GRENKE

2024

QUARTERLY STATEMENT

FOR THE 1ST QUARTER

Group key figures

	UNIT	Q1 2024	Q1 2023	Change (%)
NEW BUSINESS LEASING	EURK	669'815	610'154	9.8
DACH	EURk	138'636	143'051	–3.1
Western Europe (without DACH)	EURk	187'409	161'836	15.8
Southern Europe	EURk	167'329	150'357	11.3
Northern/Eastern Europe	EURk	134'953	123'434	9.3
Other regions	EURk	41'489	31'476	31.8
CONTRIBUTIONS MARGIN 2 (CM2) ON NEW BUSINESS LEASING	EURK	112'660	102'015	10.4
DACH	EURk	18'776	17'879	5.0
Western Europe (without DACH)	EURk	33'057	28'739	15.0
Southern Europe	EURk	27'335	26'406	3.5
Northern/Eastern Europe	EURk	24'443	22'417	9.0
Other regions	EURk	9'049	6'574	37.6
FURTHER INFORMATION LEASING				
Number of new contracts	units	72'476	69'476	4.3
Mean acquisition value	EUR	9'242	8'782	5.2
Mean term of contract per end of period	months	50	49	1.1
Volume of leased assets per end of period	EURk	9'503'500	9'113'392	4.3
Number of current contracts per end of period	units	1'054'336	1'022'843	3.1
NEW BUSINESS FACTORING	EURK	212'941	191'994	10.9
DACH	EURk	72'649	73'165	–0.7
Southern Europe	EURk	48'490	36'953	31.2
Northern/Eastern Europe	EURk	91'802	81'875	12.1
GRENKE BANK				
New business SME lending business incl. microcredit business	EURk	8'729	12'822	–31.9

Regions Leasing:
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain
Northern/Eastern Europe: Denmark, Finland, Ireland, Latvia, Norway, Sweden, UK | Czechia, Hungary, Poland, Romania, Slovakia
Other regions: Australia, Brazil, Canada, Chile, Singapore, Turkey, UAE, USA

Regions Factoring:
DACH: Germany, Switzerland
Southern Europe: Italy, Portugal
Northern/Eastern Europe: Hungary, Ireland, Poland, UK

Consolidated franchise companies:
Leasing: Canada (3x), Chile, Latvia

	UNIT	Q1 2024	Q1 2023	Change (%)
INCOME STATEMENT				
Interest and similar income from financing business	EURk	132'138	108'501	21.8
Expenses from interest on refinancing and deposit business	EURk	46'060	24'499	88.0
Settlement of claims and risk provision	EURk	26'742	26'440	1.1
Total operating expenses	EURk	77'190	72'017	7.2
Operating result	EURk	24'898	23'826	4.5
Group Earnings before Taxes	EURk	24'916	20'471	21.7
GROUP EARNINGS	EURK	19'807	15'859	24.9
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	EURK	10'422	9'018	15.6
NET PROFIT ATTRIBUTABLE TO HYBRID CAPITAL HOLDERS	EURK	10'498	9'068	15.8
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	EURK	–1'113	–2'227	50.0
Earnings per share (basic and diluted)	EUR	0.22	0.19	15.8
Cost Income Ratio	percent	58.1	57.1	1.0 pp
Staff costs	EURk	46'796	41'289	13.3
of which total remuneration	EURk	37'935	33'651	12.7
of which fixed remuneration	EURk	33'241	29'376	13.2
of which variable remuneration	EURk	4'694	4'275	9.8
Average number of employees in full-time equivalent (FTE)	employees	2'156	1'996	8.0

	UNIT	Mar. 31, 2024	Dec. 31, 2023	Change (%)
STATEMENT OF FINANCIAL POSITION				
Total assets	EURm	7'181	7'100	1.1
Lease receivables	EURm	5'802	5'700	1.8
Deposit volume GRENKE Bank	EURm	1'688	1'617	4.4
Equity persuant to statement of financial position*	EURm	1'353	1'355	–0.1
Equity persuant to CRR	EURm	1'164	1'182	–1.5
Equity ratio	percent	18.8	19.1	-0.3 pp
Embedded value, leasing contract portfolio (excl. equity before taxes)	EURm	492	484	1.7
Embedded value, leasing contract portfolio (incl. equity after taxes)	EURm	1'693	1'689	0.2

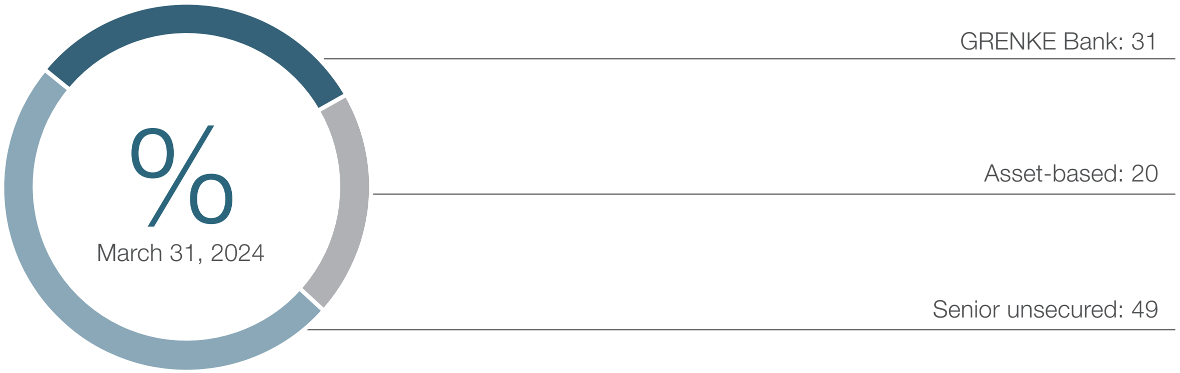
* Including AT1 bonds (hybrid capital), which are reported as equity under IFRS.

