

Allane SE

Group Quarterly Statement as of 31 March 2022

1. Business report

1.1 Group business performance

The **Group's contract portfolio** in Germany and abroad (excluding franchise and cooperation partners) amounted to 128,610 contracts as of 31 March 2021, down 0.1 % from 31 December 2021 (128,800 contracts).

Consolidated revenue in the first quarter of 2022 increased by 1.7% to EUR 189.8 million (Q1 2021: EUR 186.7 million) compared to the same period in the previous year. This is mainly due to the increase in sales revenue. **Operating revenue**, which does not include the proceeds from vehicle sales, decreased by 1.9% to EUR 95.8 million (Q1 2021: EUR 97.7 million). This is mainly due to the ongoing COVID 19 pandemic as well as supply bottlenecks for new cars. **Sales revenue** from the sale of leasing returns and marketing of customer vehicles in Fleet Management increased by 5.6 % to EUR 94.0 million (Q1 2021: EUR 89.0 million). This development is mainly caused by a further increase in unit price of vehicles sold due to the continued high demand on used cars.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased in the first three months of 2022 by 0.7% to EUR 47.6 million (Q1 2021: EUR 47.2 million). **Earnings before taxes (EBT)** saw an increase of 350.8% to EUR 4.4 million (Q1 2021: EUR 1.0 million). The operating return on revenue (EBT/operating revenue) consequently amounted to 4.6% (Q1 2021: 1.0%). The increased EBT of the first quarter is in line with expectations due to the very strong sales result of lease returns through further increasing sales prices.

Allane Mobility-Group in EUR million	Q1 2022	Q1 2021	Change in %
Consolidated revenue	189.8	186.7	1.7
<i>Operating revenue</i>	95.8	97.7	-1.9
<i>Sales revenue</i>	94.0	89.0	5.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47.6	47.2	0.7
Earnings before taxes (EBT)	4.4	1.0	350.8
Operating return on revenue (%)	4.6	1.0	3.6 points

1.2 Leasing business unit

In the Leasing business unit, which consists of the business fields Online Retail and Fleet Leasing, the contract portfolio totaled 68,810 contracts as at the end of the first quarter, down 1.3% from 31 December 2021 (69,800 contracts). At the same time, the contract portfolio in the Online Retail business field decreased by 1.0% to 36,110 contracts (31 December 2021: 36,500 contracts). The contract portfolio in the Fleet Leasing business field decreased by 1.9% compared with the year-end of 2021 and amounted to 32,700 contracts (31 December 2021: 33,300 contracts) at the end of the first quarter 2022.

Key figures Leasing business unit

in EUR million	Q1 2022	Q1 2021	Change in %
Leasing revenue (finance rate)	47.7	51.9	-8.2
Other revenue from leasing business	33.0	33.1	-0.1
Sales revenue	74.6	76.7	-2.7
Total revenue	155.3	161.7	-3.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47.4	47.2	0.4
Earnings before interest and taxes (EBIT)	5.4	2.7	99.1
Earnings before taxes (EBT)	4.3	1.0	342.2
Operating return on revenue (%)	5.3	1.1	4.2 points

The increase in earnings before taxes (EBT) in the leasing business segment essentially results from the very positive marketing result mentioned above.

1.3 Fleet management business unit

In the Fleet Management business unit, the contract portfolio with 59,800 contracts saw a growth of 1.4 % as at the end of the first quarter of 2021 (31 December 2021: 59,000 contracts).

Key figures Fleet Management business unit

in EUR million	Q1 2022	Q1 2021	Change in %
Fleet management revenue	15.1	12.7	19.1
Sales revenue	19.3	12.3	57.0
Total revenue	34.4	25.0	37.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.2	0.1	226.4
Earnings before interest and taxes (EBIT)	0.2	0.1	279.0
Earnings before taxes (EBT)	0.2	0.0	816.3
Operating return on revenue (%)	1.1	0.1	1.0 point

Earnings before taxes (EBT) in the Fleet Management business segment continue to be burdened by expenses in connection with the application for a permit to provide payment services in accordance with the German Payment Services Supervision Act (Zahlungsdienstenaufsichtsgesetz - ZAG).

1.4 Financial position

Equity

The equity of the Allane Mobility-Group amounted to EUR 225.5 million as of 31 March 2022, an increase of EUR 5.3 million compared to 31 December 2021 (EUR 220.2 million). The equity ratio increased by 0.8 percentage points from 18.4 % to 19.2 % with lower total assets.

