municipality and certain individual tax relevant circumstances of such shareholder. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends (after deduction of business expenses economically related thereto) should generally not be subject to trade tax. In this case, trade tax should, however, be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look through basis, since this portion of the dividends should be deemed to be non deductible business expenses. The remaining portion of the dividend income attributable to partners other than such specific corporate partners

(which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look through basis, only portfolio participations are attributable) should not be subject to trade tax.

### **20.3.6 Financial and Insurance Sector**

Special rules apply to companies operating in the financial and insurance sector, as well as pension funds (see below “20.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

## **20.4 Taxation of Dividends of Shareholders without a Tax Domicile in Germany**

Dividends paid to shareholders of the Company (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. Subject to the Minimum Risk Test, the withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder’s personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed with respect to dividend withholding tax (see “20.2.2 Withholding Tax”).

Dividend payments that are funded from the Company’s tax recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

## **20.5 Taxation of Capital Gains**

### **20.5.1 Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany**

#### **20.5.1.1 Shares Held as Private Assets**

Gains on the sale or disposal of shares of the Company that are held as private assets by shareholders with a tax residence in Germany and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is generally a uniform 25% plus the currently 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (i) the proceeds from the disposal of the shares after deducting the direct sales costs and (ii) the acquisition costs of the shares. Under certain conditions, prior payments from the tax recognized contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale or disposal of shares can only be used to offset gains made on the sale or disposal of shares during the same year or in subsequent years. In case of a derecognition or transfer of worthless shares (or other capital assets), the utilization of such losses is further restricted and can only be offset for up to €20,000.00 per calendar year.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank including the domestic branches of foreign banks and financial service institutes, or if such entity or branch sells the shares and pays out or credits the capital gains (each a “**Domestic Paying Agent**”), such Domestic Paying Agent withholds a withholding tax of 25% plus currently 5.5% solidarity surcharge thereon and any church tax, if applicable, and remits such taxes to the tax authority. In such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of taxes withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire such shares. The withholding tax rate of 25% plus the currently 5.5% solidarity surcharge thereon and any church tax, if applicable, will, however, be applied to 30% of the gross sales proceeds, if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds required to, verify the original costs of the shares in his annual tax return.

Entities required to collect withholding taxes on capital investment income are also required to withhold the church tax for shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his private information regarding his affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense. Yet 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

If withholding tax or, if applicable, church tax on capital gains is not withheld by a Domestic Paying Agent, the respective shareholder is required to declare the capital gains in his income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

A shareholder may request that all of his items of capital investment income, along with his other taxable income, are subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his tax burden. In such case, the base for taxation would be the gross income less the savers' allowance of €801.00 (€1,602.00 for jointly filing individuals). The prohibition on deducting income related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined, and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale or disposal of shares are subject to the individual income tax rate, if the shareholder, or his legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Company's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds from the sale or disposal of shares are tax deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is required to declare the gains from the sale in his income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax liability, and any overpayment will be refunded.

#### *20.5.1.2 Shares Held as Business Assets*

The Flat Tax does not apply to proceeds from the sale or disposal of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs/book value. This may give rise to a higher taxable capital gain in case of a sale or disposal of shares. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain may arise.

- Corporations: In general, capital gains earned from the sale or disposal of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held. 5% of the capital gains are, however, treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.
- Sole proprietors (Individuals): If the shares of the Company were acquired after December 31, 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of such shareholder.

- **Commercial Partnerships:** If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner may obtain a reduction of his personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale or disposal of shares attributable to a permanent establishment maintained in Germany by an actual or presumed commercial partnership are subject to trade tax at the level of the partnership. In such case, generally only 60% of the gains are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his share of the partnership's income is generally credited as a lump sum, in full or in part, against his personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the respective shareholder.

Special rules apply to capital gains realized by companies operating in the financial and insurance sectors, as well as pension funds (see “20.6 *Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*”).

If a Domestic Paying Agent is involved, the proceeds from the sale or disposal of shares of the Company held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see “20.5.1.1 *Shares Held as Private Assets*”). The Domestic Paying Agent may, however, refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the relevant shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

### **20.5.2 Taxation of Capital Gains of Shareholders without a Tax Domicile in Germany**

Capital gains realized by a shareholder without a tax residence in Germany are only subject to German income tax if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes, assigning the right of taxation to the shareholder's country of tax residence in the former case.

## **20.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds**

As an exception to the aforementioned rules, dividends paid to, and capital gains realized by, certain companies in the financial and insurance sector are fully taxable. This applies to dividends received on, as well as gains from the disposal of, shares in a trading portfolio within the meaning of Section 340e para. 3 HGB of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets of a financial enterprise within the meaning of the German Banking Act (*Kreditwesengesetz*) that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares of the Company held as investments by life insurance providers, health insurance providers and pension funds. If the shareholding at the beginning of the relevant assessment period is 15% or higher, the dividends may, subject to certain conditions, be fully exempted from trade tax. Yet an exemption to the foregoing (*i.e.*, and thus a 95% effective tax exemption) applies to dividends obtained by the aforementioned companies to which the Parent-Subsidiary Directive applies.

## **20.7 Inheritance and Gift Tax**

The transfer of shares to another person by inheritance or gift is generally only subject to German inheritance or gift tax if:



1. the decedent, donor, heir, beneficiary or other transferee maintained his domicile or habitual abode in Germany, or had its place of management or registered offices in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with residence in the United States) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany); or
2. the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
3. the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of (No. 1.) above, and also with certain restrictions in case of No. 2. above. Special provisions apply to certain German nationals living outside Germany and former German nationals.

The fair value of the shares represents the tax assessment base, which generally corresponds to the stock exchange price of the Company's shares. Depending on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

#### **20.8 Abolishment of Solidarity Surcharge**

The solidarity surcharge will be partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge shall, however, continue to apply for capital investment and, thus, on withholding taxes levied. In case the individual income tax burden for an individual holder is lower than 25% the holder can apply for his/her capital investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded.

#### **20.9 Proposed (Partial) Abolishment of German Flat Tax**

The coalition agreement between the German Christian Democratic Party and the German Social Democratic Party dated 12 March 2018 provides that the current flat taxation (*Abgeltungsteuer*) of 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%, plus church tax, if applicable) shall be partially abolished, in particular with respect to interest income. Whether this envisaged change will still be implemented and whether it will also affect investment in shares is, however, unclear.

#### **20.10 The Proposed Financial Transactions Tax**

On February 14, 2019, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common financial transaction tax in certain participating member states of the European Union, including Germany. Such directive could under, depending on the actual circumstances, apply to certain transactions in the Company's shares, including with respect to secondary market transactions. The issuance and subscription of shares should, however, be exempt. The Commission's Proposal remains subject to negotiations between the participating member states of the European Union and it is currently unclear in what form and when the Commission's Proposal will be implemented, if at all. In addition, the German Federal Minister of Finance has recently submitted a proposal to introduce a financial transaction tax, which has also not been adopted or implemented in Germany yet.

#### **20.11 Other Taxes**

No German transfer tax, value added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares of the Company. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value added tax on transactions that are otherwise tax exempt. Net wealth tax is currently not imposed in Germany.

## 21. FINANCIAL INFORMATION

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**Consolidated Financial Statements**  
of  
**Mobility Holding II GmbH**  
as at and for the years ended  
**31 December 2020,**  
**31 December 2019 and**  
**31 December 2018**

Prepared in accordance with International Financial Reporting Standards  
(IFRS) as adopted by the European Union.

## Consolidated statements of profit or loss and other comprehensive income

(in k€)	Notes	2020	2019	2018
<b>I. Consolidated statements of profit or loss</b>				
Revenue	5.1.1	323,580	275,721	119,880
Cost of goods sold	5.1.2	-260,756	-219,362	-93,395
Gross profit		62,824	56,359	26,485
Other income	5.1.3	1,492	389	648
Selling and general administrative expenses	5.1.2	-51,499	-54,940	-33,021
Other expenses	5.1.3	-306	-157	-8,331
<b>Earnings (loss) before interests and taxes (EBIT)</b>		<b>12,512</b>	<b>1,651</b>	<b>-14,218</b>
Finance income	5.1.4	95	260	199
Finance expenses	5.1.4	-28,586	-25,495	-12,278
Net finance costs		-28,491	-25,235	-12,079
<b>Earnings (loss) before taxes (EBT)</b>		<b>-15,979</b>	<b>-23,584</b>	<b>-26,298</b>
Income tax benefits (expenses)	5.1.5	3,634	4,842	6,747
<b>Net loss</b>		<b>-12,346</b>	<b>-18,742</b>	<b>-19,551</b>
Thereof attributable to:				
Net loss attributable to non-controlling interests	5.3	-200	-330	-131
Net loss attributable to the shareholder of Mobility Holding II		-12,145	-18,411	-19,419
<b>II. Consolidated statements of other comprehensive income</b>				
<b>Net loss</b>		<b>-12,346</b>	<b>-18,742</b>	<b>-19,551</b>
Other comprehensive income				
Gains (losses) from derivatives	5.5	-269	69	-
Other comprehensive income for the period		-269	69	-
<b>Total comprehensive income for the period</b>		<b>-12,615</b>	<b>-18,673</b>	<b>-19,551</b>
Thereof attributable to:				
Total comprehensive income attributable to non-controlling interests	5.3	-200	-330	-131
Total comprehensive income attributable to the shareholders of Mobility Holding II		-12,415	-18,343	-19,419

## Consolidated statements of financial position

	Notes	31 December 2020	31 December 2019	31 December 2018	1 January 2018
<b>(in k€)</b>					
<b>Assets</b>					
Goodwill	5.2.4	230,008	230,008	230,008	35,666
Intangible assets	5.2.4	113,475	126,546	145,678	21,031
Property, plant and equipment	5.2.3	1,765	1,728	1,368	251
Right-of-use assets	5.2.1	11,737	7,047	3,866	2,361
Subscribed vehicles	5.2.3	488,398	326,597	179,387	-
Shares in affiliated companies		50	86	106	-
Receivables from vehicle subscription qualifying as finance lease	5.2.1	94,459	90,986	98,315	-
Other receivables	5.2.5	872	638	252	252
Non-current assets		940,764	783,638	658,982	59,560
Inventories	5.2.6	29,833	27,239	4,551	-
Contract assets	5.2.2	11,215	10,435	9,197	-
Receivables from affiliated companies		177	3,707	238	1,213
Receivables from vehicle subscription qualifying as finance lease	5.2.1	94,202	119,053	91,109	-
Trade and other receivables	5.2.5	55,936	53,797	37,786	4,537
Other financial assets including derivatives		-	69	-	-
Cash and cash equivalents	5.2.7	46,544	32,538	22,416	2,366
Current assets		237,907	246,839	165,297	8,116
<b>Total assets</b>		<b>1,178,671</b>	<b>1,030,477</b>	<b>824,279</b>	<b>67,676</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Subscribed capital	5.2.11	25	25	25	25
Capital reserves	5.2.11	76,942	76,942	71,619	13,910
Other reserves	5.2.11	-50,264	-37,850	-19,507	-88
Non-controlling interests	5.3	-3,337	-3,137	-2,807	-
Equity		23,365	35,980	49,330	13,848
<b>Liabilities</b>					
Lease liabilities	5.2.1	10,054	5,837	3,134	2,117
Other financial liabilities	5.2.8	707,020	602,383	517,115	40,922
Trade and other payables	5.2.9	675	3,191	351	683
Provisions	5.2.10	2,694	769	2,327	19
Deferred tax liabilities	5.1.5	31,654	35,415	40,308	5,103
Non-current liabilities		752,097	647,594	563,235	48,844
Lease liabilities	5.2.1	2,048	1,544	770	244
Other financial liabilities	5.2.8	348,686	285,150	164,951	-
Trade and other payables	5.2.9	37,553	43,653	24,088	4,525
Provisions	5.2.10	259	1,061	1,928	-
Tax Liabilities	5.1.5	161	587	3,975	215
Contract liabilities	5.2.2	14,501	14,907	16,002	-
Current liabilities		403,208	346,902	211,714	4,985
Liabilities		1,155,305	994,496	774,949	53,828
<b>Total equity and liabilities</b>		<b>1,178,671</b>	<b>1,030,477</b>	<b>824,279</b>	<b>67,676</b>

## Consolidated statements of changes in equity

(in k€)	Notes	Subscribed capital	Capital reserves	Other reserves		Equity attributable to the shareholders of Mobility Holding II	Equity attributable to non-controlling interests	Total equity
				Reserve for gains and losses of hedging	Other equity			
<b>Balance at 1 January 2018</b>		<b>25</b>	<b>13,910</b>		<b>-88</b>	<b>13,848</b>		<b>13,848</b>
Net loss	5.1	-	-	-	-19,419	-19,419	-131	-19,551
Other comprehensive income	5.1	-	-	-	-	-	-	-
Comprehensive income		-	-	-	-19,419	-19,419	-131	-19,551
Capital contribution		-	57,708	-	-	57,708	-	57,708
Acquisition of non-controlling interests	5.3	-	-	-	-	-	-2,675	-2,675
<b>Balance at 31 December 2018</b>		<b>25</b>	<b>71,619</b>	-	<b>-19,507</b>	<b>52,137</b>	<b>-2,807</b>	<b>49,330</b>
<b>Balance at 1 January 2019</b>		<b>25</b>	<b>71,619</b>	-	<b>-19,507</b>	<b>52,137</b>	<b>-2,807</b>	<b>49,330</b>
Net loss	5.1	-	-	-	-18,411	-18,411	-330	-18,742
Other comprehensive income	5.1	-	-	69	-	69	-	69
Comprehensive income		-	-	69	-18,411	-18,343	-330	-18,673
Capital contribution		-	5,323	-	-	5,323	-	5,323
<b>Balance at 31 December 2019</b>		<b>25</b>	<b>76,942</b>	<b>69</b>	<b>-37,918</b>	<b>39,117</b>	<b>-3,137</b>	<b>35,980</b>
<b>Balance at 1 January 2020</b>		<b>25</b>	<b>76,942</b>	<b>69</b>	<b>-37,918</b>	<b>39,117</b>	<b>-3,137</b>	<b>35,980</b>
Net loss	5.1	-	-	-	-12,145	-12,145	-200	-12,346
Other comprehensive income	5.1	-	-	-269	-	-269	-	-269
Comprehensive income		-	-	-269	-12,145	-12,415	-200	-12,615
Capital contribution		-	-	-	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>25</b>	<b>76,942</b>	<b>-201</b>	<b>-50,064</b>	<b>26,702</b>	<b>-3,337</b>	<b>23,365</b>

## Consolidated statements of cash flows

(in k€)	Notes	2020	2019	2018
<b>Cash flow from operating activities</b>				
Net loss		-12,346	-18,742	-19,551
Amortisation, depreciation and impairment losses (non-fleet)	5.2.3, 5.2.4	18,510	22,946	12,121
Income tax expense	5.1.5	-3,634	-4,842	-6,747
Income taxes paid		-552	-3,440	-177
Finance income	5.1.4	-95	-260	-199
Finance expenses including fleet financing	5.1.4	35,071	29,439	13,987
Interest paid for fleet financing		-6,485	-3,944	-1,908
Gain/loss on disposal of intangible assets and property, plant and equipment		-9	-172	-1
Change in provisions	5.2.10	1,122	-2,426	-12
Other non-cash transactions		36	0	-54
<b>Gross cash flow</b>		<b>31,620</b>	<b>18,559</b>	<b>-2,540</b>
Change in trade receivables and other assets not attributable to investing or financing activities	5.2.5	377	-21,173	-5,378
Change in trade payables and other liabilities not attributable to investing or financing activities	5.2.9	-9,527	20,634	5,061
Change in vehicle related line items	5.2.3	-143,012	-190,504	10,641
<i>thereof: change in subscribed vehicles</i>		-161,798	-147,200	12,396
<i>thereof: change in inventories</i>		-2,593	-22,688	-2,230
<i>thereof: change in receivables from vehicle subscriptions qualifying as finance leases</i>		21,379	-20,615	476
<b>Cash flow from operating activities</b>		<b>-120,542</b>	<b>-172,484</b>	<b>7,784</b>
<b>Cash flow from investing activities</b>				
Investments in intangible assets, including internally generated intangible assets	5.2.4	-3,051	-2,073	-1,086
Investments in property, plant and equipment	5.2.3	-1,076	-1,098	-385
Proceeds from disposal of intangible assets and property, plant and equipment		472	497	171
Consideration transferred for investments, net of cash acquired	2.2	0	0	-254,020
Interest received		95	260	31
<b>Cash flow from investing activities</b>		<b>-3,560</b>	<b>-2,413</b>	<b>-255,289</b>
<b>Cash flow from financing activities</b>				
Contributions of shareholder		-	5,323	57,708
Repayment of short-term and long-term debt	5.2.8	-242,931	-111,429	-88,440
Proceeds from short-term and long-term debt	5.2.8	397,525	295,928	300,146
Other financing activities		-1,781	-1,031	-523
Interest paid		-11,415	-7,280	-1,335
<b>Cash flow from financing activities</b>		<b>141,398</b>	<b>181,511</b>	<b>267,556</b>
<b>Cash flow changes</b>		<b>17,297</b>	<b>6,615</b>	<b>20,051</b>
Cash and cash equivalents at the beginning of the period	5.2.7	29,031	22,416	2,366
<b>Cash and cash equivalents at the end of the period</b>	<b>5.2.7</b>	<b>46,328</b>	<b>29,031</b>	<b>22,416</b>

## **Notes to the consolidated financial statements**



# 1 General disclosures

## 1.1 Information about the Company

Mobility Holding II GmbH (henceforth Mobility Holding II or the Company) is domiciled in Salvatorstr. 3, 80333, Munich, Germany. The Company is registered at the Munich Local Court (Amtsgericht) under the docket number HRB 237339.

These consolidated financial statements comprise the Company and its subsidiaries (henceforth the Group). The ultimate parent is SMH TopCo S.à.r.l. Information on the Group's structure is provided in Note 2.3 Group structure and Information on other related party relationships of the Group is provided in Note 7.2 Related parties The Group is one of the leading manufacturer-independent providers for mobility solutions in Germany for Business-to-Customer (B2C) and Business-to-Business (B2B).

Within the B2C segment the Group offers vehicle subscription and mobility related services to open and closed private and small commercial customer groups. The open customer groups are available to everyone, whereas the closed customer groups are defined by specific membership, affiliation or employee status and require login or credentials. The Group utilises both its own and affiliated channels to distribute its services.

Within the B2B segment the Group offers vehicle subscription, full-service and fleet management to corporate customer groups. The Group offers its service only on its own platform.

## 1.2 Basis of accounting

### Basis of preparation

The consolidated financial statements are in compliance with the regulation EG Nr. 16006/2002 of the European Parliament and the Council of 19 July 2002 in its current version and were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The reporting period corresponds to the calendar year.

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 at the reporting date.

The consolidated statements of profit or loss and other comprehensive income are prepared based on the cost-of-sales method. As the Company has only one shareholder, the net loss attributable to the shareholder of Mobility Holding II also corresponds to the earnings per share. Therefore, no additional disclosure of earnings per share is made.