KEY FIGURES Q1 2024:

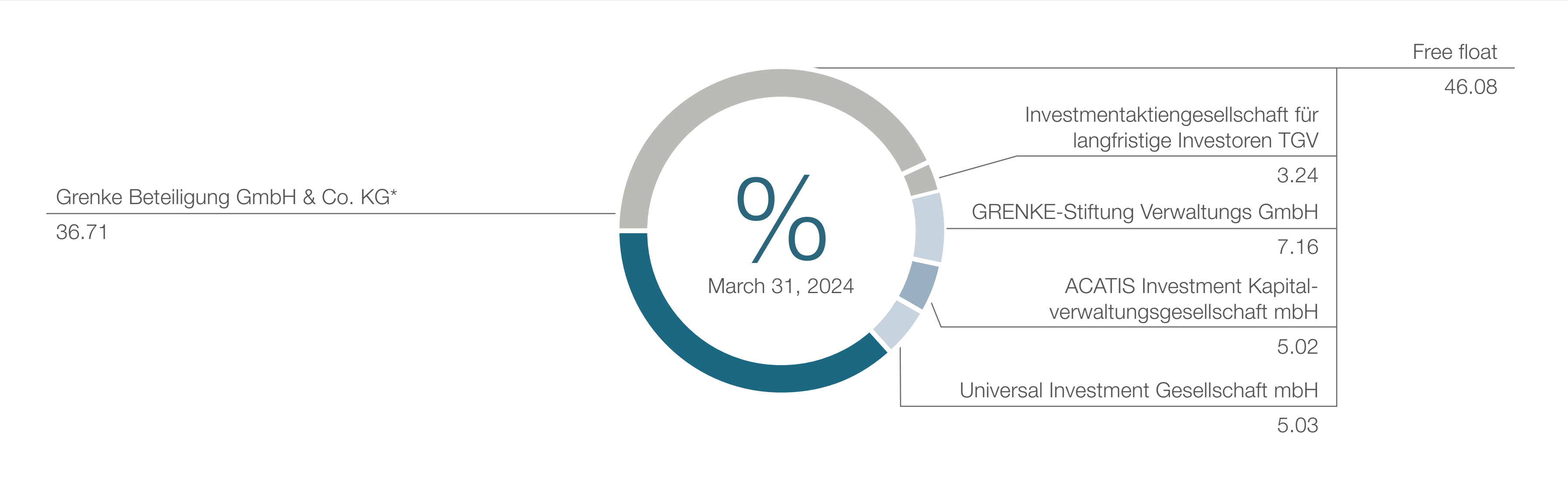
GROUP EARNINGS	EARNINGS PER SHARE	EQUITY RATIO
19.8 EUR million	0.22 EUR	18.8 percent

REFINANCING BASE:

THREE PILLARS: GRENKE GROUP REFINANCING



SHAREHOLDER STRUCTURE:



* General partner: Grenke Vermögensverwaltung GmbH.
Limited partners: Grenke Family (Wolfgang, Anneliese, Moritz, Roland, Oliver Grenke).

In addition to Grenke Beteiligung GmbH & Co. KG, the chart shows other shareholders who held a share of more than 3 percent on the publication date stated in the respective voting rights notification and who are classified as part of the free float according to Deutsche Börse's definition.

Free float according to Section 2.3 of the current "Guide to the Equity Indices of Deutsche Börse".
The above information is not guaranteed and based on the voting rights notifications received by the Company pursuant to the German Securities Trading Act (WpHG).

Contents

Interim Group Management Report

1. Consolidated Group principles

1.1 GRENKE overview

We are a global financing partner for small and medium-sized enterprises (SMEs). Our offers give companies the financial freedom to realise investments. SMEs that lease through us are thereby able to protect their liquidity. We are guided by our values: simple, fast, personal and entrepreneurial. Founded in Baden-Baden in 1978, we operate worldwide with over 2,200 employees in more than 30 countries.

1.2 Business model

In our leasing business, we focus mainly on small tickets, defined as contracts for financed objects with an acquisition value of less than EUR 50k. In the first quarter of 2024 this category accounted for over 95 percent of all of our lease contracts. The average volume of the contracts concluded with us in the first quarter of 2024 was around EUR 9.2k.

Our leasing portfolio focuses largely on IT and office communication products. In recent years, we have further expanded our business model to include other product groups, such as small machinery and systems, medical and security devices, and green economy objects, such as wallboxes, photovoltaic systems and eBikes.

As of March 31, 2024, we were operating a total of 131 locations in 33 countries worldwide. In the first quarter of 2024, we generated 93.8 percent of our new leasing business in Europe, where we operate in almost every country. Our core markets are Germany, France and Italy. In addition, we are continuously expanding our footprint outside of Europe through our entry in the Australian and North and South American markets.

We can manage our business with agility in phases of economic volatility by adjusting our acceptance strategy for lease applications. By strictly focusing on low-risk new business and foregoing business with higher-risk industries and customer segments, we can influence the quality and quantity of our new business in a targeted manner. We also have the flexibility to align our terms and conditions to the respective market and macroeconomic conditions, as we did during the very dynamic interest rate environment in 2023. As a result, our business model is proving resilient to market fluctuations. This has enabled us to achieve risk-adequate margins and operate profitably on a sustainable basis, even during the financial market crisis of 2009 and the corona pandemic in 2020 and 2021.