Liabilities

As of 31 March 2022, non-current liabilities and provisions totaled EUR 624.1 million (31 December 2021: EUR 360.0 million). The increase of EUR 264.1 million is mainly due to non-current financial liabilities increasing by EUR 262.9 million to EUR 577.5 million (31 December 2021: EUR 314.7 million). The increase is due to the fact that the bond, which was reported under current financial liabilities as of 31 December 2021 and was repaid early on February 2, 2022, was refinanced with long-term loans from Santander Consumer Bank AG.

Current liabilities and provisions as of 31 March 2022 totaled EUR 327.1 million (31 December 2021: 614.6 million). The decrease of EUR 287.5 million is mainly due to current financial liabilities, which decreased by EUR 276.0 million to EUR 214.1 million (31 December 2021: EUR 490.1 million). This is mainly due to the bond with a nominal amount of EUR 250.0 million, which was repaid early on 2 February 2022 and due to the general lower financing volume, which was caused by the decline in lease assets. As described above, the bond was refinanced by long-term loans.

1.5 Investments

The Allane Mobility-Group added vehicles with a total value of EUR 74.3 million to its leasing fleet in the first quarter of 2022 (Q1 2021: EUR 88.9 million; -16.4%). The year-on-year decline was mainly due to the ongoing COVID-19 pandemic and supply bottlenecks for new cars.

2. Events subsequent to the reporting date

After the end of the first quarter of the 2022 financial year, no significant events, that would affect the financial position and financial performance of the Group and the Company, have occurred.

3. Specific events

With regard to the COVID-19 pandemic and the war in Ukraine as well, we refer to the risk and forecast report in the management report of the Annual Report 2021, published on 29 April of 2022. It should be noted, however, that at present it is hard to give reliable estimates for the future regarding the actual long-term economic consequences of the COVID-19 pandemic as well as the war in Ukraine, and that consequently the estimates and discretionary decisions are still subject to greater uncertainty.

4. Report on outlook

The Managing Board confirms the outlook published on 29 April 2022. Accordingly, the Managing Board expects to have a Group contract portfolio in a range of 130,000 to 150,000 contracts (2021: 128,845 contracts) and a consolidated operating revenue of between EUR 350 million and EUR 400 million (2021: EUR 386.0 million) in the current 2022 financial year. For EBT, the company expects a higher single-digit million euro amount (2021: EUR 6.1 million).

The reasons for this forecast are, in addition to the operating business development in the current financial year so far, the ongoing COVID-19 pandemic, the supply restrictions for new cars due to the semiconductor shortage and the potential impact of the war in Ukraine on the automotive market. The Allane Mobility Group expects the market and business environment for new contracts and usage-based revenues to continue to be negatively impacted by the aforementioned factors. However, the company expects a recovery in business development of new contracts and usage-based revenues in the second half of the year due to a normalization of the COVID-19 pandemic, although the delay in new cars supply and the impact of the war in Ukraine on the European economies still remains..

With regard to EBT, the remarketing business is not expected to match the results achieved in the previous months during the remainder of the year. In addition, the consolidated net result in the 2022 financial year will continue to be burdened by transaction-related costs in connection with the acquisition of the company by Hyundai Capital Bank Europe GmbH (HCBE).

5. Financial figures for Allane Mobility-Group as of 31 March 2022

5.1 Group income statement and statement of comprehensive income

Consolidated Income Statement	Q1	Q1
in EUR thou.	2022	2021
Revenue	189,770	186,664
Other operating income	1,332	3,061
Fleet expenses and cost of lease assets	120,872	120,771
Personnel expenses	13,791	12,831
Net losses arising from the derecognition of financial assets ¹	681	1,017
Net impairment losses/gain from financial assets ²	403	239
Other operating expenses	8,589	8,109
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47,572	47,236
Depreciation	41,995	44,480
Earnings before interest and taxes (EBIT)	5,578	2,756
Net finance costs	-1,159	-1,776
Earnings before taxes (EBT)	4,419	980
Income tax expense	1,449	378
Consolidated profit	2,969	602
<i>Of which attributable to shareholders of Allane SE</i>	2,969	602
Earnings per share – basic and diluted (in Euro)	0.14	0.03

Consolidated statement of comprehensive income	Q1	Q1
in EUR thou.	2022	2021
Consolidated profit	2,969	602
Other comprehensive income (not recognised in the income statement)	2,387	125
<i>Thereof components that could be reclassified to income statement in the future</i>		
<i>Currency translation gains/losses</i>	83	-306
<i>Change of derivative financial instruments in hedge relationship</i>	2,953	431
<i>Related deferred taxes</i>	-650	-
Total comprehensive income	5,356	727
<i>Of which attributable to minority interests</i>	2,303	431
<i>Of which attributable to shareholders of Allane SE</i>	3,053	296

¹ This item was included in the income statement for the first time in the first quarter of 2022. The previous period figure of EUR 145.2 thousand (income from derecognized receivables) was reported in the prior-year quarterly report under other operating income. The prior-year figure of EUR -1,161.7 thousand (expenses from derecognized receivables) was reported in the prior-year first quarter under other operating expenses.