The consolidated financial statements are presented in euro, consistent with the functional currency of the entities in the Group. All financial information presented in euro is rounded to thousands of euros (k€), unless otherwise indicated. This may result in rounding differences.

The Group consistently applied the following accounting methods to all periods presented in these consolidated financial statements. All mandatory standards applicable on the reporting date were implemented.

Due to the first-time adoption of IFRS, the consolidated financial statements include comparative information for the 2019 reporting period as well as for the consolidated opening statements of financial position as at 1 January 2018 including the corresponding disclosures. The effects on the net assets, financial position and results of operations of the transition from German GAAP to IFRS are presented in section 8 First-time adoption of IFRS 1.

In order to improve the clarity of presentation, individual line items of the consolidated statements for profit or loss and other comprehensive income and the consolidated statements of financial position have been combined to the extent permitted by law. These items are disclosed and explained separately in the notes.

The consolidated statements of profit or loss and other comprehensive income are prepared in a single statement that includes the income statement and a reconciliation of profit or loss to comprehensive income.

The consolidated financial statements were authorised for issue by the board of directors on 23 March 2021.

#### **First-time application of, as well as early adoption of financial reporting standards issued by the IASB**

The IFRS which are mandatory for reporting periods beginning on or after 1 January 2020 as adopted by the EU were applied when preparing the opening consolidated statements of financial position sheet as at 1 January 2018 and in the other periods presented. Therefore, the following standards, interpretations, or amendments to standards were mandatory for all reporting periods:

- Amendments to references to the Conceptual Framework in IFRS. The amendments are effective for annual periods beginning on or after 1 January 2020.
- Amendments to IFRS 3, Definition of a business. The amendments are effective for annual periods beginning on or after 1 January 2020.
- Amendments to IFRS 9, IAS 39 and IFRS 7, Interest Rate Benchmark Reform. The amendments are effective for annual periods beginning on or after 1 January 2020.
- Amendments to IAS 1 and IAS 8, Definition of Material. The amendments are effective for annual periods beginning on or after 1 January 2020.

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

Standards/Interpretations adopted by the EU:

- Amendments to IFRS 16, Covid-19-Related Rent Concessions. The amendments are effective for annual periods beginning on or after 1 June 2020.
- Amendment to IFRS 4, Extension of the temporary exemption from applying IFRS 9. The amendments are effective for annual reporting periods beginning on or after 1 January 2021.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

Standard/Interpretations not yet adopted by the EU:

- Amendments to IFRS 3, Reference to the Conceptual Framework. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
- Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
- Amendments of IAS 16 Property, Plant and Equipment – Proceeds before Intended Use. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
- Improvements to IFRS 2018-2020, Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
- IFRS 17 (including amendments to IFRS 17) Insurance Contracts. Effective for annual reporting periods beginning on or after 1 January 2023.
- Amendments to IAS 1 (including deferral of effective date). Classification of liabilities as current or non-current. Effective for annual reporting periods beginning on or after 1 January 2023.
- Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an Investor and its Associate or Joint Venture. In December 2015, the IASB has decided to postpone the effective date indefinitely.

No material changes are expected from the application of the published new and/or amended standards and interpretations. The Group does not intend to early adopt the new and/or amended standards.

## 2 Consolidation

### 2.1 Principles of consolidation

The consolidated financial statements include the financial statements of Mobility Holding II GmbH and all material subsidiaries of which the company has control. The Group controls a company if it is

exposed, or has rights, to variable returns from the investment and has the power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date it gains control until the date on which the control ceases.

Business combinations are accounted for in accordance with IFRS 3 using the acquisition method. Assets acquired and liabilities assumed (including any contingent liabilities) are measured at fair value at the acquisition date irrespective of any non-controlling interest (NCI). A positive difference between the consideration transferred and the identifiable net assets is recognised as goodwill and tested for impairment at least on an annual basis. A negative difference is, once it has been reviewed, recognised directly in profit or loss. Costs related to the acquisition are expensed in the period incurred.

Non-controlling interests are accounted for with their respective share of net assets of the acquired company at the acquisition date.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intragroup receivables and payables as well as income and expenses are eliminated. There are no profits or losses resulting from intragroup transactions recognised in assets, such as inventory and fixed assets, that would otherwise need to be eliminated in full.

## 2.2 Changes to the Group

### Acquisitions

2018

#### *Mobility Concept GmbH*

On 1 June 2018 the Group acquired 100% of the shares in Mobility Concept GmbH. Founded in 2000, the company's core competencies evolve around the financing and leasing of car fleets, offering related services and remarketing of cars at the end of the contract period. Through the integration, the Group is able to offer vehicle subscription and mobility services through the existing platform MeinAuto and strengthen its market position.

For the seven months ended 31 December 2018, Mobility Concept GmbH contributed revenue of 85,079 k€ and profit of 6,241 k€ to the Group's result.

The consideration paid amounted to 99,772 k€. Acquisition-related costs total to 2,067 k€ and are included in Other expenses in the consolidated statements of profit or loss and other comprehensive income.

The fair values of the assets and liabilities acquired at the date of acquisition break down as follows:

	(in k€)
Intangible assets	62,327
Property, plant and equipment and right-of-use assets	2,160
Subscribed vehicles	191,783
Inventories	2,321
Trade receivables, receivables from vehicle subscription qualifying as finance lease and contract assets	218,824
Credit loss allowance	-641
Cash and cash equivalents	46,863
Other assets	35
Lease liabilities	-1,861
Other financial liabilities, trade and other payables and contract liabilities	-441,051
Provisions	-4,197
Deferred tax liabilities	-17,954
<b>Total identifiable net assets acquired</b>	<b>58,610</b>

Goodwill arising from the acquisition has been recognised as follows:

	(in k€)
Consideration transferred	99,772
Fair value of identifiable net assets	-58,610
<b>Goodwill</b>	<b>41,162</b>

The goodwill is mainly related to synergies expected to be achieved from integrating the company with the existing MeinAuto business and is not deductible for tax purposes.

#### *ASS Athletic Sport Sponsoring GmbH*

Effective 5 September 2018, the Group acquired 100% of the shares in ASS Athletic Sport Sponsoring GmbH and its subsidiaries Deutsche Sportausweis GmbH, International Sport Pass GmbH, ASN Team BV and ASS Athletic Sport Sponsoring GmbH Austria. The ASS subgroup historically offered vehicle subscription to closed customer groups.

The acquisition of the ASS subgroup enables the Group to further expand its services in the B2C segment.

For the four months ended 31 December 2018, the ASS subgroup contributed 23,129 k€ in revenue and 6,460 k€ in profit to the Group.

The Group transferred 214,628 k€ in consideration for the ASS subgroup and incurred cost related to the acquisition in the amount of 4,812 k€.

The fair values of the assets and liabilities acquired at the date of acquisition break down as follows:

	(in k€)
Intangible assets	71,863
Property, plant and equipment and right-of-use assets	2,025
Trade and other receivables (gross)	3,847
Credit loss allowance	-13
Cash and cash equivalents	13,516
Other assets	37
Lease liabilities	-380
Trade and other payables	-2,580
Provisions	-5,373
Deferred tax liabilities	-24,171
<b>Total identifiable net assets acquired</b>	<b>58,772</b>

Goodwill arising from the acquisition has been recognised as follows:

	(in k€)
Consideration transferred	214,628
Non-controlling interest	-2,675
Fair value of identifiable net assets	-58,772
<b>Goodwill</b>	<b>153,181</b>

The resulting goodwill is attributable to further expanding the core competencies of the existing business as well as the expected synergies in the B2C segment and is not tax deductible.

If both acquisitions had occurred on 1 January 2018, management estimates that the consolidated Group's revenue would have been 223,672 k€ and the Group's loss 35,460 k€.

There were no further acquisitions during the reporting periods 2019 and 2020.

## 2.3 Group structure

As of 31 December 2020, the consolidated financial statements consist of Mobility Holding II GmbH and the financial statements of the following significant and fully consolidated subsidiaries:

Equity interest (in %)					
Name	Domicile	2020	2019	2018	
Mobility Holding GmbH	Oberhaching, Germany	100.0%	100.0%	100.0%	
Mobility Concept GmbH	Oberhaching, Germany	100.0%	100.0%	100.0%	
Mein Auto GmbH	Köln, Germany	100.0%	100.0%	100.0%	
Mobility One S.A.	Luxembourg, Luxembourg	100.0%	100.0%	100.0%	
ASS Athletic Sport Sponsoring GmbH	Bochum, Germany	100.0%	100.0%	100.0%	
International Sports Pass GmbH	Bochum, Germany	74.8%	74.8%	74.8%	
DSA Deutsche Sportausweis GmbH	Bochum, Germany	100.0%	100.0%	100.0%	

The following subsidiaries were not consolidated due to reasons of immateriality:

Name	Domicile	2020			2019			2018		
		Equity interest (in %)	Equity (in k€)	Annual result * (in k€)	Equity interest (in %)	Equity (in k€)	Annual result * (in k€)	Equity interest (in %)	Equity (in k€)	Annual result * (in k€)
DFD Deutscher Fahrzeugdienst GmbH	Oberhaching, Germany	100.0	25	69	100	25	101	100.00	25	-6
MS Mobility Solution GmbH	Köln, Germany	100.0	25	-14	100	25	-25	100.00	25	-24
ASS Athletic Sport Sponsoring GmbH Austria **	Kirchbichl, Austria	-	-	-	100	-1,172	-3	100.00	-1,171	-1
ASN Team BV **	Heteren, Netherlands	-	-	-	-	-	-	100.00	280	26

\* before profit and loss transfer agreement, local GAAP

\*\* divested in 2019 (ASN Team BV) and 2020 (ASS Athletic Sport Sponsoring GmbH Austria)

### 3 Accounting policies

#### 3.1 Consolidated statements of profit or loss and other comprehensive income

##### Revenue

Revenue is recognised when a contract with a customer with enforceable rights and obligations exists and control of goods has passed to the customer or the service has been rendered. Revenue is measured at the value of the consideration received or receivable and represents the amount that is probable of being received in the normal course of business.

Group revenue consists of revenue related to two product groups, vehicle subscription and mobility services. Vehicle subscription revenue is directly related to the subscription of vehicles and revenue associated with the sale of vehicles at the end of the contract term. Furthermore, revenue is generated through providing mobility services in addition to the vehicle subscription such as tyre management, repair management or damage management as well as commissions for services to dealers or Original Equipment Manufacturers (OEMs).

##### *Revenue from vehicle subscription*

Income from vehicle subscription (operating leases) is recognised as revenue pro rata temporis as the services are rendered over the term of the respective contract. Accordingly, amounts received at the inception of the contract are deferred and recognised as income on a straight-line basis over the agreed contract term.

Vehicle subscription is qualified as finance lease, if substantially all the risks and rewards incidental to ownership are transferred to the customer. The receivables from vehicle subscription qualifying as finance lease are initially recognised in the amount equal to the net investment in the lease and subsequently measured using the effective interest method. Payments from these contracts are divided into interest income and redemption of receivables. Only the interest component is recognised in revenue. Interest income is distributed over the term of the contract on a scheduled basis. Payments in the reporting period are netted against the gross investment to reduce both the nominal amount and the unearned finance income.

The sale of vehicles is recognised in revenue upon delivery and transfer of economic ownership if the amount of the consideration and the costs yet to be incurred can be measured reliably and a flow of benefits is probable.

#### *Revenue from mobility services*

Revenue from services provided in addition to the vehicle subscription is recognised when the service has been rendered and the amount of consideration can be measured reliably. Customers are provided with either so-called 'open contracts' or 'closed contracts'. Customers entering 'open contracts' in general pay for the services actually incurred meaning that the Group passes on the costs directly to the customer. The risk lies with the customer and the Group acts as an agent. Billing takes place either immediately or at the end of the contract term as part of the final service invoice. For 'closed contracts' the Group acts as a principal bearing the risk of higher expenses and the rewards of lower expenses associated with the contracts. All kinds of services such as tyre management, repair management or damage management may be 'open' or 'closed', with the exemption of fuel cards and road tax are generally categorised as 'open'. Revenue generated from 'closed contracts' where the Group acts as a principal is recognised on a gross basis and the estimated margin is realised on an ongoing basis over the term of the contract. Revenue generated as an agent is presented on a net basis, meaning either a zero margin or a commission equal to the negotiated management fee is recognised. In case of expected losses for individual services and due to the unavoidable contract fulfilment costs of older so-called 'wear and tear' contracts, a provision for onerous contracts in accordance with IAS 37 has been set up.

Revenue for commissions for services received from dealers or OEMs is recognised when the service has been rendered and the amount of consideration can be measured reliably.

There are no incremental costs to obtain or fulfil a contract with a customer, which otherwise would have to be recognised as an asset. Furthermore, contracts with customers do not contain a significant financing component.

#### **Government grants**

Government grants are recognised, if reasonable assurance exists that the conditions associated with the grant will be met and the grants will be provided. They are recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate.

#### **Finance income and expense**

Finance income and expense presented in the financial result 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.



## Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

The Group has determined that interest and penalties related to income taxes do not meet the definition of income taxes, and therefore accounts for them under IAS 37.

### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if the necessary criteria are met.

### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## **3.2 Consolidated statements of financial position**

### **Goodwill**

Goodwill acquired in a business combination is the excess of the consideration transferred for the acquisition of control over the business over the net fair value of the acquired, separately identifiable, assets and assumed liabilities as of the date of acquisition.

Goodwill is not amortised, but instead tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses. The goodwill impairment test is performed at the level of a cash-generating unit or a group of cash-generating units, generally represented by a segment. This is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit or the group of cash-generating units that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit or group of cash-generating units exceeds its recoverable amount, an impairment loss is recognised on the goodwill allocated to this cash-generating unit. The recoverable amount is the higher of the cash-generating unit's or group of cash-generating units' fair value less cost to sell and its value in use. If either of these amounts exceeds the carrying amount, it is not necessary to determine both amounts. These values are generally determined using the discounted cash flow method. Impairment losses on goodwill are not reversed in future periods.

In determining the recoverable amounts of a cash-generating unit to which goodwill is allocated, discounted cash flow calculations use four-year-projections that are based on business plans. Cash flow projections consider past experience, current operating results, and market assumptions, and represent management's best estimate of future performance. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of the recoverable amount include estimated growth rates and the weighted average cost of capital. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

## Intangible assets

Intangible assets consist of internally generated intangible assets and purchased intangible assets. Internally generated intangible assets mainly comprise development costs for software and IT infrastructure. Development costs are capitalised at production cost in accordance with IAS 38 only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the consolidated statements of profit or loss and other comprehensive income as incurred. Purchased intangible assets are measured at acquisition cost.

Intangible assets with finite useful lives are amortised on a straight-line basis over their respective estimated useful lives of between two and twenty years, considering any potential residual value. Impairment losses are recognised where necessary. Intangible assets with indefinite useful lives are tested at least annually for impairment. The Group did not hold any intangible assets with indefinite useful lives in the reporting periods 2020, 2019 and 2018.

## Property, plant and equipment

Property, plant and equipment is initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated (non-scheduled) impairment losses. Reversals of impairment losses are recognised up to the amount of the carrying amount, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life to its expected residual value. The useful lives of property, plant, and equipment are reassessed at each reporting date and adjusted if necessary. Land is not depreciated.

The estimated useful lives of significant property, plant and equipment for the reporting periods 2020, 2019 and 2018 are:

Buildings	25 to 50 years
Technical equipment	6 to 12 years
Operating and business equipment	3 to 15 years

## Inventories

Inventories consist of vehicles intended for sale. These are measured at lower of cost or net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred for bringing inventories to their present location and condition.

## Contract assets and contract liabilities

During the contract term of services, either a contract asset, a receivable or a contract liability arises, depending on whether the Group has an obligation to provide services to a customer for which the Group has already received payments or for which payment is due or vice versa. A contractual liability

represents the obligation to provide services to a customer for which the Group has already received remuneration or for which payment is due.

A contract asset represents the right to compensation in return for goods or services that the Group has transferred to a customer. In addition, this right depends on something other than the expiry of a certain period. If the right to remuneration is unconditional, a receivable is recognised. A contract asset occurs, for example, if the Group has already incurred an expense for a service to a customer, but the customer's monthly payments have not yet covered this expense.

The contract balance may change during the contract term between contract asset and contract liability depending on whether the Group or the customer is behind with performance.

## Financial assets

### *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets not measured at fair value through profit and loss (FVTPL) are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, unless it is a trade receivable without a significant financing component, which is initially measured at the transaction price.

### *Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost (FAAC); at fair value through other comprehensive income (FVOCI – debt investment or FVOCI – equity investment); or at fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset not designated as at FVTPL is measured at amortised cost if it:

- is held within a business model whose objective is to hold assets to collect contractual cash flows; and if
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment not designated as at FVTPL is measured at FVOCI if it:

- is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- if its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for the purpose of determining the business model the asset is held in, consistent with the Group's continuing recognition of the assets.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets unless they are designated as hedging instrument within an effective cash flow hedge relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (fair value option). This option is currently not exercised by the Group, neither for financial assets, nor for financial liabilities.

### Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see the part on derivatives for derivatives designated as hedging instruments. Given that all financial derivatives are designated as hedging instruments in effective hedge relationships, no financial assets are currently assigned to this category within the Group.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Trade receivables, which will not be subject to factoring agreements, loans, other financial assets besides derivatives and cash and cash equivalents are assigned to this category.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. Trade receivables, which might be subject to factoring agreements are assigned to this category.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Currently, no financial assets are assigned to this category within the Group.

### *Derecognition*

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into asset-backed-securities transactions whereby it transfers assets recognised in its consolidated statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### *Impairment*

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost;
- trade receivables measured at FVOCI;
- contract assets and
- receivables from vehicle subscription qualifying as finance lease

The Group measures loss allowances at an amount equal to lifetime ECLs (simplified approach), except for the following, which are measured at 12-month ECLs (general approach):

- debt investments, loans and receivables from vehicle subscription qualifying as finance lease that are determined to have low credit risk at the reporting date; and
- debt investments, receivables from insurances, bank balances and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including receivables from vehicle subscription) and contract assets are always measured at an amount equal to lifetime ECLs.

Some categories of financial assets, such as trade receivables, are tested for impairment on a portfolio basis. The portfolio-based assessment is carried out by grouping together assets with similar risk characteristics, such as customer group, customer creditworthiness and transaction type to determine an impairment provision reflecting the expected probability of default.

When determining whether the credit risk of a financial asset or a portfolio of financial assets has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information that may affect the defaults. Based on past experience the Group assumes that the credit risk on a financial asset has significantly increased if it is more than 90 days past due.

The Group considers a financial asset to be in default if the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or if insolvency proceedings have been opened on the assets of the debtor.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### *Measurement of expected credit losses*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the Group has terminated the contract after the debtor has failed to pay two consecutive monthly payments.

### *Presentation of allowance for ECL in the consolidated statements of financial position*

Impairment losses for financial assets measured at amortised cost are recognised in an impairment account (loss allowance). Loss allowances are deducted from the gross carrying amount of the assets. Changes in the carrying amount of the loss allowance are recognised in profit or loss.