1.3 Segments

We offer financial services for SMEs in the segments Leasing, Factoring and Banking. For a description of our business activities and development of the segments during the reporting period, please refer to the comments in Chapter 2.4.2 “Segment development” and the explanations in Chapter 11 “Group segment reporting” contained in the notes to the condensed interim consolidated financial statements. Due to the intended sale of the factoring companies, we are reviewing the composition of the segments.

1.4 Shareholder structure

As a medium-sized family business, our major shareholder is Grenke Beteiligung GmbH & Co. KG, which is owned by Anneliese Grenke, the Company founder Wolfgang Grenke, and their three adult sons. As of March 31, 2024, Grenke Beteiligung GmbH & Co. KG held 36.71 percent of the Company’s shares. The GRENKE Foundation held 7.16 percent. As of the publication date of this report and as stated in the respective voting rights notification, the following shareholders owned a share in excess of 3 percent: ACATIS Investment Kapitalverwaltungsgesellschaft mbH (5.02 percent), Investmentaktiengesellschaft für langfristige Investoren TGV (3.24 percent), and Universal Investment Gesellschaft mbH (5.03 percent).

The free float, consisting of shareholders who own less than 5 percent in accordance with the definition of the Deutsche Börse, amounted to 46.08 percent. The proportion of shares held by the Board of Directors and Supervisory Board as of the reporting date was around 0.1 percent.

1.5 Targets and strategy

As a leading partner for small and medium-sized enterprises, we want our service to be a major contributor to the realisation of important investments through us with leasing. We focus on low investment amounts of mainly EUR 50k and below and intend to become a global leader in this market segment. Based on our growth strategy and the current economic forecasts, new leasing business of at least EUR 3.0 billion should be achieved in the 2024 financial year. Achieving this would mark the first time in GRENKE AG's history that new leasing business of this magnitude would be realised and would set the stage for further growth.

As previously communicated in August 2023, this forecast is based on the assumption that new leasing business will reach a volume of EUR 3.0 billion to EUR 3.2 billion.

The Board of Directors also expects Group earnings for 2024 in the range of EUR 95 million to EUR 115 million. Taking into account the planned share buyback programme, the equity ratio at the end of the 2024 financial year is expected to exceed the 16 percent target.

To achieve our growth targets, we are focusing on the core areas of "customer and market-oriented activities", "operational excellence and cost discipline", "digital excellence and automation", and "sustainability" through the appropriate strategic measures.

Liquidity and refinancing play a fundamental role in our business model and are managed strategically. We have a wide range of instruments at our disposal that we utilise in line with the market conditions as part of our overall strategy. Our debt-based financing is essentially based on the following three pillars:

- Senior unsecured instruments largely based on our investment grade rating, including bonds – and currently a green bond – commercial paper, and debentures, in addition to credit relationships with international banks and syndicated credit lines
- Receivables-based financing, including the use of ABCP programmes
- GRENKE BANK’s deposit business

Financing on this basis enables us to avoid maturity transformation, thereby eliminating potential risks related to changes in interest rates and follow-up financing at the portfolio level. We have an investment grade rating from the rating agencies Standard & Poor's and Fitch Ratings.

Further details on this can be found in Chapter 1.2 “Targets and strategy” of our recently published Annual Report 2023.

2. Economic report

- New leasing business grows by 9.8 percent to EUR 669.8 million in the first quarter of 2024
- Contribution margin 2 rises to EUR 112.7 million
- CM2 margin reaches 16.8 percent
- Group earnings equals EUR 19.8 million
- Loss rate is stable at 1.1 percent
- Cost-income ratio amounts to 58.1 percent
- Equity ratio, at 18.8 percent, continues to surpass the self-set target of 16 percent

2.1 Significant events and transactions

On January 31, 2024, we announced that the Supervisory Board of GRENKE AG had approved the Board of Directors' decision to focus in the future on the leasing business with small and medium-sized enterprises and to initiate the sale of all factoring companies. The synergies with the core principal business of leasing that were expected when entering the factoring business had not materialised. In addition, an in-depth analysis showed that the existing factoring business could only be made profitable in the long term with additional investments and a significant multi-fold increase in the business volume (the assets from the factoring business equalled less than 2 percent of the consolidated balance sheet in 2022). Instead of implementing a factoring strategy separate from the leasing business, GRENKE intends to fully focus its resources and investment power going forward on its progressive digitalisation and further growth in leasing. GRENKE BANK AG continues to play an important role here, especially with its contribution to the refinancing of leasing via traditional deposit business.

On February 6, 2024, we announced that, with the approval of the Supervisory Board, the Board of Directors of GRENKE AG had decided to carry out a share buyback programme. The German Federal Financial Supervisory Authority (BaFin) had previously approved the programme (see ad hoc disclosure dated November 21, 2023). As part of the programme, a maximum of 2,317,695 shares valued at up to EUR 70 million (excluding ancillary costs) are to be acquired via the stock exchange. This amount corresponds to 5 percent of the Company's existing share capital at the time of the authorisation resolution of the Annual General Meeting on August 6, 2020. The share buyback programme was launched on February 12, 2024.

On March 5, 2024, we announced that the Supervisory Board of GRENKE AG had appointed Dr Martin Paal as Chief Financial Officer as of July 1, 2024. Dr Martin Paal, born in 1979, is a proven finance and banking expert. After holding several positions at renowned international consulting firms and DZ Bank, Dr Martin Paal joined GRENKE AG as Vice President Controlling in June 2022. In March 2023, he was appointed Chief Representative and Senior Vice President and Head of the Finance Division. As the designated CFO, he is responsible for the Accounting & Tax, Controlling and M&A, Treasury, and Reporting departments.