² This item was included in the income statement for the first time in the quarterly statement. The previous year's value of EUR 239 thousand (impairment gain) was reported in the previous year's financial statements under other operating expenses.

5.2 Group balance sheet

Assets in EUR thou.	31 Mar. 2022	31 Dec. 2021
Non-current assets		
Goodwill	4,301	4,300
Intangible assets	23,191	24,168
Equipment	24,319	25,148
Lease assets	975,058	995,378
Financial assets	26	26
Other receivables and assets	5,124	1,777
Deferred tax assets	845	814
Total non-current assets	1,032,865	1,051,612
Current assets		
Inventories	33,100	38,488
Trade receivables	74,724	75,222
Receivables from related parties	508	490
Other receivables and assets	27,878	26,679
Income tax receivables	577	673
Bank balances	7,142	1,655
Total current assets	143,929	143,206
Total assets	1,176,793	1,194,818
Equity and liabilities in EUR thou.	31 Mar. 2022	31 Dec. 2021
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	66,848	63,795
Minority interests	3,044	740
Total equity	225,548	220,192
Non-current liabilities and provisions		
Provisions for pensions	239	237
Other provisions	226	226
Financial liabilities	577,523	314,651
Other liabilities	10,361	10,525
Deferred tax liabilities	35,762	34,343
Total non-current liabilities and provisions	624,110	359,982
Current liabilities and provisions		
Other provisions	6,048	6,349
Income tax liabilities	1,839	2,303
Financial liabilities	214,078	490,109
Trade payables	57,137	65,675
Contract Liabilities	15,812	15,923
Liabilities to affiliated companies	23	23
Other liabilities	32,197	34,262
Total current liabilities and provisions	327,136	614,644
Total equity and liabilities	1,176,793	1,194,818

5.3 Group cash flow statement

Consolidated cash flow statement in EUR thou.	Q1 2022	Q1 2021
Operating activities		
Consolidated profit	2,969	602
Income taxes recognised in income statement	710	416
Income taxes received / paid (net)	-1,079	-427
Financial result recognised in income statement ¹	1,158	1,776
Interest received	70	80
Interest paid	-3,464	-772
Depreciation	41,995	44,480
Result from disposal of fixed assets	-11,490	-1,216
Other (non-)cash expenses and income	-5,174	-8,150
Gross Cash flow	25,693	36,789
Proceeds from disposal of lease assets	73,061	76,665
<i>thereof leasing assets</i>	72,458	76,665
<i>thereof fixed assets</i>	604	-
Payments for investments in lease assets	-74,279	-88,984
Change in inventories	5,387	7,655
Change in trade receivables	498	-2,470
Change in trade payables	-8,538	3,177
Change in other net assets	-4,182	1,464
Net cash flows from/used in operating activities	17,640	34,296
Investing activities		
Payments for investments in intangible assets and equipment	-1,066	-4,321
Net cash flows used in investing activities	-1,066	-4,321
Financing activities		
Proceeds from bank loans (incl. ABS-transaction) ²	250,000	10,000
Payments made for redemption of bonds, borrower's note loans and bank loans (incl. ABS-transaction) ³	-292,320	-19,228
Payments made for short-term financial liabilities ^{4, 5}	51,300	-25,000
Proceeds from short-term financial liabilities ⁵	-18,000	7,000
Net cash flows used in/from financing activities	-9,020	-27,228
Net change in cash and cash equivalents	7,554	2,747
Effect of exchange rate changes on cash and cash equivalents	4	-11
Cash and cash equivalents at 1 Jan.⁶	-417	-70
Cash and cash equivalents at 31 Mar.	7,142	2,666

¹ Excluding income from investments

² Proceeds from bank loans (incl. ABS transaction) include proceeds from financing of affiliated companies in the amount of EUR 250,000 thousand (2021: EUR 10,000 thousand).

³ This includes payments from leasing liabilities of EUR 617 thousand (2021: EUR 924 thousand).