For debt securities at FVOCI, the gross carrying amount of the financial assets is directly written off for impairment losses. The impairment loss is charged to profit or loss and is recognised in OCI.

### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when all legal channels have been pursued without success or three years after insolvency proceedings have been opened on the assets of the debtor. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## **Financial liabilities**

### *Recognition and initial measurement*

Debt securities issued are initially recognised when they are originated. All other financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue.

### *Classification and subsequent measurement*

Financial liabilities are classified as measured at amortised cost (FLAC) or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### *Derecognition*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **Derivative financial instruments and hedge accounting**

### *Derivative financial instruments*

The Group holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

### *Cash flow hedges*

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with floating rate interest rate payments in connection with its asset backed securities program (cash flow hedges).

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. In addition, at inception of the hedge and on an ongoing basis, the Group documents whether the designated hedging instrument is effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following requirements for hedge effectiveness:

- there is an economic relationship between the hedged item and the hedging instrument;



- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group determines the economic relationship between the underlying hedged item and the hedging instrument to assess the effectiveness of the hedge relationship based on the reference interest rate, the term to maturity, the variable interest rate fixing period, the amortisation profile and the notional amount. Ineffectiveness may occur if the market value of the hedging instruments does not equal zero at the designation of the hedge. In rare circumstances, hedging instruments may be de-designated to avoid over-hedging in the case of unexpected repayments from the asset backed securities program.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss and recognised in the same line item of the consolidated statements of profit or loss and other comprehensive income.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, the amounts accumulated in the hedging reserve are immediately reclassified to profit or loss.

*Hedges directly affected by interest rate benchmark reform*

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued.

## Provisions

A provision is recognised when an entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period. If the criteria on recognition of provisions are not fulfilled and the possibility of a cash outflow upon settlement is not unlikely, the item is to be disclosed as a contingent liability. The amount disclosed as a contingent liability represents the best estimate of the possible obligation at the reporting date.

## 3.3 Leases

The Group acts both as lessor and as lessee. At inception of a contract, the Group assesses whether a contract contains or qualifies as 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 for consideration.

### Accounting as a lessee

For leases of properties the Group has elected to separate lease and non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located and less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the purchase price of the right-of-use-asset that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Accounting as a lessor

When the Group acts as a lessor, it determines at inception of the subscription whether each vehicle subscription is qualified as finance lease or operating lease.

To classify each vehicle subscription, the Group makes an overall assessment of whether substantially all the risks and rewards incidental to ownership of the underlying vehicle are transferred to the customer. If this is the case, the vehicle subscription is qualified as finance lease; if not, it is qualified as operating lease. As part of this assessment, the Group considers certain indicators such as whether at the inception date, the present value of the subscription payments amounts to at least substantially all of the fair value of the underlying vehicle.

Subscribed vehicles are carried at cost less straight-line depreciation considering their calculated residual values. The residual value is based on the estimated fair value. 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. Subscribed vehicles are generally reported within the non-current assets section and are derecognised when they are disposed of or if no future economic benefits are expected

from the continued use of the subscribed vehicle. The profit or loss resulting from the sale or retirement of the vehicle is determined as the difference between the selling price and the carrying amount and is recognised in profit or loss. Payments for subscriptions are recognised in revenue on an ongoing basis.

The Group adds initial direct costs incurred in obtaining a contract to the carrying amount of the underlying vehicle and recognises those costs as an expense over the contract duration on the same basis as the income.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

In case of vehicle subscription qualifying as finance lease, a receivable from vehicle subscription qualifying as finance lease is recognised instead of the respective subscribed vehicle and the Group applies the derecognition and impairment requirements in IFRS 9 to that receivable. Instead of regular revenue from subscription payments and depreciation of assets, interest income is recognised as revenue for these contracts.

## 4 Reporting and valuation methods

### 4.1 Assumptions and estimation uncertainties

The preparation of the consolidated financial statements requires a certain amount of discretionary decisions, estimates and assumptions by the management board, which affect the application of the accounting methods and the stated amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are constantly reviewed. Revisions of estimates are reported prospectively. Discretionary decisions on the application of accounting methods primarily influence the amounts reported in the consolidated financial statements during the consolidation.

Information about estimates and assumptions that may have a material effect on recognition and measurement of assets, liabilities, income and expenses are provided below:

- Impairment of non-financial assets and goodwill:

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit bases on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

- Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciated assets at each reporting date, based on the expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

- Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at the reporting date.

- Leases

Management regularly reviews the factors determining the values of its subscribed vehicles. In particular, it is necessary to estimate the residual values for vehicles at the end of their subscription period, which constitute a substantial part of the expected future cash flows from vehicle subscription. Furthermore, management cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure liabilities.

- Allowances for expected credit losses (ECL) of trade receivables and contract assets

Management uses a matrix to calculate ECLs for trade receivables and contract assets. The allowance rates are based on days past due for groupings of various customer segments. Refer to 3.2 Consolidated statements of financial position.

- Provisions

The measurement of other provisions is based on the best possible estimate of the most probable settlement amount of the present obligation at the reporting date.

- Revenue recognition

For 'closed contracts' related to services where the Group acts as principal the margin is realised over the term of the contract. The margin is estimated by management based on historical data and current forecasting and reviewed at least annually.

## 4.2 Determination of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

If available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would consider in pricing a transaction.

Based on the inputs used in the valuation techniques, fair values are categorised into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Valuation inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data (unobservable inputs).

Once the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety into the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Further information about the assumptions made in measuring fair value is included in the respective notes for the assets and liabilities concerned.

## 5 Disclosures on individual items of the consolidated financial statements

### 5.1 Consolidated statements of profit or loss and other comprehensive income

#### 5.1.1 Revenue

In the following table, revenue is disaggregated by product groups:

##### Revenue from external customers splitted by product groups

(in k€)	2020	2019	2018
<b>Vehicle subscription</b>	<b>202,556</b>	<b>168,325</b>	<b>68,878</b>
Operating leases	84,735	63,790	30,178
Finance leases	5,833	6,002	3,041
Sale of vehicles	111,988	98,533	35,660
<b>Mobility services</b>	<b>121,024</b>	<b>107,396</b>	<b>51,002</b>
<b>Total</b>	<b>323,580</b>	<b>275,721</b>	<b>119,880</b>

Vehicle subscription revenue consists of revenue directly related to the subscription of the vehicle and refers to vehicle subscription qualifying as operating as well as finance leases. In addition to the monthly instalment, this also includes down payments at the beginning of the subscription period which are recognised over the subscription period for operating leases. Furthermore, the item includes all revenues associated with the sale of vehicles at the end of the contract term. The latter includes the sales revenues for the returned vehicle as well as revenues for excess/shortfall mileage and damage settlements. Gains (losses) due to derecognition of receivables from vehicle subscription qualifying as finance lease and interest income on receivables from vehicle subscription qualifying as finance lease are also included in this item.

Revenue from mobility services mainly includes commissions for services to dealers and OEMs as well as services provided in addition to the vehicle subscription such as tyre management, repair management or damage management.

All income was generated exclusively in Germany.



## 5.1.2 Functional costs

### Cost of goods sold

Cost of goods sold amount to 260,756 k€ (2019: 219,362 k€, 2018: 93,395 k€). Cost of goods sold are related to vehicle subscription and mobility services and comprise:

#### Cost of goods sold

(in k€)	2020	2019	2018
Vehicle subscription and mobility services	90,161	86,526	35,889
Vehicle disposals	76,157	45,800	22,275
Depreciation and amortisation	52,313	43,502	23,898
Vehicle procurement	27,105	28,946	2,234
Personnel	5,309	5,311	4,679
Financing	6,485	3,944	1,908
Commissions	1,716	1,495	492
Others	1,510	3,838	2,020
<b>Total</b>	<b>260,756</b>	<b>219,362</b>	<b>93,395</b>

The increase in Cost of goods sold is the result of sales growth and expansion of the consolidated entities and the related increase in vehicles.

### Selling and general administrative expenses

Selling expenses amount to 25,548 k€ (2019: 28,248 k€, 2018: 14,283 k€). Selling expenses consist of selling overhead expenses and comprise personnel expenses, marketing costs and other selling expenses.

General administrative expenses amount to 25,951 k€ (2019: 26,692 k€, 2018: 18,738 k€). They consist of expenses which are not attributable to Cost of goods sold or selling expenses and comprise personnel expenses, depreciation and amortisation of fixed and intangible assets and other administrative costs.

### Personnel expenses

Personnel expenses are included in Cost of goods sold as well as in Selling and General administrative expenses. They comprise wages and salaries in the amount of 18,554 k€ (2019: 19,271 k€, 2018: 9,906 k€) and social contributions in the amount of 3,411 k€ (2019: 2,889 k€, 2018: 1,469 k€).

In response to the COVID-19 pandemic, in March 2020 the German Government introduced a wage and salary subsidy program for companies that had to shut down their operations and furlough their staff. Under the program, an eligible entity could apply for a wage and salary subsidy ("Kurzarbeitergeld") in an amount of up to 67.0% of each employee's salary, subject to a maximum of 6.9 k€ per employee, to continue paying monthly wages and salaries to its furloughed employees.

The Group's application for the program was approved in April 2020 and it was entitled to the subsidy on a monthly basis conditional on the employees continuing to be on furlough and the Group continuing paying their salary. The Group benefited from the program from April to August 2020. The Group received wages and salaries of 115 k€ and social security contributions of 101 k€ under the program. The received benefits have been deducted from personnel expenses.

The reimbursements of social security contributions are accounted as government grants and are only recognised as a receivable if there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received. As of the reporting date such receivables amount to 9 k€.

### 5.1.3 Other income and other expenses

Other income amounts to 1,492 k€ (2019: 389 k€, 2018: 648 k€). Key driver is the reversal of provisions.

Other expenses amounting to 306 k€ (2019: 157 k€, 2018: 8,331 k€) comprise costs for factoring and money transactions. In 2018, other expenses include acquisition-related costs of 8,187 k€.

### 5.1.4 Finance income and finance expenses

Finance income in the amount of 95 k€ (2019: 260 k€, 2018: 199 k€) mainly comprises income from financial instruments.

Finance expenses in the amount of 28,586 k€ (2019: 25,495 k€, 2018: 12,278 k€) mainly consist of interest expense for shareholder loans 16,930 k€ (2019: 15,065 k€, 2018: 8,760 k€), secured bank and other loans 10,854 k€ (2019: 9,694 k€, 2018: 3,428 k€) as well as expenses related to asset backed securities issued in the reporting period 2019 amounting to 522 k€ (2019: 630 k€, 2018: 0 k€).

### 5.1.5 Income taxes

#### Taxes reported in profit and loss

The tax benefits (expenses) include current and deferred taxes. Current taxes and deferred taxes are reported in profit or loss, except for the extent to which they are associated with a business combination or with items reported directly in equity or in other comprehensive income.

<b>Amounts recognised in profit or loss</b>	2020	2019	2018
(in k€)			
<b>Current tax expense</b>	<b>-127</b>	<b>-51</b>	<b>-177</b>
Current year	-115	-43	-177
Taxes related to prior years	-12	-8	-
<b>Deferred tax benefit</b>	<b>3,761</b>	<b>4,893</b>	<b>6,924</b>
Origination and reversal of temporary differences	3,761	4,893	4,754
Changes in tax rates	-	-	2,170
<b>Tax benefit on operations</b>	<b>3,634</b>	<b>4,842</b>	<b>6,747</b>

## Reconciliation of the effective tax rate

The group tax rate of 27.6% combines a corporate tax rate of 15.0%, a solidarity surcharge thereon of 5.5% and a trade tax rate of 11.8%. The trade tax rates of the single entities within the group differ in a range between 11.8% to 17.2%.

### Reconciliation of effective tax rate

	2020		2019		2018	
	(in %)	(in k€)	(in %)	(in k€)	(in %)	(in k€)
<b>Loss before tax</b>	-%	<b>-15,979</b>	-%	<b>-23,584</b>	-%	<b>-26,298</b>
Tax using the Company's domestic tax rate	-%	27.6%	-%	27.6%	-%	27.6%
<b>Expected tax benefit</b>	<b>100.0%</b>	<b>4,410</b>	<b>100.0%</b>	<b>6,509</b>	<b>100.0%</b>	<b>7,258</b>
Effect of different tax rates	4.4%	192	5.4%	350	0.1%	10
Increasing in tax rate	-%	-	-%	-	29.9%	2,170
Tax effect of:						
Non-deductible transaction costs	-%	-	-%	-	-30.5%	-2,211
Non-deductible expenses/tax-free income	-21.1%	-932	-24.3%	-1,581	-9.6%	-698
Current-year losses for which no deferred tax asset is recognised	-5.9%	-262	-5.3%	-342	-0.2%	-17
Tax unit with non-consolidated entities	-0.4%	-18	-0.3%	-19	-%	-
Taxes related to prior years	-0.3%	-12	-0.1%	-8	-%	-
Other effects	5.8%	256	-1.0%	-67	3.2%	235
<b>Total</b>	<b>76.6%</b>	<b>3,634</b>	<b>75.4%</b>	<b>4,842</b>	<b>120.2%</b>	<b>6,747</b>

## Movement in deferred taxes

Deferred tax balances developed as follows:

### Movement in deferred tax balances

(in k€)	Net balace at 1 January 2020	Recognised in profit or loss	Acquired in business combinations	Balance at 31 December 2020		
				Net	Deferred tax	Deferred tax liabilities
Intangible assets	-35,452	3,559	-	-31,894	-	31,894
Leases	-9,087	-9,089	-	-18,176	-	18,176
Trade and other receivables including contract assets	-2,757	391	-	-2,366	1,729	4,095
Other assets	322	123	-	444	444	0
Provisions	237	-271	-	-33	27	60
Other items including contract liabilities	2,737	-1,437	-	1,300	4,199	2,899
Tax losses carried forward	8,975	10,748	-	19,723	19,723	-
Tax assets (liabilities) before set-off	-35,025	4,024	-	-31,001	26,123	57,124
Non-recognised DTA	-389	-264	-	-653	-653	-
Set-off of tax	-	-	-	-	-25,470	-25,470
<b>Net tax assets (liabilities)</b>	<b>-35,415</b>	<b>3,761</b>	<b>-</b>	<b>-31,654</b>	<b>-</b>	<b>31,654</b>

(in k€)	Net balace at 1 January 2019	Recognised in profit or loss	Acquired in business combinations	Balance at 31 December 2019		
				Net	Deferred tax	Deferred tax liabilities
Intangible assets	-40,700	5,247	-	-35,452	-	35,452
Leases	-5,281	-3,806	-	-9,087	0	9,087
Trade and other receivables including contract assets	-2,930	173	-	-2,757	764	3,521
Other assets	263	59	-	322	342	20
Provisions	1,439	-1,202	-	237	237	0
Other items including contract liabilities	2,408	329	-	2,737	5,582	2,845
Tax losses carried forward	4,539	4,436	-	8,975	8,975	-
Tax assets (liabilities) before set-off	-40,261	5,236	-	-35,025	15,899	50,925
Non-recognised DTA	-47	-342	-	-389	-389	-
Set-off of tax	-	-	-	-	-15,510	-15,510
<b>Net tax assets (liabilities)</b>	<b>-40,308</b>	<b>4,893</b>	<b>-</b>	<b>-35,415</b>	<b>-</b>	<b>35,415</b>

(in k€)	Net balance at 1 January 2018	Recognised in profit or loss	Acquired in business combinations	Balance at 31 December 2018		
				Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	-6,762	5,113	-39,051	-40,700	-	40,700
Leases	-	-5,099	-182	-5,281	0	5,281
Trade and other receivables including contract assets	-	-676	-2,254	-2,930	6	2,936
Other assets	-	525	-262	263	263	0
Provisions	-	439	1,000	1,439	1,439	-
Other items including contract liabilities	-	4,168	-1,760	2,408	4,652	2,244
Tax losses carried forward	1,659	2,453	427	4,539	4,539	-
Tax assets (liabilities) before set-off	-5,103	6,924	-42,083	-40,261	10,899	51,161
Non-recognised DTA	-	0	-47	-47	-47	-
Set-off of tax	-	-	-	-	-10,852	-10,852
Net tax assets (liabilities)	-5,103	6,925	-42,130	-40,308	-	40,308

Deferred tax assets and liabilities are offset only to the extent of IAS 12.74, especially caused by the fact that assets relate to income taxes on the same taxable entity or tax unit. No material current or deferred tax item is charged or credited directly to equity or other comprehensive income.

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised with respect of the following items:

#### Unrecognised deferred tax assets

(in k€)	2020		2019		2018	
	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Deductible temporary differences	-	-	-	-	82	27
Tax losses - corporate tax	1,993	315	1,174	186	60	9
Tax losses - trade tax	1,948	337	1,174	203	58	10
Total	3,941	652	2,348	389	200	47

All tax losses carried forward have no date of expiry:

#### Tax losses carried forward

(in k€)	2020	2019	2018
German Trade Tax	58,929	24,828	12,696
German Corporate Tax	79,086	36,545	17,646
Foreign tax losses	-	-	-

Temporary differences on outside basis differences for which no deferred tax liabilities were recognised in the reporting periods presented amount to 2,149 k€ (2019: 438 k€, 2018: 369 k€) because these temporary differences will not reverse in the foreseeable future.

## 5.2 Consolidated statements of financial position

### 5.2.1 Leases

#### Leases as lessee

The Group leases buildings, motor vehicles as well as IT and office equipment. For certain leases, the Group is restricted from entering any sub-lease arrangements. For leases with short-term contracts of up to one year and contracts with low-value items, the Group has elected not to recognise right-of-use-assets and lease liabilities.

The development of right-of-use assets is solely related to the lease of buildings and is shown in the following table:

**Right-of-use assets**

(in k€)	Total
<b>Balance at 1 January 2018</b>	<b>2,361</b>
Depreciation	-561
Additions	-
Additions through business combinations	2,066
Derecognition	-
<b>Balance at 31 December 2018</b>	<b>3,866</b>
Depreciation	-1,328
Additions	4,508
Additions through business combinations	-
Derecognition	-
<b>Balance at 31 December 2019</b>	<b>7,046</b>
Depreciation	-1,811
Additions	6,501
Additions through business combinations	-
Derecognition	-
<b>Balance at 31 December 2020</b>	<b>11,737</b>

The amounts recognised in profit or loss are shown in the following table:

**Amounts recognised in profit or loss**

(in k€)	2020	2019	2018
Interest on lease liability	159	105	59
Expenses relating to short-term contracts	11,375	9,697	3,107
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	7	1	0

In the reporting period a total cash outflow for leases in the amount of 13,270 k€ (2019: 10,794 k€, 2018: 3,683 k€) was recognised. 11,382 k€ (2019: 9,698 k€, 2018: 3,107 k€) thereof is presented in the cashflow from operating activities, the remaining part in cash flow from financing activities.

Some property leases contain extension options exercisable by the Group mostly up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in the new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or there are significant changes in circumstances within its control.