On March 15, 2024, we announced that Dr Konstantin Mettenheimer, a member of the Supervisory Board of GRENKE AG since July 2021 and its Deputy Chairman since May 2023, would not stand for re-election to the Supervisory Board at the Annual General Meeting on April 30, 2024.

2.2 Macroeconomic environment

The first quarter of 2024 was characterised by declining inflationary pressure and moderate economic development in the eurozone. Key interest rates remained unchanged in the quarter under review. The European Central Bank (ECB) last raised its key interest rate in September 2023; since that time, the main refinancing rate has been 4.5 percent and the deposit rate for banks, which sets the trend for the financial markets, has been 4.0 percent. With a marked decline to 2.4 percent in March 2024 (March 2023: 6.9 percent), the rate of inflation has been trending towards the target level of 2 percent, prompting the financial markets to expect the ECB to start easing its monetary policy in the foreseeable future.

According to the preliminary flash estimate published by Eurostat, gross domestic product (GDP) in the eurozone grew 0.4 percent year-on-year in the first quarter of 2024. In the first quarter of 2023, GDP growth was still at 1.3 percent compared to the first quarter of 2022. At the same time, the development in the first quarter of 2024 signified a slight recovery versus the immediately preceding two quarters, each of which recorded year-on-year economic growth of 0.1 percent.

The eurozone's Manufacturing Purchasing Managers' Index stood at 46.1 points in March 2024. In March 2023, it was 47.3 points and gradually declined until the autumn of 2023. The index has been recovering since October 2023 but has still not quite reached the prior year's level. The index is derived from a monthly survey of purchasing managers in the manufacturing industry concerning incoming orders, production, employment, deliveries received and stock levels. The trend in the index is related to a repeated decline in production in the manufacturing industry.

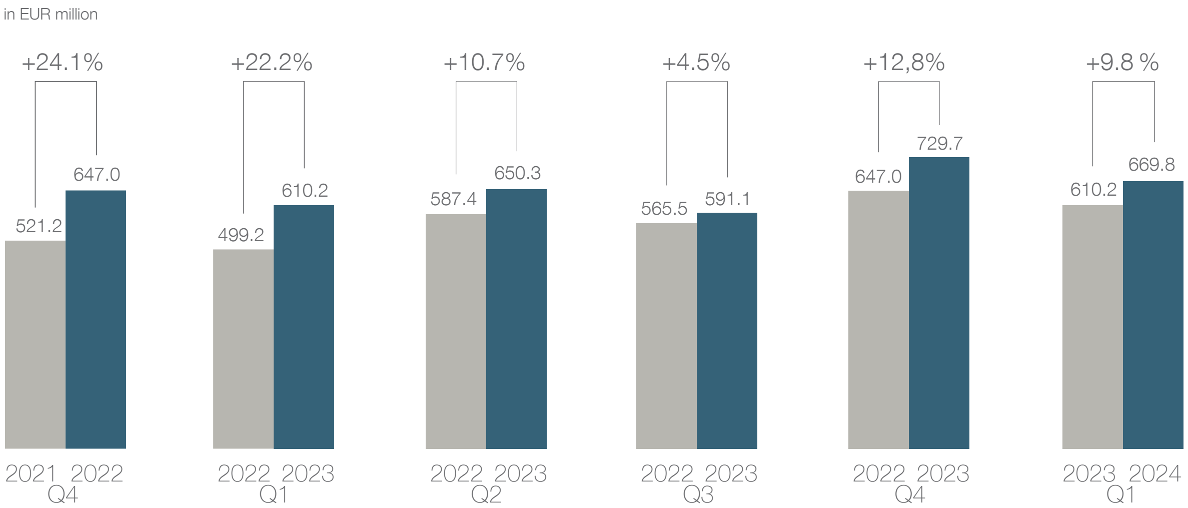
The ifo Business Climate Index for Germany summarises companies' assessment of their current business situation and the expected development over the next six months. The index stood at 87.8 points in March 2024 after a level of 92.7 points in March 2023 and a continuous deterioration in sentiment until the end of 2023. The downtrend ceased in the first quarter of 2024, and the index has improved slightly again since the start of the year (January 2024: 85.2 points). According to the ifo Institute, the expectations of survey participants that the ECB would cut the key interest rate and that domestic demand would remain stable are likely to have contributed to the index's improvement over the previous month (February 2024: 85.7 points).

2.3 New business

2.3.1 Leasing

In the first quarter of 2024, we generated new leasing business totalling EUR 669.8 million. This marked a continuation in our growth trend and exceeded the volume of new business generated in the same prior-year quarter by 9.8 percent (Q1 2023: EUR 610.2 million). New leasing business comprises the acquisition costs of newly acquired lease objects.

New leasing business since Q4 2021



Demand for leasing stabilised in the first quarter of 2024 against the background of a dynamic interest rate environment versus the same prior-year quarter. When interest rates rise, loans generally become more expensive for companies, and banks become more restrictive in their lending policies. This makes financing via loans less attractive compared to leasing. Lease instalments are set at the time of investing when the contract is concluded, which gives our SMEs a reliable basis for calculation in times of rising interest rates.

We continued to expand our reseller network and, by the end of the first quarter of 2024, we were working with more than 36,000 reseller partners in the more than 30 countries where we operate.

As in the same prior-year quarter, Western Europe (without DACH) was the strongest region, growing 15.8 percent to EUR 187.4 million in the reporting quarter. Within this region, France accounted for the largest share of new leasing business with a volume of EUR 143.8 million. The countries in this region with lower volumes were the Netherlands, Belgium and Luxembourg, which saw above-average growth of up to 52.1 percent.