⁴ This includes payments for redemption of financing of affiliated companies in the amount of EUR 20,000 thousand (2021: EUR 0 thousand).

⁵ Short-term borrowings with a maturity period of up to three months and quick turnover

⁶ Cash and cash equivalents as at 31 December 2021 consist of bank balances (EUR 1,655 thousand) and bank overdrafts (EUR 2,072 thousand). Cash and cash equivalents as at 31 December 2020 consist of bank balances (EUR 2,374 thousand) and bank overdrafts (EUR 2,444 thousand).

5.4 Additional financial information

Revenue

Revenue is broken down as follows:

Revenue in EUR thou.	Q1 2022	Q1 2021	Change in %
Leasing Business Unit			
Leasing revenue (finance rate)	47,689	51,932	-8.2
Other revenue from leasing business	33,020	33,057	-0.1
Sales revenue	74,611	76,665	-2.7
Total	155,320	161,654	-3.9
Fleet Management Business Unit			
Fleet management revenue	15,138	12,711	19.1
Sales revenue	19,312	12,299	57.0
Total	34,450	25,010	37.7
Group total	189,770	186,664	1.7

Fleet expenses and cost of lease assets

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

Fleet expenses and cost of lease assets in EUR thou.	Q1 2022	Q1 2021	Change in %
Selling expenses ¹	82,323	87,282	-5.7
Fuel	11,168	8,818	26.6
Repair, maintenance and reconditioning	18,197	14,127	28.8
Insurance	2,156	2,360	-8.6
External rent expenses	1,393	1,434	-2.8
Vehicle licenses and deregistration	1,281	1,323	-3.2
Transportation	662	1,087	-39.1
Taxes and dues	837	924	-9.3
Radio license fees	376	376	0.2
Vehicle return expenses	812	824	-1.5
Other expenses	1,666	2,216	-24.8
Group total	120,872	120,771	0.1

¹ In 2021 includes expenses from write-downs on lease assets intended for sale

Depreciation and amortisation

Depreciation and amortisation are split up as follows:

Depreciation in EUR thou.	Q1 2022	Q1 2021	Change in %
Lease assets	38,931	42,603	-8.6
Equipment	1,287	835	54.0
Intangible assets	1,777	1,042	70.6
Group total	41,995	44,480	-5.6

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses in EUR thou.	Q1 2022	Q1 2021	Change in %
Expenses for buildings	370	425	-13.0
Other selling and marketing expenses	1,142	1,089	4.8
Audit, legal, advisory costs, and investor relations expenses	2,212	2,327	-5.0
Other personnel services	738	732	0.8
IT expenses	2,590	1,835	41.1
Expenses for foreign currency translation	180	868	-79.2
Miscellaneous expenses	1,357	832	63.1
Group total	8,589	8,109	5.9

Net finance costs

The net finance costs are as follows:

Net finance costs in EUR thou.	Q1 2022	Q1 2021
Other interest and similar income	64	117
Other interest and similar income from related parties	5	10
Interest and similar expenses	-1,239	-1,900
Interest and similar expenses for related parties	-59	-0
Other net financial result	70	-2
Group total	-1,159	-1,776

Group segment reporting

The segment information for the first three months of 2022 (compared to the first three months of 2021) is as follows:

By Business Unit	Leasing		Fleet Management		Consolidation		Group	
in EUR million	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	155.3	161.7	34.4	25.0	-	-	189.8	186.7
Internal revenue	0.0	0.0	-	-	-	-	-	-
Total revenue	155.4	161.7	34.4	25.0	-	-	189.8	186.7
Fleet expenses and cost of lease assets	89.1	98.8	31.8	22.0	-	-	120.9	120.8
EBITDA¹	47.4	47.2	0.2	0.1	-	-	47.6	47.2
Depreciation	42.0	44.5	0.0	0.0	-	-	42.0	44.5
EBIT²	5.4	2.7	0.2	0.1	-	-	5.6	2.8
Net finance costs	-1.1	-1.7	-0.0	-0.0	-	-	-1.2	-1.8
EBT³	4.3	1.0	0.2	0.0	-	-	4.4	1.0

¹ Corresponds to earnings before interest, taxes, depreciation and amortisation (EBITDA)

² Corresponds to earnings before interest and taxes (EBIT)

³ Corresponds to earnings before taxes (EBT)

Due to rounding it is possible that individual figures in this Group Quarterly Statement may not add up exactly to the totals shown. For the same reason, the percentage figures presented may not exactly reflect the absolute figures they relate to.

Pullach, 11 May 2022

Allane SE
Managing Board

Contract

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