Some lease contracts contain extension options that would lead to future cash outflows to which the Group is potentially exposed. These potential cash outflows are not reflected in the measurement of the lease liability and amount to 7,910 k€ as at 31 December 2020 (31 December 2019: 4,431 k€, 31 December 2018: 0 k€).

## Leases as lessor

Vehicle subscription qualifies as a finance lease if the customer has the option to acquire the underlying vehicle at a price that is expected to be reasonably lower than the fair value at the option exercise date. This makes it reasonably certain at inception of the contract that the option will be exercised at the end of the lease term. Contracts with a residual value guarantee by a customer and kilometre contracts with a buy-back obligation by the dealer or a third party fulfil the qualification as a finance lease from a Group's perspective. When selecting partners for buy-back obligations, the Group pays great attention to their economic stability and subjects them to a regular credit rating assessment.

### *Vehicle subscription qualifying as finance lease*

During the reporting period, the Group recognised a gain (loss) of 496 k€ (2019: -148 k€, 2018: -107 k€) due to the derecognition of receivables from vehicle subscription qualifying as finance lease and interest income on receivables from vehicle subscription qualifying as finance lease of 5,833 k€ (2019: 6,002 k€, 2018: 3,041 k€). These gains (losses) occur, inter alia, if the buy-back option is not being exercised and the vehicle is immediately sold through another remarketing channel.

The following table sets out a maturity analysis of receivables from vehicle subscription qualifying as finance lease, showing the undiscounted payments to be received after the reporting date:

### **Receivables from vehicle subscription qualifying as finance lease**

(in k€)	31 December 2020	31 December 2019	31 December 2018
Less than one year	96,085	121,328	92,461
One to two years	55,776	52,734	62,885
Two to three years	32,400	33,944	32,891
Three to four years	8,730	7,536	6,473
Four to five years	733	895	587
More than five years	-	-	-
Total undiscounted receivables from vehicle subscription qualifying as finance lease	193,724	216,436	195,297
Unearned finance income	5,063	6,397	5,873
<b>Net investment in the lease</b>	<b>188,661</b>	<b>210,040</b>	<b>189,424</b>

### *Vehicle subscription (operating lease)*

All other vehicle subscriptions are qualified as operating leases. The contracts for closed user groups have a maximum duration of 12 months and due to the short term, they are qualified as operating leases. Also, the contracts without a buy-back obligation are classified as operating leases as a result of the present value test.

Residual value risks exist if the current market value of the subscribed vehicle at the time of sale after the end of the contract is below the residual value calculated when the contract was signed. To determine the marketing risk, the Group analyses the entire fleet for the respective market values regularly. The forecast values of Schwacke GmbH are used to quantify the risk of the entire portfolio and a provision is recognised if needed. Furthermore, regular analyses of historical marketing results are used to continuously monitor the performance of the market for used vehicles.

Rental income recognised by the Group during the reporting period was 84,735 k€ (2019: 63,790 k€, 2018: 30,178 k€).

The following table sets out a maturity analysis of payments for vehicle subscriptions, showing the undiscounted payments to be received after the reporting date:

<b>Vehicle subscription</b>	31 December 2020	31 December 2019	31 December 2018
(in k€)			
Less than one year	50,532	40,547	32,592
One to two years	33,790	25,268	19,098
Two to three years	17,525	13,443	7,955
Three to four years	5,147	3,932	1,888
Four to five years	404	593	137
More than five years	-	-	15
<b>Total</b>	<b>107,398</b>	<b>83,783</b>	<b>61,685</b>

## 5.2.2 Contract balances

The following table provides information on contract assets and contract liabilities from contracts with customers.

<b>Contract balances</b>	31 December 2020	31 December 2019	31 December 2018
(in k€)			
Contract assets	11,215	10,435	9,197
Contract liabilities	14,501	14,907	16,002

The contract assets primarily relate to the Group's rights to consideration for services completed but not billed at the reporting date. As a result of the business combinations, contract assets in the amount of 7,592 k€ for service-related costs already incurred and in general including the respective margin were added in the reporting period 2018.

The contract liabilities primarily relate to the advance consideration received from service contracts, for which revenue is recognised over the contract term. As a consequence of the business combinations, contract liabilities of 13,307 k€ were added in the reporting period 2018. Contract liabilities will be recognised as revenue when the contract ends at the latest, which is generally expected to occur within three years. However, the contract balance may change between contract asset and contract liability depending on whether the Group or the customer is behind with performance.

The amount of 5,541 k€ included in contract liabilities as at 31 December 2019 has been recognised as revenue in the reporting period 2020 (4,971 k€ included in contract liabilities as at 31 December 2018 as revenue in the reporting period 2019).

The aggregated amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is 32,773 k€ as at 31 December 2020 (31 December 2019: 30,316 k€, 31 December 2018: 29,284 k€).

### 5.2.3 Fixed assets

The development of fixed assets is shown below:

#### Fixed assets

(in k€)	Property, plant and equipment	Subscribed vehicles	Total
<b>Acquisition and production costs</b>			
Balance at 1 January 2018	521	-	521
Additions	385	33,939	34,323
Disposals	1,110	50,063	51,173
Additions through business combinations	3,845	272,374	276,218
Balance at 31 December 2018	3,641	256,249	259,890
Balance at 1 January 2019	3,641	256,249	259,890
Additions	1,098	238,634	239,731
Disposals	417	93,358	93,775
Balance at 31 December 2019	4,321	401,525	405,846
Balance at 1 January 2020	4,321	401,525	405,846
Additions	1,076	290,528	291,605
Disposals	470	126,981	127,451
<b>Balance at 31 December 2020</b>	<b>4,927</b>	<b>565,072</b>	<b>570,000</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2018	270	-	270
Additions	932	23,635	24,567
Disposals	939	27,364	28,303
Additions through business combinations	2,010	80,590	82,600
Balance at 31 December 2018	2,272	76,862	79,134
Balance at 1 January 2019	2,272	76,862	79,134
Additions	413	43,064	43,477
Disposals	93	44,998	45,091
Balance at 31 December 2019	2,593	74,928	77,521
Balance at 1 January 2020	2,593	74,928	77,521
Additions	577	51,623	52,200
Disposals	7	49,877	49,884
<b>Balance at 31 December 2020</b>	<b>3,163</b>	<b>76,674</b>	<b>79,837</b>
<b>Carrying amount</b>			
At 1 January 2018	251	-	251
At 31 December 2018	1,368	179,387	180,755
At 31 December 2019	1,728	326,597	328,325
<b>At 31 December 2020</b>	<b>1,765</b>	<b>488,398</b>	<b>490,163</b>

Fixed assets mainly consist of subscribed vehicle. Those were initially recognised in 2018 (initial carrying amount as on acquisition date 191,783 k€) through a business combination. No impairment losses were recognised in the reporting periods 2020, 2019 and 2018. The Group's vehicles are used to offer vehicle subscription and mobility services. We refer to section 3.3, which describes the accounting in detail.

The subsequent modification of vehicle subscription originally qualified as operating lease to finance lease resulted in a total corresponding disposal of the residual carrying amount of the subscribed vehicles of 19,533 k€ in the reporting period 2020.



## 5.2.4 Goodwill and intangible assets

### Goodwill and Intangible assets

	Goodwill	Software, licenses and acquired rights	Customer relationships, trademarks and similar items	Internally generated intangible assets	Total
(in k€)					
<b>Acquisition and production costs</b>					
Balance at 1 January 2018	35,666	193	19,757	1,081	56,696
Additions through business combinations	194,343	636	133,282	272	328,532
Additions	-	1,074	-	13	1,086
Balance at 31 December 2018	230,008	1,902	153,038	1,366	386,314
Balance at 1 January 2019	230,008	1,902	153,038	1,366	386,314
Additions	-	1,241	-	831	2,073
Balance at 31 December 2019	230,008	3,143	153,038	2,197	388,387
Balance at 1 January 2020	230,008	3,143	153,038	2,197	388,387
Additions	-	1,989	-	1,061	3,051
<b>Balance at 31 December 2020</b>	<b>230,008</b>	<b>5,132</b>	<b>153,038</b>	<b>3,258</b>	<b>391,437</b>
<b>Accumulated amortisation and impairment losses</b>					
Balance at 1 January 2018	-	-	-	-	-
Amortisation	-	300	10,140	188	10,628
Balance at 31 December 2018	-	300	10,140	188	10,628
Balance at 1 January 2019	-	300	10,140	188	10,628
Amortisation	-	675	20,291	239	21,205
Balance at 31 December 2019	-	975	30,431	427	31,832
Balance at 1 January 2020	-	975	30,431	427	31,832
Amortisation	-	721	15,153	247	16,121
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>1,696</b>	<b>45,584</b>	<b>673</b>	<b>47,953</b>
<b>Carrying amount</b>					
At 1 January 2018	35,666	193	19,757	1,081	56,696
At 31 December 2018	230,008	1,601	142,899	1,178	375,686
At 31 December 2019	230,008	2,168	122,608	1,770	356,554
<b>At 31 December 2020</b>	<b>230,008</b>	<b>3,436</b>	<b>107,454</b>	<b>2,585</b>	<b>343,484</b>

Goodwill mainly resulted from the business combinations in the reporting period 2018, for detailed information refer to 2.2 Changes to the Group Acquisitions. In accordance with IAS 36, goodwill is tested for impairment at least once a year and additionally, if there are indicators of possible impairments. For the purpose of impairment testing, the goodwill is allocated to the group of cash-generating units that correspond to the B2C segment. The impairment test is performed by comparing the carrying amount of the group of cash generating units including goodwill and the recoverable amount. The recoverable amount is determined based on the fair value less cost of disposal (hierarchy level 3), refer to 4 Reporting and valuation methods. The model used is the discounted cash flow method, whereby forecasted cash flows derived from a multi-year plan and terminal growth rate of 0.5% taken as the basis in deriving a sustainable figure. The discount rates (before taxes and growth discount) used are 9.8% (2020), 10.5% (2019) and 11.4% (2018). The fair value less cost of disposal is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. The assumptions are based on external observations and on internal

estimates. The impairment test carried out for the reporting periods 2020, 2019 and 2018 did not identify any need for impairment. In addition, a sensitivity analysis was performed with the result that the respective goodwill is sufficiently covered by the discounted future cash flows.

The intangible assets mainly consist of customer relationships and trademarks resulting from the business combinations in the reporting period 2018. For detailed information refer to 2.2 Changes to the Group – Acquisitions. The internally generated intangible assets primarily relate to the capitalised costs of the Group's development of software and IT infrastructure. Development costs are capitalised if the requirements in IAS 38 are met, refer to 3.2 Consolidated statements of financial position – Intangible assets. In addition to the capitalised development costs, no material research and development costs were recognised as expense. The intangible assets are amortised according to their useful life and the amortisation is presented in in the consolidated statements of profit and loss under Costs of goods sold and Selling and general administrative expenses.

## 5.2.5 Trade and other receivables

### Trade and other receivables

(in k€)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
<b>Non-current receivables</b>				
Trade receivables FAAC	-	-	-	-
Trade receivables FVOCI	-	-	-	-
Other financial assets	872	638	252	252
Other non-financial assets	-	-	-	-
<b>Total</b>	<b>872</b>	<b>638</b>	<b>252</b>	<b>252</b>
<b>Current receivables</b>				
Trade receivables FAAC	31,757	33,055	26,136	-
Trade receivables FVOCI	56	52	621	692
Other financial assets	18,655	12,393	8,013	3,789
Other non-financial assets	5,468	8,297	3,016	56
<b>Total</b>	<b>55,936</b>	<b>53,797</b>	<b>37,786</b>	<b>4,537</b>

The Group sold without recourse trade receivables to a factoring company for cash proceeds. These trade receivables have been derecognised from the consolidated statements of financial position, because the Group transfers substantially all the risks and rewards – primarily credit risk. The current other financial assets include an amount of 5,668 k€ (31 December 2019: 3,877 k€, 31 December 2018: 1,938 k€) due from the factor for trade receivables already sold.

Current other financial assets amount to 18,655 k€ (31 December 2019: 12,393 k€, 31 December 2018: 8,013 k€) and include tax receivables in an amount of 5,236 k€ (31 December 2019: 8,101 k€, 31 December 2018: 2,897 k€).

Non-current other financial assets amount to 872 k€ (31 December 2019: 638 k€, 31 December 2018: 252 k€) and mainly comprise deposits for rent and leases in an amount of 777 k€ (31 December 2019: 631 k€, 31 December 2018: 252 k€).

## 5.2.6 Inventories

Inventories consist of vehicles intended for either sale or vehicle subscription and amount to 29,833 k€ (31 December 2019: 27,239 k€, 31 December 2018: 4,551 k€). The strong increase in inventories between 2018 and 2020 reflects the sales growth and expansion of the Group which lead to an expansion of the vehicle fleet.

## 5.2.7 Cash and cash equivalents

Cash and cash equivalents amount to 46,544 k€ (31 December 2019: 32,538 k€, 31 December 2018: 22,416 k€). Cash and cash equivalents comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less.

The Cash and cash equivalents presented in the consolidated statement of cash flows comprise all cash reported in the consolidated statements of financial position, reduced by current bank liabilities in an amount of 216 k€ (31 December 2019: 3,506 k€, 31 December 2018: 0 k€) included in the financial liabilities, which must be paid upon request at any time.

## 5.2.8 Other financial liabilities

<b>Other financial liabilities</b>	31 December 2020	31 December 2019	31 December 2018	1 January 2018
(in k€)				
<b>Non-current liabilities</b>				
Bank overdraft facilities and borrowing bases	42,705	2,469	-	-
Senior notes	158,874	60,039	-	-
Secured bank loans	74,968	48,975	31,779	-
Liabilities from finance lease	31,745	109,103	153,280	-
Other loans	140,000	140,000	120,000	-
Shareholder loans	258,728	241,797	212,056	40,922
<b>Total</b>	<b>707,020</b>	<b>602,383</b>	<b>517,115</b>	<b>40,922</b>
<b>Current liabilities</b>				
Bank overdraft facilities and borrowing bases	110,984	107,740	20,771	-
Senior notes	58,470	28,183	-	-
Secured bank loans	123,147	60,230	31,884	-
Liabilities from finance lease	52,798	85,847	109,543	-
Other loans	3,287	3,150	2,753	-
Shareholder loans	-	-	-	-
<b>Total</b>	<b>348,686</b>	<b>285,150</b>	<b>164,951</b>	<b>-</b>

All outstanding other financial liabilities are denominated in euro. The terms and conditions are as follows:

(in k€)	Interest rate	Year of maturity	31 December 2020		31 December 2019		31 December 2018		1 January 2018	
			Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Bank overdraft facilities	Floating	2021	2,314	2,314	7,753	7,753	-	-	-	-
Bank overdraft facility	Floating	2021	20	20	3,506	3,506	-	-	-	-
Bank overdraft facilities	Floating	2021	108	108	-	-	-	-	-	-
Borrowing Base	Floating	2021	91,931	91,931	63,081	63,081	20,771	20,771	-	-
Borrowing Base	Floating	2021	16,611	16,611	28,400	28,400	-	-	-	-
Borrowing Base	Floating	2023	42,705	42,705	2,469	2,469	-	-	-	-
Borrowing Base	Floating	2021	-	-	5,000	5,000	-	-	-	-
Senior Notes	Floating	2031	217,344	217,344	88,222	88,222	-	-	-	-
Secured bank loans	Fixed	2019-25	36,312	36,312	39,132	39,132	31,445	31,445	-	-
Secured bank loans	Fixed	2019-23	36,593	36,593	39,546	39,546	32,171	32,171	-	-
Secured bank loans	Fixed	2022-25	16,810	16,810	1,727	1,727	-	-	-	-
Secured bank loan	Fixed	2020	-	-	2,200	2,200	-	-	-	-
Secured bank loans	Fixed	2020-24	42,225	42,225	26,486	26,486	-	-	-	-
Secured bank loans	Fixed	2021	25,422	25,422	-	-	-	-	-	-
Secured bank loans	Fixed	2023-24	4,903	4,903	-	-	-	-	-	-
Secured bank loans	Fixed	2023	35,417	35,417	-	-	-	-	-	-
Secured bank loans	Fixed	2021	433	433	114	114	47	47	-	-
Liabilities from finance lease	Fixed	2019-24	84,543	84,543	194,950	194,950	262,823	262,823	-	-
Other loans	Fixed	2024-25	140,000	143,287	140,000	143,150	120,000	122,753	-	-
Shareholder loans	Fixed	2027-29	258,728	258,728	241,797	241,797	212,056	212,056	40,922	40,922
Total interest-bearing other financial liabilities			1,052,419	1,055,706	884,383	887,533	679,313	682,066	40,922	40,922

The Group has issued an asset-backed-securities (ABS) program with a total volume of up to 250,000 k€ in the reporting period 2019, which is currently utilised in an amount of 217,344 k€ (31 December 2019: 88,222 k€) and reflected in the carrying amount of the senior notes. The senior notes are secured over receivables from vehicle subscription qualifying as finance lease with a carrying amount of 243.192 k€ (31 December 2019: 89,452 k€).

The liabilities from finance lease in an amount of 84,543 k€ (31 December 2019: 194,950 k€, 31 December 2018: 262,823 k€) result from sale-and-lease back transactions regarding the purchase and sale of vehicles by the Group. The initiation of the Group's ABS program as a new method of financing in the reporting period 2019 has caused a decrease in the liabilities from finance lease as at 31 December 2019 and 31 December 2020. Within those sale-and-lease-back transactions the Group sold vehicles purchased to a financial institution and entered into a hire-purchase agreement at the same time. The vehicles remain on the consolidated statements of financial position of the Group as there is an automatic transfer of ownership after paying the last instalment within the hire-purchase agreement. Hence, these transactions were solely intended to refinance the Group, they did not generate sales, cost of sales or other effect on profit or loss.

The shareholder loans in an amount of 258,728 k€ (31 December 2019: 241,797 k€, 31 December 2018: 212,056 k€) are subordinated and interest is being capitalised to increase the notional amount of the outstanding loans over the remaining term to maturity.

The senior notes and the secured bank loans are secured over vehicles with a carrying amount of 720,082 k€ (31 December 2019: 544,238 k€, 31 December 2018: 360,062 k€). The other loans are secured over the shares in Mobility Holding GmbH, Mobility Concept and ASS Athletics Sport Sponsoring GmbH as well as certain intercompany receivables.

## 5.2.9 Trade and other payables

### Trade and other payables

(in k€)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
<b>Non-current liabilities</b>				
Trade payables	119	-	-	-
Liabilities to affiliated companies	1	3,010	-	-
Interest rate swaps for hedging	201	-	-	-
Other financial liabilities	237	179	194	-
Other non-financial liabilities	117	2	157	683
<b>Total</b>	<b>675</b>	<b>3,191</b>	<b>351</b>	<b>683</b>
<b>Current liabilities</b>				
Trade payables	17,236	24,972	10,256	1,840
Liabilities to affiliated companies	-	39	-	-
Interest rate swaps for hedging	-	-	-	-
Other financial liabilities	1,260	1,105	770	-
Other non-financial liabilities	19,057	17,537	13,062	2,685
<b>Total</b>	<b>37,553</b>	<b>43,653</b>	<b>24,088</b>	<b>4,525</b>

Information about interest rate swaps and the Group's hedging activities is included in 5.5 Additional disclosures on financial instruments.