The Southern Europe region came in second, with growth of 11.3 percent to EUR 167.3 million. Within this region, Italy remained the strongest country in terms of volume, with new business of EUR 88.1 million, while Croatia recorded the highest growth, at 42.1 percent.

The DACH region took third place in the regional comparison, with EUR 138.6 million in new leasing business, amounting to a minor decline of 3.1 percent year-on-year due to lower volumes in Germany and Switzerland. With a volume of EUR 135.0 million, the Northern/Eastern Europe region recorded growth of 9.3 percent. Sweden and Denmark performed particularly well, with GRENKE increasing new business in those countries by 30.5 percent and 38.6 percent, respectively, in the first quarter of 2024.

The Other regions reached a volume of EUR 41.5 million and achieved the strongest growth at 31.8 percent. The Other regions segment includes the promising markets of the USA, Canada and Australia.

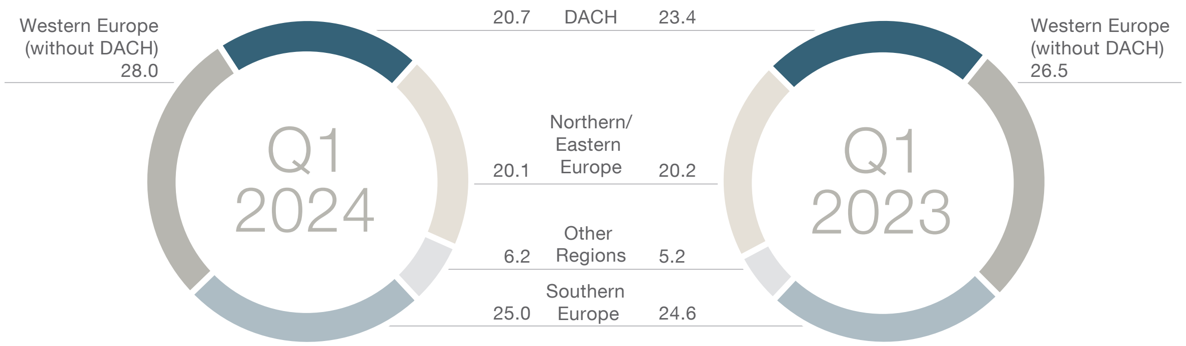
New leasing business

EURm	Q1 2024	Q1 2023	Change (%)
LEASING NEW BUSINESS	669.8	610.2	9.8
DACH	138.6	143.1	–3.1
Western Europe (without DACH)	187.4	161.8	15.8
Southern Europe	167.3	150.4	11.3
Northern/Eastern Europe	135.0	123.4	9.3
Other regions	41.5	31.5	31.8

Regions:
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain
Northern / Eastern Europe: Denmark, Finland, Ireland, Latvia*, Norway, Sweden, UK / Czechia, Hungary, Poland, Romania, Slovakia
Other Regions: Australia, Brazil, Canada*, Chile*, Singapore, Turkey, UAE, USA
* Consolidated franchise companies for which the acquisition of shares is still outstanding as of March 31, 2024

Share of new leasing business by region

in percent



Contribution margin 2 (CM2), which is an indicator of future profitability of the new business volume, improved year-on-year by 10.4 percent in the first quarter of 2024, reaching a value of EUR 112.7 million. At EUR 33.1 million, the Western Europe region (without DACH) made the largest contribution, followed by Southern Europe with EUR 27.3 million, and Northern/Eastern Europe with EUR 24.4 million.

The CM1 margin of the new leasing business was 10.6 percent in the first quarter of 2024, which was 0.9 percentage points higher than in the same prior-year quarter.

Contribution margin in new leasing business

EUR million	Q1 2024	Q1 2023	Change (%)
DB1	**70.9**	**59.0**	**20.3**
DB2	**112.7**	**102.0**	**10.4**
DACH	18.8	17.9	5.0
Western Europe (without DACH)	33.1	28.7	15.0
Southern Europe	27.3	26.4	3.5
Northern/Eastern Europe	24.4	22.4	9.0
Other regions	9.0	6.6	37.6

As a result of this performance, we were able to increase the CM2 margin to 16.8 percent in the reporting quarter and achieve our medium-term target of approximately 17 percent. This increase was driven by our success in passing on the increase in refinancing costs compared to the same prior-year quarter. The CM2 margin measures the future profitability of 1 euro invested in the new leasing business.

In the DACH region, we realised an improvement in the CM2 margin of 1.0 percentage point in the reporting quarter to 13.5 percent. The CM2 margins of the Western Europe (without DACH) and Northern/Eastern Europe regions were 17.7 percent and 18.1 percent, respectively, and exceeded our medium-term target of 17 percent. This was achieved despite a minor decline in both regions compared to the same prior-year quarter. In Southern Europe, the margin fell by 1.3 percentage points to 16.3 percent. Other regions saw excellent performance, with a CM2 margin of 21.8 percent, representing a year-on-year improvement of 0.9 percentage points.

CM margins in new leasing business

percent	Q1 2024	Q1 2023	Change (pp)
CM1 MARGIN	**10.6**	**9.7**	**0.9**
CM2 MARGIN	**16.8**	**16.7**	**0.1**
DACH	13.5	12.5	1.0
Western Europe (without DACH)	17.7	17.9	−0.2
Southern Europe	16.3	17.6	−1.3
Northern/Eastern Europe	18.1	18.2	−0.1
Other regions	21.8	20.9	0.9

The percentage margins resulting from lease contracts differ depending on the ticket size. Contracts with a net acquisition value of less than EUR 50k tend to have higher margins. In the first quarter of 2024, for example, we generated a CM2 margin of 17.6 percent with contracts with a net acquisition value of less than EUR 50k. In comparison, we achieved a CM2 margin of 14.8 percent with larger contracts, which are those featuring a net acquisition value greater than EUR 50k. Also important to consider however are the absolute contribution margins. At EUR 27.1 million, larger contracts contributed a share of 24.0 percent to the total contribution margin, despite accounting for only 2.6 percent of all contracts concluded.