The other non-financial liabilities consist in an amount of 11,586 k€ (31 December 2019: 9,973 k€, 31 December 2018: 4,786 k€) of periodic accrual positions. The increase reflects sales growth and expansion of the Group.

## 5.2.10 Provisions

The breakdown of the provisions is presented below:

(in k€)	Onerous contracts	Other provisions	Total
As at 1 January 2018	-	19	19
Additions through business combinations	4,120	130	4,250
Additions	761	700	1,461
Utilisation	1,248	6	1,254
Reversals	215	5	220
<b>As at 31 December 2018</b>	<b>3,418</b>	<b>837</b>	<b>4,255</b>
Thereof: current	1,928	-	1,928
As at 1 January 2019	3,418	837	4,255
Additions	100	130	230
Utilisation	1,705	704	2,409
Reversals	188	57	245
<b>As at 31 December 2019</b>	<b>1,624</b>	<b>206</b>	<b>1,830</b>
Thereof: current	1,061	-	1,061
As at 1 January 2020	1,624	206	1,830
Additions	-	2,470	2,470
Utilisation	1,090	171	1,261
Reversals	40	46	86
<b>As at 31 December 2020</b>	<b>494</b>	<b>2,459</b>	<b>2,953</b>
Thereof: current	259	-	259

Provisions for onerous contracts are recognised for 'wear and tear' service and maintenance contracts for which a negative margin is expected. Due to a newly introduced pricing model in 2018, no additions in provisions need to be recognised.

Other provisions mainly relate to legal costs.

## **5.2.11 Equity**

### **Subscribed capital**

The subscribed capital of the Group amounts to 25 k€ and is fully paid in.

### **Capital reserves**

The Group's capital reserves as at 31 December 2020 amount to 76,942 k€ to (31 December 2019: 76,942 k€, 31 December 2018: 71,619 k€, 1 December 2018: 13,910 k€).

### **Other reserves**

Other reserves consist of accumulated earnings of the companies included in the consolidated financial statements. Other reserves also comprise the fair value changes of financial assets measured at fair value through other comprehensive income (FVOCI).

### 5.3 Non-controlling interests

The non-controlling interests reflect the share of other shareholders in the net asset value of consolidated subsidiaries.

31 December 2020			
(in k€)	Individually immaterial subsidiaries	Intra-group eliminations	Total
<b>Percentage of non-controlling interests</b>	<b>25.2%</b>	-	-
Net assets	1,782	-	-
Net assets of non-controlling interests	449	-3,786	-3,337
Profit/loss and other comprehensive income	-795	-	-
<b>Profit/loss and other comprehensive income attributable to non-controlling interests</b>	<b>-200</b>	-	<b>-200</b>

31 December 2019			
(in k€)	Individually immaterial subsidiaries	Intra-group eliminations	Total
<b>Percentage of non-controlling interests</b>	<b>25.2%</b>	-	-
Net assets	1,987	-	-
Net assets of non-controlling interests	501	-3,638	-3,137
Profit/loss and other comprehensive income	-1,310	-	-
<b>Profit/loss and other comprehensive income attributable to non-controlling interests</b>	<b>-330</b>	-	<b>-330</b>

31 December 2018			
(in k€)	Individually immaterial subsidiaries	Intra-group eliminations	Total
<b>Percentage of non-controlling interests</b>	<b>25.2%</b>	-	-
Net assets	2,248	-	-
Net assets of non-controlling interests	567	-3,374	-2,807
Profit/loss and other comprehensive income	-156	-	-
<b>Profit/loss and other comprehensive income attributable to non-controlling interests</b>	<b>-39</b>	<b>-92</b>	<b>-131</b>

### 5.4 Capital management

The Group's policy is to sustain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business. A capital structure that optimises capital costs of equity and debt is being targeted. The Group is not subject to any capital requirements imposed by the Articles of Association.

In addition to the existing equity, the Group is mainly financed by two types of loan agreements. One part are long-term subordinated shareholder loans issued by the shareholders of the Company. The others are long-term bank loans which are tied to compliance with financial covenants, which have always been met in the reporting periods 2020, 2019 and 2018. There are no indications that the covenants cannot be fully complied with in the foreseeable future.

The Group monitors the ratio 'equity (including subordinated shareholder loans) to total assets'. The Group aims to keep a minimum ratio of 15.0%.



## 5.5 Additional disclosures on financial instruments

### 5.5.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2020	Note	Carrying amount				Fair value					
		Fair value - hedging instruments	Debt investment at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	IFRS 16	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>											
Trade receivables FVOCI	5.2.5	-	56	-	-	-	56	-	56	-	56
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	56	-	-	-	56	-	56	-	56
<b>Financial assets not measured at fair value</b>											
Receivables from vehicle subscription qualifying as finance lease	5.2.1	-	-	-	-	188,661	188,661	-	188,661	-	188,661
Trade and other receivables	5.2.5	-	-	51,284	-	-	51,284	-	-	-	-
Cash and cash equivalents	5.2.7	-	-	46,544	-	-	46,544	-	-	-	-
		-	-	97,828	-	188,661	286,489	-	188,661	-	188,661
<b>Financial liabilities measured at fair value</b>											
Interest rate swaps used for hedging	5.5.3	201	-	-	-	-	201	-	201	-	201
		201	-	-	-	-	201	-	201	-	201
<b>Financial liabilities not measured at fair value</b>											
Bank overdraft facilities and borrowing bases	5.2.8	-	-	-	153,689	-	153,689	-	153,689	-	153,689
Senior notes	5.2.8	-	-	-	217,344	-	217,344	-	217,344	-	217,344
Secured bank loans	5.2.8	-	-	-	198,115	-	198,115	-	197,431	-	197,431
Liabilities from finance lease	5.2.8	-	-	-	84,543	-	84,543	-	84,154	-	84,154
Other loans	5.2.8	-	-	-	143,287	-	143,287	-	142,143	-	142,143
Shareholder loans	5.2.8	-	-	-	258,728	-	258,728	-	257,844	-	257,844
Trade and other payables	5.2.9	-	-	-	18,853	-	18,853	-	-	-	-
		-	-	-	1,074,559	-	1,074,559	-	1,052,605	-	1,052,605

31 December 2019	Note	Carrying amount					Fair value				
		Fair value - hedging instruments	Debt investment at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	IFRS 16	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>											
Trade receivables FVOCI	5.2.5	-	52	-	-	-	52	-	52	-	52
Interest rate swaps used for hedging	5.5.3	69	-	-	-	-	69	-	69	-	69
		69	52	-	-	-	121	-	121	-	121
<b>Financial assets not measured at fair value</b>											
Receivables from vehicle subscription qualifying as finance lease	5.2.1	-	-	-	-	210,040	210,040	-	210,040	-	210,040
Trade and other receivables	5.2.5	-	-	46,086	-	-	46,086	-	-	-	-
Cash and cash equivalents	5.2.7	-	-	32,538	-	-	32,538	-	-	-	-
		-	-	78,624	-	210,040	288,664	-	210,040	-	210,040
<b>Financial liabilities measured at fair value</b>											
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Bank overdraft facilities and borrowing bases	5.2.8	-	-	-	110,209	-	110,209	-	110,209	-	110,209
Senior notes	5.2.8	-	-	-	88,222	-	88,222	-	88,222	-	88,222
Secured bank loans	5.2.8	-	-	-	109,205	-	109,205	-	108,716	-	108,716
Liabilities from finance lease	5.2.8	-	-	-	194,950	-	194,950	-	193,920	-	193,920
Other loans	5.2.8	-	-	-	143,150	-	143,150	-	141,630	-	141,630
Shareholder loans	5.2.8	-	-	-	241,797	-	241,797	-	234,282	-	234,282
Trade and other payables	5.2.9	-	-	-	29,305	-	29,305	-	-	-	-
		-	-	-	916,838	-	916,838	-	876,979	-	876,979

31 December 2018	Note	Carrying amount					Fair value				
		Fair value - hedging instruments	Debt investment at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	IFRS 16	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>											
Trade receivables FVOCI	5.2.5	-	621	-	-	-	621	-	621	-	621
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	621	-	-	-	621	-	621	-	621
<b>Financial assets not measured at fair value</b>											
Receivables from vehicle subscription qualifying as finance lease	5.2.1	-	-	-	-	189,424	189,424	-	189,424	-	189,424
Trade and other receivables	5.2.5	-	-	34,401	-	-	34,401	-	-	-	-
Cash and cash equivalents	5.2.7	-	-	22,416	-	-	22,416	-	-	-	-
		-	-	56,817	-	189,424	246,241	-	189,424	-	189,424
<b>Financial liabilities measured at fair value</b>											
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Bank overdraft facilities and borrowing bases	5.2.8	-	-	-	20,771	-	20,771	-	20,771	-	20,771
Secured bank loans	5.2.8	-	-	-	63,663	-	63,663	-	63,700	-	63,700
Liabilities from finance lease	5.2.8	-	-	-	262,823	-	262,823	-	263,026	-	263,026
Other loans	5.2.8	-	-	-	122,753	-	122,753	-	122,829	-	122,829
Shareholder loans	5.2.8	-	-	-	212,056	-	212,056	-	205,436	-	205,436
Trade and other payables	5.2.9	-	-	-	11,220	-	11,220	-	-	-	-
		-	-	-	693,286	-	693,286	-	675,762	-	675,762

1 January 2018	Note	Carrying amount					Fair value				
		Fair value - hedging instruments	Debt investment at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	IFRS 16	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>											
Trade receivables FVOCI	5.2.5	-	692	-	-	-	692	-	692	-	692
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	692	-	-	-	692	-	692	-	692
<b>Financial assets not measured at fair value</b>											
Receivables from vehicle subscription qualifying as finance lease	5.2.1	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	5.2.5	-	-	4,041	-	-	4,041	-	-	-	-
Cash and cash equivalents	5.2.7	-	-	2,366	-	-	2,366	-	-	-	-
		-	-	6,407	-	-	6,407	-	-	-	-
<b>Financial liabilities measured at fair value</b>											
Interest rate swaps used for hedging	5.5.3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Bank overdraft facilities and borrowing bases	5.2.8	-	-	-	-	-	-	-	-	-	-
Senior notes	5.2.8	-	-	-	-	-	-	-	-	-	-
Secured bank loans	5.2.8	-	-	-	-	-	-	-	-	-	-
Liabilities from finance lease	5.2.8	-	-	-	-	-	-	-	-	-	-
Shareholder loans	5.2.8	-	-	-	40,922	-	40,922	-	40,922	-	40,922
Trade and other payables	5.2.9	-	-	-	1,840	-	1,840	-	-	-	-
		-	-	-	42,762	-	42,762	-	40,922	-	40,922

## 5.5.2 Measurement of fair values

### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the consolidated statements of financial position. The Group does not hold any Level 3 financial instruments that are subject to valuation techniques based on significant unobservable inputs. Related valuation processes are described in note 4.2 Determination of values.

#### Valuation techniques

##### Financial instruments measured at fair value

Type	Valuation technique
Interest rate swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from the same sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. As far as the contracts do not include collateral agreements, the fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swaps, bond prices or recent loan originations.

##### Financial instruments not measured at fair value

Type	Valuation technique
Other financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The risk adjustments are derived from recent loan originations.

### Transfers between Levels 1 and 2

The Group did not transfer any financial assets or financial liabilities from Level 1 to Level 2 or from Level 2 to Level 1 in the reporting periods ending at 31 December 2020, 31 December 2019 and 31 December 2018.

## 5.5.3 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established a risk management committee, which is responsible for developing and monitoring the Group's risk management policies. From an organisational perspective, the risk management committee is located at the operating level within the Group at which market risks arise primarily. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures,

aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Internal audit oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the advisory board.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from vehicle subscription qualifying as finance lease.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment loss allowances on financial assets and contract assets were as follows:

(in k€)	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Impairment loss allowance on receivables from vehicle subscription qualifying as finance lease	436	626	482	-
Impairment loss allowance on trade receivables and contract assets arising from contracts with customers	451	299	159	1
<b>Total</b>	<b>887</b>	<b>925</b>	<b>641</b>	<b>1</b>

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before contract applications by customer are accepted by the Group. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and results in an internal credit scoring.

Limits are established for each group of customers and reviewed regularly. Any sales exceeding those limits require approval from the board of directors.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they belong to the B2B or B2C segment, whether they are a wholesale or retail customer, their geographic location, trading history with the Group and existence of previous financial difficulties.

The Group requires the vehicle as collateral in respect of its receivables from vehicle subscription qualifying as finance lease. The existence of collateral is reflected in the loss rate given default in calculating impairment loss allowances.

The risk measurement and control systems as well as the organisation of the credit risk management of the Group 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).

### Credit loss assessment

The Group allocates each exposure to a credit risk category based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings and private credit rating agencies) and applying experienced credit judgement. Credit risk categories are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external and internal credit rating definitions. In calculating probability-weighted expected credit losses, the probability of default is multiplied by scalar factors to reflect different economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for receivables from vehicle subscription qualifying as finance lease of which more than 99.0% belong to the B2B segment:

#### 31 December 2020

Risk Categories	Equivalent to S&P rating	Weighted probability of default	Gross receivables in k€	Valuation allowance in k€	Net receivables in k€
Lower risk	AAA to A-	0.8%	185,544	368	185,176
Moderate to increased risk	BBB+ to BB-	7.1%	3,534	63	3,471
Higher risk	B+ to C	n/a	-	-	-
Default	D	100.0%	19	5	14
<b>Total</b>			<b>189,097</b>	<b>436</b>	<b>188,661</b>

#### 31 December 2019

Risk Categories	Equivalent to S&P rating	Weighted probability of default	Gross receivables in k€	Valuation allowance in k€	Net receivables in k€
Lower risk	AAA to A-	0.7%	200,665	276	200,389
Moderate to increased risk	BBB+ to BB-	10.3%	9,584	246	9,338
Higher risk	B+ to C	n/a	-	-	-
Default	D	100.0%	418	105	313
<b>Total</b>			<b>210,667</b>	<b>627</b>	<b>210,040</b>

#### 31 December 2018

Risk Categories	Equivalent to S&P rating	Weighted probability of default	Gross receivables in k€	Valuation allowance in k€	Net receivables in k€
Lower risk	AAA to A-	0.7%	184,329	296	184,033
Moderate to increased risk	BBB+ to BB-	11.1%	5,259	146	5,113
Higher risk	B+ to C	24.6%	209	13	196
Default	D	100.0%	109	27	82
<b>Total</b>			<b>189,906</b>	<b>482</b>	<b>189,424</b>

A summary of the Group's exposure to credit risk for receivables from vehicle subscription qualifying as finance lease, trade receivables and contract assets is as follows:

(in k€)	31 December 2020		31 December 2019		31 December 2018	
	Not credit impaired	Credit-impaired	Not credit impaired	Credit-impaired	Not credit impaired	Credit-impaired
Gross carrying amount	220,891	1,375	243,356	1,194	216,554	231
Loss allowance	-431	-1,361	-522	-881	-455	-149
<b>Total</b>	<b>220,460</b>	<b>14</b>	<b>242,834</b>	<b>313</b>	<b>216,099</b>	<b>82</b>

Total net impairment losses for receivables from vehicle subscription qualifying as finance lease and trade receivables recognised in profit or loss amount to 1,082 k€ (2019: 961 k€, 2018: 87 k€).

### Liquidity risk

Liquidity risk is the risk that the Group can either not meet its payments obligations or only meet them with a timely delay. It is the risk of not being in the position to provide the funds necessary to meet current and future financial obligations without adversely affecting its ongoing operating business or its overall financial position.

The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures the availability of sufficient financial resources to meet its payment obligations when they become due by forward looking and proactive financial planning activities. The management of liquidity risk is performed by the Group's Treasury and Finance department on the basis of ongoing liquidity forecasts. A dynamic liquidity planning process ensures the ongoing availability of the current liquidity status for upcoming time periods and the determination of liquidity need to fund future growth activities.

Financing of the Group is achieved by equity capital, cash flows from operating activities and debt capital, provided by a diversified group of banks as well as other financial institutions and financial service providers. Independently of single financial institutions, the Group has several refinancing instruments at its disposal. Besides bilaterally agreed bank overdraft facilities and bank loans, the Group has issued an ABS program with a total volume of up to 250,000 k€ in 2019, which is currently utilised in an amount of 217,344 k€ (31 December 2019: 88,222 k€). The ABS transaction was implemented via Mobility One S.A, a special-purpose entity located in Luxembourg. The purpose is the securitisation of receivables from vehicle subscription qualifying as finance lease and associated expectancy rights.

The initiation of the Group's ABS program as a new method of financing in the reporting period 2019 will supersede sale-and-lease back financing transactions regarding the purchase and sale of vehicles by the Group. The Group did not enter into further sale-and-lease-back transactions since the initiation of the asset-back-securities program. The outstanding liabilities from finance lease amount to 84,543 k€ (31 December 2019: 194,950 k€, 31 December 2018: 262,823 k€).



Besides, the Group was provided with subordinated loans in an amount of 258,728 k€ (31 December 2019: 241,797 k€, 31 December 2018: 212,056 k€) from shareholders, for which interest is being capitalised to increase the notional amount of the outstanding loans over the remaining term to maturity.

Moreover, the Group uses factoring as a way of financing. The Group sells without recourse trade receivables to a factoring company for cash proceeds. These trade receivables have been derecognised from the consolidated statements of financial position, because the Group transfers substantially all the risks and rewards – primarily credit risk.

The Group has various credit lines at its disposal which are committed over a defined period of time, thereby eliminating refinancing risk within the agreed financing conditions and within the agreed period of time. Total credit lines amount to 1,275,025 k€ (31 December 2019: 1,173,624 k€, 31 December 2018: 842,056 k€). In relation to the utilisation of credit lines for vehicle subscription, the Group pursues the goal of always having at least 25.0% unused credit lines of its current funding utilisation.