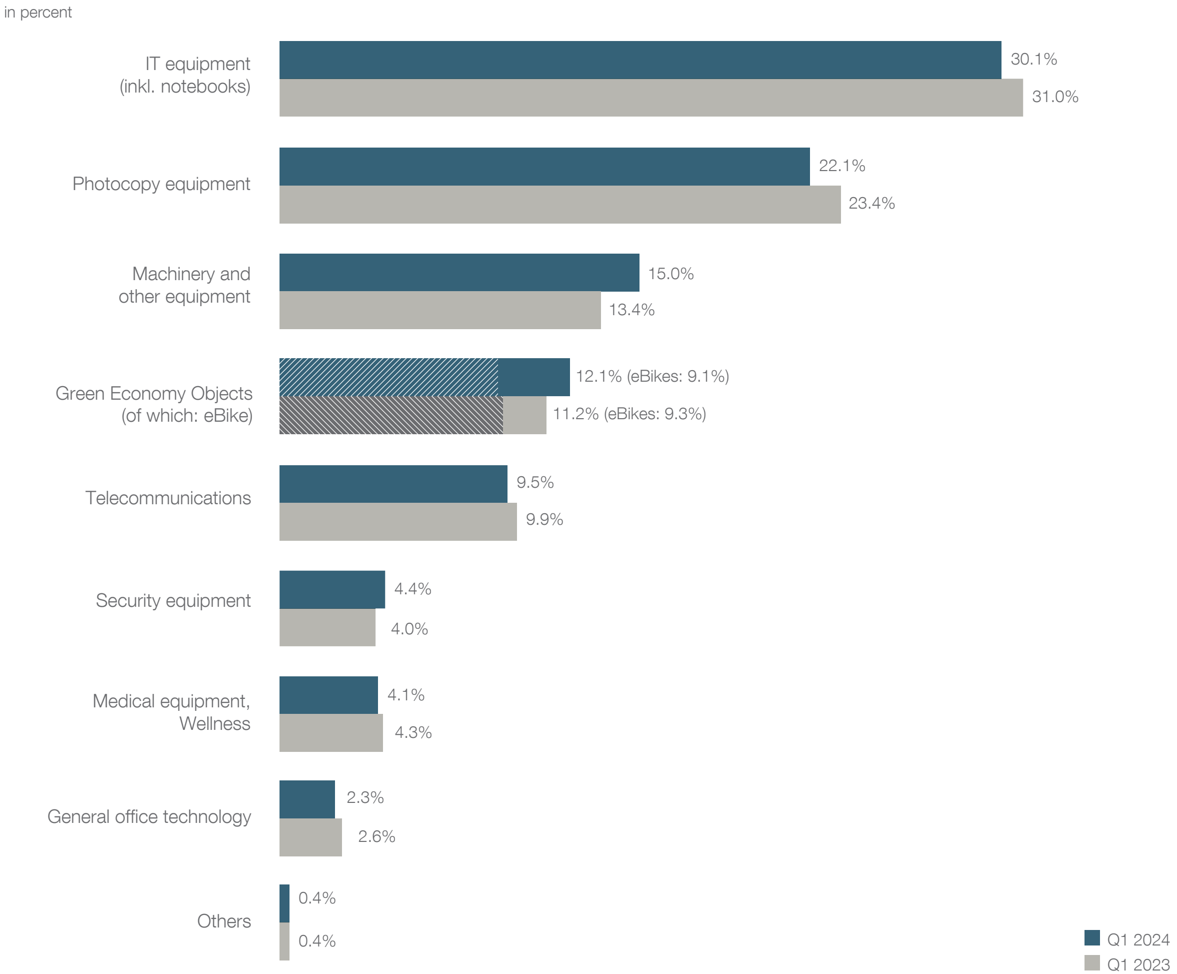
In the reporting quarter, we registered growing global demand, demonstrating that the use of leasing to finance investments and optimise liquidity continues to be an international trend. We received 160,000 lease applications in the first quarter of 2024, representing a 5.1 percent increase over the same prior-year quarter. The conversion rate remained stable year-on-year at 45.3 percent, meaning that we concluded around 72,000 new lease contracts. The average ticket size rose slightly to around EUR 9,200. At the same time, it was within the defined target figure, which prescribes a focus on small tickets with an average ticket size of less than EUR 10,000 for 2024 as a whole. At 42.8 percent, the proportion of contracts processed entirely digitally using our eSignature process increased marginally compared to the same quarter of the prior year. Due to our strong business with resellers, the direct customer business as a share of new leasing business was slightly lower at 15.5 percent (Q1 2023: 16.9 percent).

Lease applications and contracts

	unit	Q1 2024	Q1 2023	Change
Leasing applications	units	159'932	152'235	5.1%
Leasing contracts	units	72'476	69'476	4.3%
Convertion rate	percent	45.3	45.6	-0.3 pp
Average NAV	EUR	9'242	8'782	5.2%
eSignature quota	percent	42.8	42.3	0.5 pp

The object portfolio of the new leasing business in the first quarter of 2024 showed that IT equipment had remained the object category with the strongest demand. Although the number of corresponding contracts increased year-on-year to 21,840, their share of the portfolio fell slightly by 0.9 percentage points to 30.1 percent. In the area of photocopy equipment, which consists primarily of photocopiers, 16,030 new contracts were concluded. At 22.1 percent, lease objects in this category accounted for a slightly lower proportion of all new contracts than in the same prior-year quarter. After recording strong growth in the previous quarters, the share of green economy objects increased further in the reporting quarter compared to the same prior-year quarter. Green economy objects accounted for 12.1 percent of new leasing contracts, with eBikes, solar systems and wallboxes as the main drivers. At 15.0 percent, machinery and other equipment accounted for a higher share year-on-year. The object groups telecommunications, medical equipment and wellness, security devices and general office technology had a share of under 10 percent, which was a slight decline compared to their share in the same prior-year quarter.

Share of object groups in the leasing portfolio by number of contracts



2.3.2 Factoring

The factoring business held for sale achieved growth of 10.9 percent in new business volume in the reporting period to EUR 212.9 million. This volume of receivables has an average term from purchase to maturity of around 43 days, which implies a receivables turnover rate of 8.5 times per year (365 days/43 days). This explains why the factoring business, with reported receivables of EUR 84.9 million as of the March 31, 2024 reporting date, continues to make a less significant contribution to the consolidated balance sheet.

The gross margin for the factoring business is derived from the income in relation to the net acquisition values. The refinancing requirement is lower than for refinancing new leasing business due to the revolving purchase of receivables and the resulting lower tied-up volume.

New factoring business in the DACH region remained constant at EUR 72.6 million. In Southern Europe, new business increased by 31.2 percent to EUR 48.5 million. The Northern/Eastern Europe region achieved growth of 12.1 percent to EUR 91.8 million.

New factoring business

	unit	Q1 2024	Q1 2023	Change
NEW BUSINESS FACTORING	**EURm**	**212.9**	**192.0**	**10.9%**
DACH	EURm	72.6	73.2	–0.7%
Southern Europe	EURm	48.5	37.0	31.2%
Northern/Eastern Europe	EURm	91.8	81.9	12.1%
GROSS MARGIN	**percent**	**1.5**	**1.6**	**-0.1 pp**
DACH	percent	1.4	1.5	-0.1 pp
Southern Europe	percent	1.7	1.7	0.0 pp
Northern/Eastern Europe	percent	1.6	1.6	-0.1 pp
AVERAGE PERIOD	**days**	**43.1**	**45.8**	**–5.9%**
Average period DACH	days	25.8	27.5	–6.3%
Average period Southern Europe	days	72.4	86.0	–15.8%
Average period Northern/Eastern Europe	days	39.5	39.2	0.7%

Regions: DACH: Germany, Switzerland
Southern Europe: Italy, Portugal
Northern-/Eastern Europe: Hungary, UK, Ireland, Poland

The gross margin in the first quarter of 2024 reached 1.5 percent and was roughly equal to the gross margin achieved in the same quarter of the prior year. There were slight regional differences, with Southern Europe generating the highest margin at 1.7 percent and the DACH region the lowest at 1.4 percent.

The gross margin refers to the average period for a factoring transaction of around 43 days in the reporting quarter. Due to different payment periods and payment behaviour, the average period in the DACH region was significantly lower at 26 days than Northern/Eastern Europe at 40 days and Southern Europe at 72 days. A comparison of the average periods shows that payment periods were reduced by just under 3 days overall. Companies in Southern Europe reduced the time it takes to meet their payment obligations by almost 14 days compared to the prior year, while those in the DACH region reduced this by almost 2 days.

2.3.3 GRENKE BANK's lending business

GRENKE BANK's new lending business amounted to EUR 8.7 million in the first quarter of 2024, as expected, after EUR 12.8 million in the same quarter of the previous year. New lending business consists mainly of loans granted under the Microcredit Fund Germany ("Mikrokreditfonds Deutschland"), under which GRENKE BANK offers government-sponsored microfinancing between EUR 1k and EUR 25k.

2.3.4 Currency effects

The change in exchange rates had a positive currency effect of EUR 4.7 million on the volume of new leasing and factoring business in the first quarter of 2024. Assuming unchanged exchange rates compared to the first quarter of 2023, the volume of new business in the first quarter of 2024 would have been EUR 0.8 million lower in the leasing business and EUR 3.9 million lower in the factoring business. Currency effects resulted primarily from the appreciation of the Polish zloty, the Swiss franc, the British pound and the Brazilian real. These effects were offset by a depreciation of the Chilean peso and the Australian dollar.

2.4 Results of operations

The selected disclosures from the consolidated income statement are explained for the current quarter and presented on a segment basis.

2.4.1 Comparison of the first quarter of 2024 versus the first quarter of 2023

Interest and similar income from our financing business totalled EUR 132.1 million in the first quarter of 2024, amounting to a year-on-year increase of EUR 23.6 million (Q1 2023: EUR 108.5 million). This increase reflects the continued strong growth in new business in recent quarters and the improved margin situation resulting from the adjusted conditions for new leasing business. Interest expenses from refinancing and the deposit business rose by EUR 21.6 million to EUR 46.1 million (Q1 2023: EUR 24.5 million), mainly driven by the dynamic increase in interest rates in recent quarters.

The compensation ratio, which indicates how much more interest income (Q1 2024: EUR 23.6 million) we were able to generate relative to the increase in interest expenses (Q1 2024: EUR 21.6 million), already stood at 109 percent in the first quarter of 2024. In the first quarter of the prior year, the compensation ratio was 64 percent, and in the 2023 financial year, it was approximately 90 percent.