The combination of various financing resources ensures that the Group has sufficient liquidity reserves at its disposal to both meet its ongoing payment obligations and to fund its growth activities. Hence, the Group considers its overall liquidity risk as low.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

31 December 2020 (in k€)	Carrying amount	Contractual cash flows			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
Bank overdraft facilities and borrowing bases	153,689	154,910	111,576	43,334	-
Senior notes	217,344	219,647	73,647	146,000	-
Secured bank loans	198,115	200,895	124,962	75,933	-
Liabilities from finance lease	84,543	85,344	60,198	25,146	-
Other loans	143,287	181,703	10,045	171,658	-
Shareholder loans	258,728	429,907	-	-	429,907
Lease liabilities	12,102	12,985	2,250	6,959	3,776
Trade payables	17,355	17,355	17,355	-	-
Liabilities to affiliated companies	1	1	-	1	-
Other financial liabilities	1,497	1,497	1,497	-	-
Non-derivative financial instruments	1,086,661	1,304,244	401,530	469,031	433,683
Interest rate swaps used for hedging	201	204,116	106,678	97,438	-
Derivative financial instruments	201	204,116	106,678	97,438	-
<b>Total</b>	<b>1,086,862</b>	<b>1,508,360</b>	<b>508,208</b>	<b>566,469</b>	<b>433,683</b>

**31 December 2019**

(in k€)	Carrying amount	Contractual cash flows			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
Bank overdraft facilities and borrowing bases	110,209	110,760	104,579	6,181	-
Senior notes	88,222	89,474	28,773	60,701	-
Secured bank loans	109,205	110,984	61,206	49,778	-
Liabilities from finance lease	194,950	197,077	111,361	85,716	-
Other loans	143,150	190,400	9,800	159,200	21,400
Shareholder loans	241,797	429,907	-	-	429,907
Lease liabilities	7,381	7,700	1,646	4,917	1,137
Trade payables	24,972	24,972	24,972	-	-
Liabilities to affiliated companies	3,049	3,049	-	3,049	-
Other financial liabilities	1,284	1,284	1,284	-	-
<b>Total</b>	<b>924,219</b>	<b>1,165,607</b>	<b>343,621</b>	<b>369,542</b>	<b>452,444</b>

**31 December 2018**

(in k€)	Carrying amount	Contractual cash flows			
		Total	Up to 1 year	Between 1 and 5 years	More than 5 years
Bank overdraft facilities	20,771	20,804	20,804	-	-
Secured bank loans	63,663	64,352	32,273	32,079	-
Liabilities from finance lease	262,823	266,350	111,744	154,606	-
Other loans	122,753	170,400	8,400	33,600	128,400
Shareholder loans	212,056	400,917	-	-	400,917
Lease liabilities	3,904	4,115	830	2,442	843
Trade payables	10,256	10,256	10,256	-	-
Other financial liabilities	964	964	964	-	-
<b>Total</b>	<b>697,190</b>	<b>938,158</b>	<b>185,271</b>	<b>222,727</b>	<b>530,160</b>

The outflows disclosed in the above table also represent the contractual undiscounted cash flows relating to interest rate swaps held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts as the interest rate swaps are net cash settled.

The Group has secured bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table if it is not possible to negotiate a waiver with the respective banks. The covenants are monitored on a regular basis by the Treasury and Finance department and regularly reported to management to ensure compliance with the respective agreements. The Group has complied with all financial covenants as at 31 December 2020, 31 December 2019 and 31 December 2018.

The interest payments on variable interest rate loans in the table above reflect market interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable

parameters, while optimising the return. Given that the Groups business is solely denominated in euro, it is not exposed to foreign currency risks. Moreover, the Group does not hold marketable equity securities and hence, it is also not exposed to equity risks.

The Group uses derivatives to manage its interest rate risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

#### **Managing interest rate benchmark reform and associated risks**

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

The risk management committee monitors and manages the Group's transition to alternative rates. The department evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. Finance and Risk Controlling reports to the Group's management board on a regular basis and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from IBOR reform.

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to Euribor. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

ISDA has reviewed its standardised contracts in the light of IBOR reform and amended certain floating-rate options in the 2006 ISDA definitions to include fallback clauses that would apply on the permanent discontinuation of certain key IBORs. ISDA has published an IBOR fallback supplement to amend the 2006 ISDA definitions and an IBOR fallback protocol to facilitate multilateral amendments to include the amended floating-rate options in derivative transactions that were entered into before the date of the supplement. The Group currently plans to adhere to the protocol and monitors whether its counterparties also adhere. If this plan changes or there are counterparties that do not adhere to the protocol, the Group will negotiate with them bilaterally about including new fallback clauses.

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2020. The Group's hedged items and hedging instruments continue to be indexed to Euribor. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual.

The calculation methodology of Euribor changed during 2019. In July 2019, the Belgian Financial Services and Markets Authority granted authorisation with respect to Euribor under the European Union Benchmarks Regulation. This allows market participants to continue to use Euribor for both existing and new contracts and the Group expects that Euribor will continue to exist as a benchmark rate for the foreseeable future.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Euribor using available quoted market rates for Euribor-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in Euribor on a similar basis.

The Group's exposure to Euribor designated in hedging relationships is 61,562 k€ nominal amount as at 31 December 2020 (31 December 2019: 11,131 k€, 31 December 2018: 0 k€), representing both the nominal amount of the hedging interest rate swap and the principal amount of the hedged loan liability maturing in 2024.

#### Interest rate risk

In line with its receivables from vehicle subscription qualifying as finance lease, most of the Group's financial liabilities bear fixed interest rates. Exceptions are the senior notes funding the Group's ABS, which was initiated in the reporting period 2019, bank overdraft facilities and borrowing bases.

The Group adopts a policy of hedging 85.0% of its floating interest rate exposure resulting from the senior notes on a nine-month forward basis by interest rate swaps. This strategy is based on the assumption that market interest rate will not significantly change over the period of the next nine months. Bank overdraft facilities and borrowing bases are not hedged against cash flow risks from floating interest rates as they only cover the limited period of time from signing the vehicle subscription contract and the beginning of the refinancing agreement.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from IBOR reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of the interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness is the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates.

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR transition. For further details, see 'Managing interest rate benchmark reform and associated risks' above.

### Exposure to interest rate

The group does not account for any fixed-rate interest-bearing financial assets or financial liabilities at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Moreover, only short-term trade receivables, which might be subject to factoring agreements are assigned to the valuation category FVOCI, because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. They are not subject to significant fair value changes. Therefore, changes in interest rates at the reporting date would neither significantly affect profit or loss nor OCI.

The interest rate profile of the Group's floating rate interest-bearing financial instruments as reported to the management of the Group is as follows:

Floating interest rate exposure (in k€)	Notional amount		
	31 December 2020	31 December 2019	31 December 2018
Bank overdraft facilities and borrowing bases	153.689	110.209	20.771
Senior notes	217.344	88.222	-
Financial liabilities	371.033	198.431	20.771
Effect of interest rate swaps	-61.562	-11.131	-
<b>Total Exposure</b>	<b>309.471</b>	<b>187.300</b>	<b>20.771</b>

### Cash flow sensitivity analysis for floating-rate interest-bearing financial instruments

A reasonably possible change of 100 basis points upwards and 50 basis points downwards in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis (in k€)	Profit or loss		Equity, net of tax	
	100 bp increase	50 bp decrease	100 bp increase	50 bp decrease
<b>31 December 2020</b>				
Floating-rate instruments	-1,536	768	-	-
Interest rate swaps	-	-	1,560	-700
<b>Cash flow sensitivity</b>	<b>-1,536</b>	<b>768</b>	<b>1,560</b>	<b>-700</b>
<b>31 December 2019</b>				
Floating-rate instruments	-1,102	551	-	-
Interest rate swaps	-	-	677	-332
<b>Cash flow sensitivity</b>	<b>-1,102</b>	<b>551</b>	<b>677</b>	<b>-332</b>
<b>31 December 2018</b>				
Floating-rate instruments	-208	104	-	-
Interest rate swaps	-	-	-	-
<b>Cash flow sensitivity</b>	<b>-208</b>	<b>104</b>	<b>-</b>	<b>-</b>

## Cash flow hedges

The group held the following interest rate swaps with a maturity of more than one year, respectively, to hedge exposures to changes in interest rates.

### Hedging instruments

	2020	2019	2018
Net exposure (in k€)	-201	69	-
Average fixed interest rate	0.5%	-0.4%	n/a

The amounts at the reporting date relating to floating-rate liabilities designated as hedged items were as follows.

### Accounting for hedged items

(in k€)	Changes in value used for calculating hedge effectiveness	Cash flow hedge reserve	Cost of hedging hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
<b>31 December 2020</b>	-201	-201	-	-
<b>31 December 2019</b>	69	69	-	-

The amounts relating to interest rate swaps designated as hedging instruments and hedge ineffectiveness were as follows.

### Accounting for hedging instruments

(in k€)	Reporting date				Line item in the consolidated statements of financial position where the hedging instrument is included
	Notional amount	Carrying amount			
		Assets	Liabilities		
<b>31 December 2020</b>	61,562	-	201		Trade and other payables
<b>31 December 2019</b>	11,131	69	-		Other financial assets including derivatives

(in k€)	Reporting period				
	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the consolidated statements of financial position that includes hedge ineffectiveness	Amounts reclassified from hedging reserve to profit or loss	Line item in the consolidated statements of profit or loss affected by the reclassification
<b>31 December 2020</b>	-287	-	Finance costs	17	Finance costs
<b>31 December 2019</b>	69	-	Finance costs	-	Finance costs

The following table provides a reconciliation of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

#### Equity reconciliation cash flow hedges

(in k€)	Hedging reserve	
	2020	2019
<b>Balance at 1 January</b>	50	-
Change in fair value	-287	69
Amounts reclassified to profit or loss	17	-
Tax on movements of reserves during the year	75	-19
<b>Balance at 31 December</b>	<b>-145</b>	<b>50</b>

#### 5.5.4 Master Netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any currently legally enforceable rights to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

At each of the reporting dates 31 December 2020, 31 December 2019 and 31 December 2018, the Group did only hold financial derivatives as financial assets or financial liabilities. Hence, no carrying amounts of recognised financial instruments were subject to the above agreements at any of these reporting dates.

## 6 Segment reporting

### 6.1 General information

The Group has the following strategic divisions, which are its reportable segments. These divisions offer their products and services to the customer and are managed separately because they address different customer groups.

<b>Reportable Segment</b>	<b>Customer</b>
Business-to-Business	Corporate customers
Business-to-Customer	Private & small commercial customers

In the context of segment reporting, the activities of the Group are segmented in accordance with IFRS 8 operating segments. The segmentation is based on the internal management and reporting structure as monitored by the chief operating decision maker (CODM) and utilised to allocate resources and considers the Group's organisational structures based on the reportable segments' customers.

The executive board of Mobility Holding GmbH and the board representing SMH MidCo S.á.r.l. (LuxCo Board) together form the CODM.

The segmentation based on the Group's different customer groups has been established in the reporting period 2020 for the first time. Up to 2020 the management control of the Group was segmented on the legal entities of the Group.

#### **Business-to-Customer**

Within the B2C segment the Group offers vehicle subscription and mobility services related to open and closed private & small commercial customer groups.

#### **Business-to-Business**

Within the B2B segment the Group offers vehicle subscription and mobility services related to corporate customer groups.

#### **Key performance indicator**

The segments are managed based on an adjusted EBITDA, which includes cost directly related to the subscribed vehicles, especially interest expenses for the financing of the vehicles and the depreciation of the vehicles, which both are included in the Cost of goods sold. The adjusted EBITDA represents the key earnings measure reported for the segments and reflects the management's view on the operative core business of the segments. In addition, the key earnings measure reported in the segment reporting does include certain adjustments done by management, such as legal and consulting fees, structuring-/transaction cost, refinance and other cost, for which the management believes those items not to reflect the economic performance of its core business, as described above.



## 6.2 Information about reportable segments

Information related to each reportable segment is set out below. The adjusted segment profit (loss) before tax, interests and depreciation and amortisation is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

(in k€)	2020			2019			2018		
	Reportable segments		Sum reportable segments	Reportable segments		Sum reportable segments	Reportable segments		Sum reportable segments
	B2B	B2C		B2B	B2C		B2B	B2C	
Adjusted Revenue from external customers	90,711	121,469	212,180	93,706	97,737	191,443	56,628	34,817	91,445
Intersegment revenue	-	21	21	-	-	-	26	14	40
<b>Adjusted Revenue</b>	<b>90,711</b>	<b>121,490</b>	<b>212,201</b>	<b>93,706</b>	<b>97,737</b>	<b>191,443</b>	<b>56,654</b>	<b>34,831</b>	<b>91,485</b>
<b>Adjusted Gross Profit</b>	<b>22,923</b>	<b>42,464</b>	<b>65,387</b>	<b>19,885</b>	<b>37,067</b>	<b>56,952</b>	<b>12,112</b>	<b>15,379</b>	<b>27,490</b>
<b>Adjusted EBITDA</b>	<b>13,861</b>	<b>24,276</b>	<b>38,137</b>	<b>9,350</b>	<b>21,255</b>	<b>30,605</b>	<b>5,926</b>	<b>8,296</b>	<b>14,222</b>
<b>Non-financial key performance indicator</b>									
Total of customer-contracts*	21,341	36,425	57,766	22,169	26,224	48,393	20,548	18,550	39,098
<b>Other financial key performance indicators</b>									
Adjusted EBITDA/ Adjusted Revenue from external customers	15.3%	20.0%	18.0%	10.0%	21.7%	16.0%	10.5%	23.8%	15.6%
Adjusted Gross-Profit / Adjusted Revenue from external customers	25.3%	35.0%	30.8%	21.2%	37.9%	29.7%	21.4%	44.2%	30.1%

\* Definition of customer-contract is not related to the definition in various IFRS. A customer-contract is counted as soon as it has been bindingly ordered by the customer. A customer contract is no longer included once it has been ended. Total of customer-contracts include the orderbook

## Reconciliations of information on reportable segments to the amounts reported in the consolidated financial statements

### Reconciliation of Adjusted revenue to consolidated revenue

	2020	2019	2018
<b>Adjusted revenue of reportable segments</b>	<b>212,201</b>	<b>191,443</b>	<b>91,485</b>
<b>Reversal of management adjustments</b>	<b>110,966</b>	<b>83,885</b>	<b>28,357</b>
Thereof:			
Revenue from sales of previously subscribed vehicles	79,716	51,035	26,313
Offsetting of costs (mainly DriveOn costs)	31,553	33,230	2,434
Other adjustments	-303	-380	-390
Thereof related to B2B	46,912	46,609	28,419
Thereof related to B2C	64,054	37,276	-61
<b>Revenue of reportable segments</b>	<b>323,167</b>	<b>275,328</b>	<b>119,842</b>
Remaining activities and other segments	435	393	77
Consolidation	-21	-	-40
<b>Consolidated revenue</b>	<b>323,580</b>	<b>275,721</b>	<b>119,880</b>

The Adjusted revenues of the Group comprise both mobility services and vehicle subscription.

The adjustments mainly relate to the remarketing business and the "DriveOn" business as follows.

The remarketing result, i.e. revenue from the respective sale of vehicles less their residual carrying amount in the cost of goods sold, is considered as part of the cost of goods sold in the management reporting. Therefore, in the reconciliation from IFRS, revenue is reduced by the corresponding revenue from such vehicle sales.

In addition, the Adjusted revenue in the management reporting includes the net margin of the discontinued business model "DriveOn", thus any cost related to this business is netted out against the revenues in the management reporting.

Other adjustments mainly relate to vehicle related provisions, which have been unwind and recognised as other income in accordance with IFRS and as revenue in the management reporting.

Remaining activities and other segments relate to the revenue of DSA Deutsche Sportausweis GmbH.

*Reconciliation of Adjusted Gross Profit to Consolidated Gross Profit*

(in k€)	2020	2019	2018
<b>Adjusted Gross Profit of reportable segments</b>	<b>65,387</b>	<b>56,952</b>	<b>27,490</b>
<b>Reversal of management adjustments</b>	<b>-2,906</b>	<b>-918</b>	<b>-1,028</b>
Thereof:			
- Deduction of depreciation and amortisation not directly related to subscribed vehicles	-692	-438	-276
- Deduction of sales bonuses	-1,029	-998	-471
- Deduction / Addition from the realignment of sales and business processes	-652	1,136	186
- Other adjustments	-533	-618	-467
<b>Gross Profit of reportable segments</b>	<b>62,481</b>	<b>56,034</b>	<b>26,462</b>
Remaining activities and other segments	364	326	63
Consolidation	-21	-	-40
<b>Consolidated Gross Profit</b>	<b>62,824</b>	<b>56,359</b>	<b>26,485</b>

Depreciation and amortisation not directly related to subscribed vehicles recognised in Cost of goods sold according to IFRS are deducted in the management reporting.

Sales bonuses relate to variable compensation of sales force which have been recognised as Selling and Distribution expense in the management reporting whereas recognised as part of Cost of goods sold under IFRS.

Deduction / addition from the realignment of sales and business processes consist of Drive-on related revenue and costs.

Other adjustments mainly relate to the other adjustments included in Adjusted revenue and further reclassifications of sales related costs for management reporting purposes.

Remaining activities and other segments relate to the Gross Profit of DSA Deutsche Sportausweis GmbH.

Reconciliation of Adjusted EBITDA to Consolidated EBT

(in k€)	2020			2019			2018		
Reportable segment	B2B	B2C	Total	B2B	B2C	Total	B2B	B2C	Total
Adjusted EBITDA	13,861	24,276	38,137	9,350	21,255	30,605	5,926	8,296	14,222
Reversal of management adjustments	31,564	13,216	44,780	34,223	3,837	38,060	16,625	-8,892	7,733
Thereof:									
- Addition of depreciation	35,338	16,283	51,621	38,003	5,061	43,064	23,621	-	23,621
- Deduction of Group refinancing structuring cost	-368	-305	-673	-1,559	-587	-2,146	-227	-122	-349
- Deduction of structuring/transaction cost	-324	-740	-1,064	-1,217	-1,644	-2,861	-6,240	-8,531	-14,771
- Deduction of cost for the realignment of sales and business processes	-348	-653	-1,001	-449	1,007	558	163	-239	-76
- Deduction of legal and consulting fees related to non-ordinary course of business	-1,942	-1,270	-3,212	-	-	-	-692	-	-692
- Other non-recurring adjustments	-792	-99	-891	-555	-	-555	-	-	-
<b>EBITDA per reportable segments</b>	<b>45,425</b>	<b>37,492</b>	<b>82,917</b>	<b>43,573</b>	<b>25,092</b>	<b>68,665</b>	<b>22,551</b>	<b>-596</b>	<b>21,955</b>
Remaining activities and other segments			86			83			-417
Consolidation			-362			-1,087			-
<b>Consolidated EBITDA</b>			<b>82,642</b>			<b>67,661</b>			<b>21,538</b>
Depreciation and amortisation			-70,131			-66,010			-35,757
<b>Consolidated EBIT</b>			<b>12,510</b>			<b>1,651</b>			<b>-14,219</b>
Net finance costs			-28,491			-25,234			-12,079
<b>Consolidated EBT</b>			<b>-15,979</b>			<b>-23,584</b>			<b>-26,298</b>

Group refinancing structuring cost relates to general financial advisory cost, which have incurred when management has initially set up the financing structure of the Group. Those cost includes fees for banks, legal advisors and notary.

Structuring-/transaction costs include expenses to bring the Group into its current structure and include compensation payments, external planning costs and transaction costs for advisors and lawyers.

Costs for the realignment of sales and business processes include expenses for the realignment of the Group's core business in its current structure, creation and processing of new products and penetration of markets.

Legal and consulting fees related to non-ordinary course of business consist of the legal and consulting costs in connection with an automotive manufacturer, whereby the Group may have claims against this manufacturer – management adjusts the expenses for litigation and court costs accordingly.

Other non-recurring adjustments relate to damage due to adverse weather conditions, impairment of receivables and adverse conditions of buy-back agreements with an insolvent dealer.

Remaining activities and other segments relate to the EBITDA of Mobility Holding II GmbH, Mobility One S.A., International Sports Pass GmbH and DSA Deutsche Sportausweis GmbH.

Consolidation eliminates intra group transactions between the reportable segments and the remaining activities and other segments.

### **6.3 Geographic information**

Revenues are generated only in Germany. Non-current assets are located only in Germany.

## 7 Other disclosures

### 7.1 Other financial obligations

Other financial obligations result from purchase commitments from concluded agreements for vehicle deliveries for the lease fleet. The amount at the reporting date for the upcoming reporting period is 177,114 k€ (31 December 2019: 146,876 k€, 31 December 2018: 77,013 k€).



## 7.2 Related parties

Related parties within the meaning of IAS 24 are natural persons or companies that can be influenced by the Reporting Entity, can exert an influence on the Reporting Entity or are under the influence of another related party of the Reporting Entity. Transactions between related parties mainly include loans, leases, marketing and management services. All business transactions, receivables and liabilities with related parties existing at the reporting date result from ordinary business activities and are conducted at arm's length.

### Related party transactions

The table below provides an overview of significant account balances and transactions from such relationships.

(in k€)	Receivables from related parties			Liabilities to related parties			Services rendered			Services received			Interest paid		
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018
SMH MidCo S.à.r.l	100	100	100	258,728	241,797	212,056	-	-	-	-	-	-	16,931	15,065	8,759
Mobility Solutions GmbH	-	242	-	8	312	17	41	321	45	-	216	6	-	-	-
DFD Deutscher Fahrzeugdienst GmbH	86	3,208	1	-	2,698	-	813	4,751	205	608	2,698	26	-	-	-
ASS Athletics Sport Sponsoring GmbH Austria	-	157	153	-	-	-	-	-	-	-	-	-	-	-	-
Mega Marketing Agentur GmbH	448	-	-	-	-	-	24	-	-	4,539	-	-	-	-	-
<b>Total</b>	<b>634</b>	<b>3,707</b>	<b>254</b>	<b>258,736</b>	<b>244,807</b>	<b>212,073</b>	<b>878</b>	<b>5,072</b>	<b>250</b>	<b>5,147</b>	<b>2,914</b>	<b>32</b>	<b>16,931</b>	<b>15,065</b>	<b>8,759</b>



Liabilities to SMH MidCo S.à.r.l result from subordinated loans amounting to 248,500 k€ bearing an interest rate of 7.0%. The interest rate is considered to be valued at market. Interests are subordinated too and accrued until maturity of the respective loan. For more details refer to 5.5 Additional disclosures on financial instruments.

### Compensation of key management personnel

Key management personnel of Mobility Holding II GmbH comprises the board of directors and the advisory board of Mobility Holding GmbH according to IAS 24.10.

The total remuneration of the board of directors of Mobility Holding GmbH in the reporting period 2020 amounts to 3,340 k€ (2019: 2,155 k€, 2018: 1,016 k€). The remuneration includes short-term employee benefits of 3,060 k€ (2019: 2,155 k€; 2018: 1,016 k€) and for the reporting period 2020 termination benefits of 280 k€.

For the advisory board of Mobility Holding GmbH (“GmbH Beirat”) the remuneration amounts to 223 k€ (2019: 89 k€, 2018: 0 k€) for short-term compensation.

In the reporting period 2020, the directors of Mobility Holding II GmbH are members of the advisory board of Mobility Holding GmbH and their remuneration is included in the compensation of the advisory board. In the reporting period 2019 the directors are members of the board of directors and of the advisory board of Mobility Holding GmbH and the remuneration is included in the short-term employee benefits of the board of directors and the compensation for the advisory board. In the reporting period 2018, the director of Mobility Holding II GmbH is a member of the board of directors of Mobility Holding GmbH and the remuneration is included in the short-term benefits of the board of directors of Mobility Holding GmbH.

### Transactions with key management personnel

Goods and services provided to key management personnel related to leased vehicles:

(in k€)	31 December 2020	31 December 2019	31 December 2018
Receivables from key management personnel	15	-	-
Goods and services rendered to key management personnel	35	4	0
<b>Total</b>	<b>50</b>	<b>4</b>	<b>0</b>

### Management equity interests

The directors of the Mobility Holding II GmbH and key management personnel of Mobility Holding GmbH, listed below in 7.3 Board of directors, indirectly hold minority interests in the Company's shareholder through limited partnerships. Furthermore, key management personnel of Mobility Holding GmbH holds a minority interest in International Sports Pass GmbH, Bochum, Germany of 2,65%.

### 7.3 Board of directors

The directors of Mobility Holding II GmbH in the reporting periods were / is Justin von Simson (until 9 January 2018), Dr. Florian Wolff (until 9 January 2018), Rudolf Rizzolli (from 9 January 2018 until 17 October 2019 and since 23 February 2021), Hans-Hermann Anton Lotter (from 17 October 2019 until 5 March 2020) and Stefan Müller (from 5 March 2020 until 23 February 2021).

The members of the management board of Mobility Holding GmbH in the reporting periods were / are Justin von Simson (until 19 January 2018), Dr. Florian Wolff (until 19 January 2018), Rudolf Rizzolli (Chief Executive Officer, since 19 January 2018), Marc-Oliver Bucksch (Chief Financial Officer, since 12 June 2018), Marco Steinfatt (Chief Digital and Marketing Officer, since 4 March 2019), Michael Duddek (Chief Operations Manager, since 20 September 2018) and Torsten Schero (20 April to 15 August 2020).

### 7.4 Subsequent events

By resolution dated March 18, 2021, the Company was resolved to convert into a German stock corporation (Aktiengesellschaft). The name was resolved to be changed to MeinAuto Group AG. The corresponding entry in the commercial register has not yet been made.

Other than above, no transactions of particular significance or with material effects on the net assets, financial position, or result of operations have occurred since the reporting date as at 31 December 2020.

## 8 First-time adoption of IFRS 1

As stated in 1.2 Basis of accounting, these consolidated financial statements represent the first consolidated financial statements prepared in accordance with IFRS. The Group applied the exemption for leases (IFRS 1.D9B) measuring the lease liability at the present value of the remaining lease payments at the date of transition to IFRS and measuring the right-of-use asset at an amount equal to the lease liability.

Previous reporting was in accordance with the German Commercial Code (HGB/German GAAP). The changes resulting from the transition are presented below – as of the transition date of 1 January 2018 and for the reporting period 1 January - 31 December 2019, respectively.

### 8.1 Reconciliation of the consolidated statements of changes in equity

(in k€)	31 December 2019	1 January 2018
<b>Group equity (German GAAP)</b>	<b>-2.206</b>	<b>13.845</b>
Goodwill/intangibles/acquisition costs (IFRS 3)	37.060	
Financial instruments (IFRS 9)	-100	
Scope of consolidation (IFRS 10)	-4.503	
Revenue recognition (IFRS 15)	2.809	
Leases (IFRS 16)	2.095	
Deferred taxes (IAS 12)	-958	
Capitalisation of development costs (IAS 38)	1.714	
Other comprehensive income	69	
Total adjustments	38.186	
<b>Group equity (IFRS)</b>	<b>35.980</b>	<b>13.845</b>

### 8.2 Reconciliation of the consolidated statements of profit or loss and other comprehensive income

(in k€)	2019
<b>Net income (loss) (German GAAP)</b>	<b>-48,721</b>
Goodwill/intangibles/acquisition costs (IFRS 3)	27,239
Financial instruments (IFRS 9)	-189
Scope of consolidation (IFRS 10)	-1,310
Revenue recognition (IFRS 15)	2,364
Leases (IFRS 16)	2,054
Deferred taxes (IAS 12)	-1,893
Capitalisation of development costs (IAS 38)	1,714
Other comprehensive income	69
Total adjustments	30,048
<b>Total comprehensive income (loss) (IFRS)</b>	<b>-18,673</b>

### **Amortisation of goodwill, intangible assets identified in business combinations and incidental acquisition costs (IFRS 3)**

Under IFRS, goodwill is not systematically amortised but tested for impairments annually ('impairment-only approach'). Therefore, amortisation under German GAAP was reversed. Furthermore, intangible assets were identified in the course of business combinations with partially different useful lives leading to more amortisation under IFRS. In accordance with IFRS, incidental acquisition costs are not part of the consideration paid in a business combination and as a result, such costs are not included in the determination of goodwill but expensed as incurred.

### **Financial instruments (IFRS 9)/Other comprehensive income**

Under IFRS, trade receivables are measured at amortised costs. The Group is required to recognise expected credit losses on financial instruments since initial recognition and update the recognised amounts at each reporting date in order to reflect changes in the credit risk of these financial instruments. Therefore, the general allowance for trade receivables recognised under German GAAP was derecognised and the IFRS expected credit loss recognised. Interest swaps are not recorded in the balance sheet under German GAAP. According to IFRS, these derivatives are measured at fair value and the Group chose to recognise changes in fair values in other comprehensive income (FVOCI).

### **Scope of consolidation (IFRS 10)**

Whereas the subsidiaries International Sports Pass GmbH and DSA Deutsche Sportausweis GmbH are not consolidated under German GAAP, they are included in the scope of consolidation under IFRS. Therefore, the net result of these two subsidiaries was included in the consolidated statements of profit or loss and other comprehensive income.

### **Revenue recognition (IFRS 15)**

Under German GAAP, revenues shall be recognised if they are realised at the date of the balance sheet ('realisation principle'). In principle, the application of revenue recognition over time is prohibited. Therefore, the margin for service contracts is generally recognised earlier under IFRS. Revenue from services is recognised when the service has been rendered and the amount of consideration can be measured reliably.

### **Leases (IFRS 16)**

#### *Lessee*

Whereas under German GAAP most contracts were qualified as operating leases, under IFRS 16, all non-low value and long-term leases are recognised on-balance as a right-of-use asset with a corresponding lease liability. Those assets are depreciated while the liabilities are accounted by using the effective interest method. Therefore, the per lease contract mostly linear expenses recognised under German GAAP have to be derecognised and changed to linear depreciation as well as degressive interest expense leading to higher expenses in the reporting period 2019 compared to German GAAP.

### *Lessor*

Whereas under German GAAP, all vehicle subscriptions are qualified as operating leases, under IFRS, parts of them are qualified as finance leases. By application of the regulations for finance leases, the Group derecognises the assets and recognises a receivable. Payments from these vehicle subscriptions are divided into interest income and redemption of receivables. Only the interest component is recognised in revenue. In 2019, higher expenses were realised compared to German GAAP. On the opposite, there was a positive result regarding a specific business model related to vehicle subscriptions qualifying as finance leases under IFRS.

### **Deferred taxes (IAS 12)**

The effects result from the deferred taxes on the differences between German GAAP and IFRS which represent so-called temporary differences.

### **Capitalisation of development costs (IAS 38)**

Under IFRS, development expenses need to be capitalised, if certain preconditions are fulfilled. Therefore, expenses for software and IT infrastructure have been capitalised.

## **8.3 Reconciliation of the consolidated statements of cash flows**

As stated in 8.2 Reconciliation of the consolidated statements of profit or loss and other comprehensive income expenses for internally developed software and IT infrastructure have been capitalised under IFRS and hence, related payments are shown as part of the cash flow from investing activities. Under German GAAP the expenses are part of the cash flow from ongoing operating activities. Aside from this disclosure difference, the adoption of IFRS 1 had no material impact on the consolidated statements of cash flows for the reporting period of 2019.

Munich, 23 March 2021

Rudolf Rizzoli

Managing Director

## INDEPENDENT AUDITOR'S REPORT

To Mobility Holding II GmbH, Munich

### **Audit Opinion**

We have audited the consolidated financial statements of Mobility Holding II GmbH, Munich, and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2020, 31 December 2019, 31 December 2018 and as at 1 January 2018, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the financial years from 1 January to 31 December 2020, from 1 January to 31 December 2019 and from 1 January to 31 December 2018 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the EU, 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 2020, 31 December 2019 and 31 December 2018 and of its financial performance for the financial years from 1 January to 31 December 2020, from 1 January to 31 December 2019 and from 1 January to 31 December 2018.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

### **Basis for the Audit Opinion**

We conducted our audit of the consolidated financial statements in accordance with Section 317 German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Responsibilities of the Legal representative for the Consolidated Financial Statements**

The legal representative is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU 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 legal representative is responsible for such internal control as he has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representative is responsible for assessing the Group's ability to continue as a going concern. He also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, he is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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, as well as to issue an auditor's report that includes our audit opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) 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.

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, 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 opinion. 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 control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements 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 legal representative and the reasonableness of estimates made by the legal representative and related disclosures.
- Conclude on the appropriateness of the legal representative's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Munich, 25 March 2021

**Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Christof Stadter  
Wirtschaftsprüfer  
(German Public Auditor)

Michael Weese  
Wirtschaftsprüfer  
(German Public Auditor)



**Annual financial statements of  
Mobility Holding II GmbH, Munich  
as at 31 December 2020**

Mobility Holding II GmbH, Munich

Balance sheet as at 31 December 2020

	<u>31 Dezember 2020</u> EUR	<u>Prior year</u> EUR
<b>A. Fixed assets</b>		
<b>I. Financial assets</b>		
Shares in affiliated companies	<u>76,792,164.02</u>	<u>76,792,164.02</u>
<b>B. Current assets</b>		
<b>I. Receivables and other assets</b>		
Receivables against shareholders	<u>100,000.00</u>	<u>100,000.00</u>
<b>II. Bank balances</b>	<u>35,615.05</u>	<u>49,878.20</u>
	<u><b>76,927,779.07</b></u>	<u><b>76,942,042.22</b></u>

	<u>31 Dezember 2020</u> EUR	<u>Prior year</u> EUR
<b>A. Equity</b>		
<b>I. Subscribed capital</b>	<u>25,000.00</u>	<u>25,000.00</u>
<b>II. Capital reserves</b>	<u>76,941,718.95</u>	<u>76,941,718.95</u>
<b>III. Accumulated losses</b>	<u>-36,676.73</u>	<u>-16,667.39</u>
<b>IV. Net loss for the year</b>	<u>-8,763.15</u>	<u>-20,009.34</u>
	76,921,279.07	76,930,042.22
<b>B. Provisions</b>		
Other provisions	<u>6,500.00</u>	<u>12,000.00</u>
	<u><b>76,927,779.07</b></u>	<u><b>76,942,042.22</b></u>

**Mobility Holding II GmbH, Munich**

**Profit and loss statement for the reporting period 1 January 2020 to 31 December 2020**

	<u>2020</u> EUR	<u>2019</u> EUR
1. Other operating income	<u>317.41</u>	<u>0.00</u>
2. Other operating expenses	<u>9,080.56</u>	<u>20,009.34</u>
<b>Result after tax = net loss for the year</b>	<b><u>-8,763.15</u></b>	<b><u>-20,009.34</u></b>

## Notes

### **Mobility Holding II GmbH, Munich as at 31 December 2020**

#### **Identification of the company according to information of the register court**

Company name according to register court:	Mobility Holding II GmbH
Place of registered office:	Munich
Register entry:	Commercial Register
Register court:	Munich
Register No.:	237339

#### **Preliminary remarks**

The annual financial statements as at 31 December 2020 were prepared in accordance with the regulations of the German Commercial Code (HGB) for corporations, the regulations of the German Limited Liability Companies Act (GmbH-Gesetz) as well as the regulations of the Articles of association.

In addition, the regulations for small corporations according to § 267 para. 1 and para. 4 HGB apply.

The financial year corresponds to the calendar year.

#### **Accounting and valuation methods**

The annual financial statements were prepared in accordance with §§ 246-256a HGB as well as taking into account the supplementary regulations for corporations outlined in §§ 264 ff. HGB.

The balance sheet was structured according to § 266 HGB. The profit and loss statement is presented using the nature of expense method according to § 275 para. 2 HGB. The entity exercised the size-dependent exemptions in §§ 274a, 276, 288 HGB. A management report was not prepared in accordance with § 264 para. 1 sentence 3 HGB.

The going concern assumption was used for valuation and accounting purposes.

Shares in affiliated companies were recognised at acquisition cost. A write-down to a lower fair value pursuant to § 253 para. 2 sentence 5 HGB was not necessary in the reporting year.

Receivables are stated at nominal value.

Bank balances are carried at nominal value.

Provisions were measured at the appropriate settlement amount on the basis of sound business judgement.

## Disclosures to the balance sheet

### 1. Financial assets

The company holds all shares with a nominal value of € 25,000 in Mobility Holding GmbH, Munich, registered with the Munich Local Court under HRB 235160.

As at 31 December 2020, this company reported equity of € 37,789,551.77 and a net loss for the year of € 17,359,384.58.

### 2. Receivables

Receivables due from shareholders amounting to € 100,000 likewise represent receivables due from affiliated companies and have a maturity of less than one year.

### 3. Equity

The subscribed capital amounts to € 25,000.

### 4. Provisions

Other provisions were recognised for expected expenses associated with the preparation of the financial statements.

## Executive bodies

The managing director of Mobility Holding II GmbH is:

- Hans-Hermann Anton Lotter (until 5 March 2020)
- Stefan Müller (from 5 March until 23 February 2021)
- Rudolf Rizzolli (since 23 February 2021)

## Other disclosures

The company has no employees.

Guarantees and other commitments from the provision of collateral for liabilities of affiliated companies amount to € 76,792,164.

The company is included for the first time in the exempting consolidated financial statements of Salvador Mobility Holding TopCo S.a.r.l., Luxembourg. This is the largest group of consolidated companies in which the company is included. The consolidated financial statements of Mobility Holding II GmbH, Munich, are the smallest group of consolidated companies.

Munich, 15 March 2021

Rudolf Rizzoli  
Managing Director

*Note regarding the independent auditor's report:*

The following independent auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*) in German language on the German version of the financial statements of Mobility Holding II GmbH, Munich, as of and for the financial year ended December 31, 2020.

**Independent Auditor's Report**

To Mobility Holding II GmbH, Munich

**Audit Opinion**

We have audited the annual financial statements of Mobility Holding II, Munich, which comprise the balance sheet as at 31 December 2020, the income statement for the business year from 1 January to 31 December 2020 as well as the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020, and of its financial performance for the financial year from 1 January to 31 December 2020 in compliance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

**Basis for Audit Opinion**

We conducted our audit of the annual financial statements in accordance with Section 317 German and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

**Responsibilities of the Legal representative for the Annual Financial Statements**

The legal representative is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the

assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the legal representative is responsible for such internal control as he, in accordance with German Legally Required Accounting Principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error

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

### **Auditor's Responsibility for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, 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 annual financial statements 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 of the Company.
- Evaluate the appropriateness of accounting policies used by the legal representative and the reasonableness of estimates made by the legal representative and related disclosures.
- Conclude on the appropriateness of the legal representative's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



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

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

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.

Munich, 17 March 2021

**Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Christof Stadter  
Wirtschaftsprüfer  
[German Public Auditor]

Michael Weese  
Wirtschaftsprüfer  
[German Public Auditor]

## 22. GLOSSARY

<b>ABS Facility</b> .....	Refers to an asset-backed securities facility as of April 17, 2019 as amended, between Mobility One S.A. as issuer, Mobility Concept as seller and junior lender, Bank of America Merrill Lynch Designated Activity Company and Citibank N.A., London Branch.
<b>ADAC</b> .....	Allgemeine Deutsche Automobil-Club e.V.
<b>AktG</b> .....	German Stock Corporation Act ( <i>Aktiengesetz</i> ).
<b>Articles of Association</b> .....	Refers to the Company's articles of association.
<b>ASS</b> .....	ASS Athletic Sport Sponsoring GmbH.
<b>Authorized Capital</b> .....	Refers to the Company's authorized capital pursuant to Section 4(3) of the Articles of Association in conjunction with Sections 202 et seqq. of the German Stock Corporation Act.
<b>B2B</b> .....	Business-to-Business.
<b>B2C</b> .....	Business-to-Customer.
<b>Barclays</b> .....	Barclays Bank Ireland PLC, Dublin.
<b>BaFin</b> .....	German Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> ).
<b>Base Shares</b> .....	The Existing Base Shares together with the New Shares.
<b>BDSG</b> .....	Federal Data Protection Act.
<b>BGB</b> .....	refers to the German Civil Code ( <i>Bürgerliches Gesetzbuch</i> ).
<b>BofA Securities</b> .....	BofA Securities Europe SA, France.
<b>Citigroup</b> .....	Citigroup Global Markets Europe AG, Germany.
<b>Clearstream</b> .....	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
<b>Company</b> .....	MeinAuto Group AG.
<b>Conditional Capital</b> .....	Refers to the Company's conditional capital pursuant to Section 4(4) of the Articles of Association in conjunction with Sections 192 et seqq. of the German Stock Corporation Act.
<b>Consumer Distance Contracts</b> .....	Refers to contracts concluded outside business locations within the meaning of Section 312g BGB.
<b>Consumer Loan Contracts</b>	Refers to finance lease contracts with customers which may be considered to be fee-based financing aid to which special provisions regarding consumer loans apply.
<b>COVID-19</b> .....	COVID-19 is an infectious disease which is caused by the virus SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2).
<b>DCGK</b> .....	The German Corporate Governance Code ( <i>Deutsche Corporate Governance Kodex</i> ).
<b>Decree on the Treatment of Leasing Contracts on Movable Economic Goods</b>	Decree by the German Federal Ministry of Finance from April 19, 1971 regarding the treatment of leasing contracts on movable economic good for income purposes.
<b>Deloitte</b> .....	Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 Munich, Germany.
<b>Domestic Paying Agent</b> .....	Refers to a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank or similar entity which sells the shares and pays out or credits the capital gains.
<b>EEA</b> .....	European Economic Area (encompassing all of the members of the European Union and the European Free Trade Association).
<b>ePrivacy Directive</b> .....	Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector.
<b>ESMA Guidelines</b> .....	the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015.
<b>EU</b> .....	Refers to the European Union.

<b>Euro, EUR or €</b> .....	refers to the single currency of the participating member states in the third stage of the European Economic Union pursuant to the Treaty Establishing the European Community.
<b>Euromonitor</b> .....	Euromonitor International Ltd.
<b>EV</b> .....	Refers to electric vehicle.
<b>Existing Base Shares</b> .....	Refers to existing ordinary bearer shares with no par value from the holdings of the Selling Shareholder offered in a base deal.
<b>Existing Shares</b> .....	Refers to the Existing Base Shares together with the Upsize Shares.
<b>Financial Statements</b> .....	Refers to the MeinAuto Group’s audited consolidated financial statements prepared in accordance with IFRS for the fiscal years ended December 31, 2020, 2019 and 2018.
<b>Financing Facility</b> .....	Refers to a secured EUR 150 million facilities agreement as of August 27, 2018, as amended and restated on July 10, 2019, among, <i>inter alia</i> , MeinAuto Management GmbH as borrower and original guarantor, MeinAuto Group AG as original guarantor, Bonnefont 2 SARL as arranger and original lender and Wilmington Trust (London) Limited as security agent.
<b>Flat Tax</b> .....	Refers to the settlement of the shareholder's income tax liability on dividends under German tax law.
<b>GDPR</b> .....	European Union’s General Data Protection Regulation (EU) 2016/679.
<b>General Block Exemption Regulation</b> .....	European Commission Regulation No. 330/2010 of April 20, 2010 on the application of Article 101 para. 3 TFEU to categories of vertical agreements and concerted practices.
<b>General Data Protection Regulation</b> .....	Has the same meaning as GDPR.
<b>General Product Safety Directive</b> .....	Directive 2001/95/EC of the European Parliament and of the Council of December 3, 2001 on general product safety.
<b>German GAAP</b> .....	German generally accepted accounting principles of the German Commercial Code ( <i>Handelsgesetzbuch</i> ).
<b>Germany</b> .....	The Federal Republic of Germany.
<b>Greenshoe Option</b> .....	The option of the Joint Global Coordinators to acquire up to 3,361,875 Shares from the Selling Shareholder at the Offer Price to cover a possible over-allotment.
<b>Group</b> .....	The Company, together with its consolidated entities and business activities comprising the Mobility business, with the Company acting as the ultimate holding company.
<b>HGB</b> .....	German Commercial Code ( <i>Handelsgesetzbuch</i> ).
<b>HoldCo S.à r.l.</b> .....	Salvator Mobility Holding S.à r.l.
<b>IDW</b> .....	Institute of Public Auditors in Germany.
<b>IFRS</b> .....	refers to the International Financial Reporting Standards as adopted by the European Union, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB).
<b>IPO Capital Increase</b> .....	Refers to the capital increase against cash contributions which was resolved by an extraordinary shareholders’ meeting of the Company on May 4, 2021.
<b>ISIN</b> .....	International Securities Identification Number.
<b>Jefferies</b> .....	Jefferies GmbH, Germany, together with Jefferies International Limited, United Kingdom.
<b>JEG</b> .....	Jefferies GmbH, Germany.
<b>JIL</b> .....	Jefferies International Limited, United Kingdom.
<b>Joint Global Coordinators</b>	Refers to BofA Securities, Barclays, Citigroup, Jefferies and UniCredit Bank AG together in their role in the Offering.
<b>KWG</b> .....	German Banking Act ( <i>Kreditwesengesetz</i> ).
<b>Leaver Call Option Rights</b>	Refers to the obligation set forth in the of the MEP Ord KGs who cease to actively work for any Group company to sell all of their partnership interests in the respective MEP Co-Invest KGs to TopCo S.à r.l.
<b>LEI</b> .....	Legal entity identifier.

<b>Listing</b> .....	Refers to the admission to trading on the regulated market of the Frankfurt Stock Exchange and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard).
<b>Management Board</b> .....	Refers to the management board of the Company.
<b>MAR</b> .....	Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation).
<b>MaRisk</b> .....	Minimum Requirement for Risk Management as interpreted by the BaFin.
<b>Market Surveillance Regulation</b> .....	Regulation (EU) 2018/858 of the European Parliament and of the Council of May 30, 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles.
<b>MCOP</b> .....	Mobility Concept Online Portal.
<b>MeinAuto Group</b> .....	Has the same meaning as the Group.
<b>MEP</b> .....	Refers to the management equity program of the Group.
<b>MEP Co-Invest KGs</b> .....	Several limited partnerships ( <i>Kommanditgesellschaften</i> ) under German law holding the shares in HoldCo S.à r.l.
<b>MEP Co-Investor</b> .....	DS Duddek und Sander GmbH, Essen, Germany.
<b>MEP Ords KGs</b> .....	MEP Co-Invest KGs which only participate in Ordinary Shares.
<b>MiFID II</b> .....	Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended.
<b>MiFID II Requirements</b> ....	MiFID II together with Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of April 7, 2016 supplementing MiFID II and local implementing measures.
<b>Minimum Risk Test</b> .....	Refers to the cumulative requirements for relief under applicable double taxation treaties as well as the crediting of withholding tax for shares held in private and business assets.
<b>Minimum Term</b> .....	Refers to the minimum period of 30 days that the shareholders meeting must be announced in the Federal Gazette prior to its commencement.
<b>Mobility Concept</b> .....	Mobility Concept GmbH.
<b>Motor Vehicle Sector Regulation</b> .....	European Commission Regulation No. 461/2010 of May 27, 2010 on the application of Article 101 para. 3 TFEU to categories of vertical agreements and concerted practices in the motor vehicle sector.
<b>New Shares</b> .....	Refers to newly issued ordinary bearer shares with no par value from a capital increase against cash contributions, resolved by an extraordinary shareholders' meeting of the Company.
<b>NIBC Facility Agreement</b> .	Refers to a borrowing base and revolving credit facility agreement between the Company and NIBC Bank Deutschland AG.
<b>Notes</b> .....	Refers to the Senior Mezzanine Note together with the Senior Note No. 1 and Senior Note No. 2.
<b>OEM</b> .....	Original Equipment Manufacturer.
<b>Offer Period</b> .....	The period during which investors can submit purchase orders for the Offer Shares which is expected to commence on May 4, 2021 and is expected to end on May 11, 2021.
<b>Offer Price</b> .....	The final offer price of the Offer Shares.
<b>Offer Shares</b> .....	Refers to the Over-Allotment Shares together with the Base Shares and the Upsize Shares.
<b>Offering</b> .....	The offer of a total of 25,774,375 shares of the Company consisting of (i) the New Shares, (ii) the Existing Shares and (iii) the Over-Allotment Shares.
<b>Order</b> .....	refers to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
<b>Ordinary Shares</b> .....	Ordinary shares issued by HoldCo S.à r.l.
<b>Our</b> .....	Has the same meaning as the Group.
<b>Over-Allotment Shares</b> ....	Refers to existing ordinary bearer shares with no par value from the holdings of the Selling Shareholder in connection with a possible over-allotment.
<b>Parent-Subsidiary Directive</b> .....	Council Directive 2011/96/EU of November 30, 2011.

<b>Post-IPO per Share Net Book Value .....</b>	Refers to the adjusted net book value expressed as a per share figure assuming 74,375,000 outstanding shares of the Company upon completion of the Offering.
<b>Pre IPO Capital Measures</b>	Refers to the Company's capital increase by €25,000 from €25,000 to €50,000, the capital increase from own reserves of the Company's share capital from €50,000.00 by €64,950,000 to €65,000,000 and the contribution of Salvator Mobility MidCo S.à r.l. of its intercompany loan receivables under an intercompany loan between Salvator Mobility MidCo S.à r.l. and MeinAuto Management GmbH in an amount of €264,186,085.38 into the Company's capital reserve thereby increasing the Company's capital reserve to €276,152,804.33.
<b>Preferred Instruments .....</b>	Interest bearing instruments issued by HoldCo S.à r.l.
<b>Price Range .....</b>	The price range within which purchase orders for the Offer Shares may be placed, being from €16.00 to €20.00 per Offer Share.
<b>Prospectus .....</b>	Refers to this prospectus.
<b>Prospectus Regulation .....</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Qualified Participation .....</b>	Where a shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held least 1.0% of the share capital.
<b>Relevant States .....</b>	The member states of the EEA.
<b>Roland Berger.....</b>	Roland Berger GmbH.
<b>Roland Berger Report.....</b>	Refers to the independent study of the market from Roland Berger.
<b>RSU.....</b>	Refers to restricted stock units
<b>SAR.....</b>	Refers to the Group's stock appreciation rights.
<b>SAR Plan.....</b>	Refers to the virtual stock appreciation rights plan of the Group dated April 1, 2019.
<b>SEA.....</b>	Search Engine Advertising.
<b>Securities Act .....</b>	United States Securities Act of 1933 as amended.
<b>Selling Shareholder .....</b>	Refers to the Salvator Mobility Holding MidCo S.à.r.l.
<b>Senior Mezzanine Note .....</b>	Refers to a senior mezzanine note of up to €16.5 million under the ABS Facility.
<b>Senior Note No. 1.....</b>	Refers to one of the two senior notes of up to €125 million under the ABS Facility.
<b>Senior Note No. 2.....</b>	Refers to one of the two senior notes of up to €125 million under the ABS Facility.
<b>SEO.....</b>	Search Engine Optimization.
<b>Share.....</b>	Refers to each share of the Company.
<b>Shareholder Loan Claims.</b>	Refers to the authorization of the Management Board to issue new shares against contribution in kind for the purpose of acquiring repayment and/or interest claims under shareholder loans that have been or will be granted by the Selling Shareholder.
<b>Stabilization Manager.....</b>	BofA Securities or its affiliates, acting for the account of the Underwriters, acting as stabilization manager in connection of the placement of the Offer Shares.
<b>Stabilization Period.....</b>	The period from the commencement of the trading of the shares of the Company on the regulated market of the Frankfurt Stock Exchange – expected to be on or about May 12, 2021 to no later than 30 calendar days after such date, during which the Stabilization Manager may take stabilization measures.
<b>STI .....</b>	Refers to short term incentive.
<b>Summary .....</b>	Refers to the summary of this prospectus.

<b>Target Compensation.....</b>	Refers to the fixed annual base salary and variable compensation components of the Management Board.
<b>Target Market Assessment .....</b>	Refers to the target market all product manufacturers and distributors are required to define under MiFID II and PRIIPs.
<b>TFEU .....</b>	Treaty on the Functioning of the European Union.
<b>TopCo S.à r.l.....</b>	Salvator Mobility Holding TopCo S.à r.l.
<b>LTI.....</b>	Refers to long term incentive.
<b>LTI Plan .....</b>	Refers to the long-term incentive plan of the Company following the Offering.
<b>UmwG .....</b>	German Transformation Act ( <i>Umwandlungsgesetz</i> ).
<b>Underwriters.....</b>	Has the same meaning as Joint Global Coordinators.
<b>Underwriting Agreement..</b>	The underwriting agreement in relation to the coordination, structuring, and implementation of the Offering entered into among the Company, the Selling Shareholder, and the Underwriters on May 3, 2021.
<b>UniCredit Bank AG .....</b>	UniCredit Bank AG, Germany.
<b>Upsize Shares.....</b>	Refers to existing ordinary bearer shares with no par value from the holdings of the Selling Shareholder subject to the exercise of an upsize option upon decision of the Selling Shareholder, in consultation with the Joint Global Coordinators, based on market demand on the date of pricing.
<b>Us .....</b>	Has the same meaning as the Group.
<b>VAT .....</b>	Refers to value-added tax.
<b>VSOP .....</b>	Refers to virtual stock options plan.
<b>We.....</b>	Has the same meaning as the Group.
<b>WpHG .....</b>	German Securities Trading Act ( <i>Wertpapierhandelsgesetz</i> ).
<b>WpÜG .....</b>	German Securities and Acquisition and Takeover Act ( <i>Wertpapiererwerbs- und Übernahmegesetz</i> ).

## 23. RECENT DEVELOPMENTS AND OUTLOOK

### 23.1 Recent Developments

No significant events occurred after the 2020 reporting date whose effects would have a material or endangering impact on the Group's position.

On March 18, 2021, the Company's shareholders' meeting resolved to increase the Company's share capital from €25,000.00 to €50,000.00 and to change the Company's legal form into a German stock corporation (*Aktiengesellschaft*) under the legal name MeinAuto Group AG. The capital increase as well as the changes in legal form and name were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany on April 6, 2021 under registration number HRB 264916. The change in legal form was effected in accordance with the applicable provisions of the German Transformation Act (*Umwandlungsgesetz*).

On April 15, 2021, the Company's shareholders' meeting resolved to increase the Company's share capital through a capital increase from own reserves from €50,000.00 by €64,950,000 to €65,000,000. The capital increase was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, on April 26, 2021.

On April 22, 2021, Salvator Mobility MidCo S.à r.l. contributed its intercompany loan receivables under an intercompany loan between Salvator Mobility MidCo S.à r.l. and MeinAuto Management GmbH in an amount of €264,186,085.38 into the Company's capital reserve thereby increasing the Company's capital reserve to €276,152,804.33.

On March 10, 2021, Mobility One S.A. as issuer, Mobility Concept as seller and junior lender entered into an amendment agreement relating to the ABS Facility. As a result, the revolving period of the ABS Facility has been extended to the payment date occurring in April 2023, subject to any extensions as agreed among the transaction parties, unless it ends earlier upon the occurrence of an early amortization event, as such terms are defined in the ABS Facility. Furthermore, under the amendment agreement, the principal amount of each of the Senior Note No. 1 and Senior Note No. 2 was increased to up to €250 million. For additional information see "12. Material Agreements".

### 23.2 Outlook

We expect Adjusted Revenue to increase by approximately 30% in the short term and to grow in the 40%-range in the medium term. We expect any short to medium term Adjusted EBITDA margin to be negatively impacted by approximately 1-2% during, and as a result of, any phases of high growth. The ratio of Adjusted Operating Cash Flow to Adjusted EBITDA is expected to grow to mid-eighties in the mid-term.

In our B2C segment, as we are only beginning with our brand marketing strategy in 2021, we expect that we the average subscription pool will increase by approximately 50% in 2021. Once the brand marketing campaign has been fully rolled out, we expect the average B2C subscription pool to almost triple by 2023. As we estimate that we will have reached substantial size by then, we expect the growth as percentage of the average subscription pool to stabilize at slightly lower levels, but to remain well above the 2021 level. However, due to the average contract length under our MeinAuto.de brand which is usually longer than in under Athletic Sport Sponsoring, we expect to see a gradual increase of the average contract duration of our B2C subscription portfolio, which, in turn, will result in a faster growth of the subscription pool compared to the increase in number of orders.

In our B2C segment, we expect that our vehicle subscription and services revenue per average subscriber will remain broadly stable over the medium term at the 2020 level of approximately €4,200 per contract per year. We believe that commission revenue per order, which is currently approximately €1,200, will decline by a mid-teen percentage in 2021 due to the increased contribution of business out of the affiliate sales channel, and thereafter remain stable at that level.

In our B2B segment, we expect to increase Adjusted Revenue by a low teens percentage in 2021 compared to fiscal year 2020. Thereafter we expect Adjusted Revenue in our B2B segment to remain broadly stable at that level.

The gross profit margin for vehicle subscription and services that we realize from B2C revenues was 19.8% in fiscal year 2020. We target this percentage to be stable in the medium term. As a percentage of revenue,

we had an 79.2% commission gross profit margin in the fiscal year 2020, and we target this to be stable in the medium term as well.

We also target the gross profit margin in our B2B segment to remain stable at approximately 22% in the medium term.

Our capital expenditures of non-fleet related items amounted to approximately €4 million in fiscal year 2020, and we expect these to increase approximately €1 million per year.

We expect the average value of cars underlying subscriptions of currently €28 thousand to increase at a low single digit percentage per annum. As of December 31, 2020, the cars that are underlying our subscriptions were funded at approximately 89.5% by the ABS Facility, and the remaining 10.5% with cash. We expect those percentages to remain stable overtime.

As the tax accounting is significantly impacted by the growth of our fleet and assuming tax rates remains unchanged, we expect amounts of taxes payable to continue to be negligible in the future.