On balance, net interest income rose by EUR 2.1 million to EUR 86.1 million in the first quarter of 2024 (Q1 2023: EUR 84.0 million). Expenses for settlement of claims and risk provision in the first quarter of 2024 remained almost unchanged year-on-year at EUR 26.7 million (Q1 2023: EUR 26.4 million), which is attributable in part to the conservative risk provisioning undertaken in recent quarters. This led to a total loss rate (expenses for settlement of claims and risk provision in relation to the lease volume) of 1.1 percent in the first quarter of 2024 (Q1 2023: 1.2 percent). In the 2023 financial year, the loss rate was 1.0 percent.

The increase in interest income more than compensated for the rise in interest expenses, resulting in a rise in our net interest income after settlement of claims and risk provision of EUR 1.7 million to EUR 59.3 million in the reporting quarter (Q1 2023: EUR 57.6 million).

EURk	Q1 2024	Q1 2023	Change (%)
Interest and similar income from financing business	132'138	108'501	21.8
Expenses from interest on refinancing and deposit business	46'060	24'499	88.0
NET INTEREST INCOME	86'078	84'002	2.5
Settlement of claims and risk provision	26'742	26'440	1.1
NET INTEREST INCOME AFTER SETTLEMENT OF CLAIMS AND RISK PROVISION	59'336	57'562	3.1
Profit from service business	32'783	30'362	8.0
Profit from new business	11'828	11'812	0.1
Gains (+) / losses (–) from disposals	2'216	–113	< -100
INCOME FROM OPERATING BUSINESS	106'163	99'623	6.6
Staff costs	46'796	41'289	13.3
of which total remuneration	37'935	33'651	12.7
of which fixed remuneration	33'241	29'376	13.2
of which variable remuneration	4'694	4'275	9.8
Selling and administrative expenses (excluding staff costs)	24'141	23'915	0.9
of which IT project costs	3'072	3'358	–8.5
GROUP EARNINGS BEFORE TAXES	**24'916**	**20'471**	**21.7**
GROUP EARNINGS	**19'807**	**15'859**	**24.9**
EARNINGS PER SHARE (IN EUR; BASIC/DILUTED)	**0.22**	**0.19**	**15.8**

The profit from our service business increased by EUR 2.4 million in the first quarter of 2024 to EUR 32.8 million (Q1 2023: EUR 30.4 million). The increase is attributable to the positive development of new business and the associated increase in the leasing portfolio. Our profit from new business remained unchanged at EUR 11.8 million in the reporting quarter (Q1 2023: EUR 11.8 million). Gains and losses from disposal rose to EUR 2.2 million (Q1 2023: EUR –0.1 million) due to the positive development in revenue from the sale of lease objects.

The increase in net interest income and the profit from service business and gains and losses from disposal were the main factors driving the increase in our income from operating business of EUR 6.6 million to EUR 106.2 million in the first quarter of 2024 (Q1 2023: EUR 99.6 million).

Staff costs totalled EUR 46.8 million in the first quarter of 2024, amounting to a year-on-year rise of EUR 5.5 million (Q1 2023: EUR 41.3 million). This increase resulted primarily from the higher number of employees. Fixed remuneration totalled EUR 33.2 million in the reporting period (Q1 2023: EUR 29.4 million), and variable remuneration amounted to EUR 4.7 million (Q1 2023: EUR 4.3 million). The average number of employees based on full-time equivalents increased by 160 compared to the previous year's level to 2,156

(Q1 2023: 1,996) in the reporting quarter due to new hires. The average number of employees in the 2023 financial year was 2,068.

Our depreciation, amortisation and impairments amounted to EUR 6.3 million in the reporting quarter, down EUR 0.5 million on the previous year (Q1 2023: EUR 6.8 million). Our selling and administrative expenses rose by EUR 0.2 million to EUR 24.1 million (Q1 2023: EUR 23.9 million). The increase in administrative expenses, which was mainly due to higher licence fees, was nearly offset by a reduction in maintenance expenses and incidental staff costs. The balance of other operating income and expenses totalled EUR –4.1 million in the first quarter of 2024 (Q1 2023: EUR –3.8 million). As in the prior year, other operating expenses were particularly impacted by currency effects. Effects in the amount of EUR 1.1 million are attributable to the translation of Turkish lira (TRY), which resulted primarily from the impact of the measurement of hyperinflation in accordance with IAS 29, EUR 0.5 million resulted from the translation of dirham of the United Arab Emirates (AED), EUR 0.3 million from the Hungarian forint (HUF), and EUR 0.3 million from the Chilean peso (CLP). These effects resulted largely from derivative hedging transactions, which offset each other economically over the entire period. The effects are also partially offset periodically by currency translation recognised directly in other comprehensive income in the consolidated statement of comprehensive income. As this mainly relates to the translation of lease receivables in foreign currency countries, this effect is shown in a separate item from the aforementioned translation effects from derivatives. Lease receivables are translated at the exchange rate on the reporting date, whereas derivatives are measured at fair value based on the forward exchange rates applicable on the reporting date. This difference and the resulting valuation effects offset each other over the term of the hedging relationships.

Our operating result in the first quarter of 2024 totalled EUR 24.9 million, an increase of EUR 1.1 million (Q1 2023: EUR 23.8 million). The balance of other interest income and interest expenses improved to EUR 1.5 million (Q1 2023: EUR –1.7 million), primarily due to the higher interest received on deposit balances as a result of the increase in the key interest rate on Bundesbank accounts.

Our Consolidated Group earnings before taxes increased by EUR 4.4 million to EUR 24.9 million (Q1 2023: EUR 20.5 million). Our tax rate fell to 20.5 percent (Q1 2023: 22.5 percent). Our Group earnings totalled EUR 19.8 million, up EUR 3.9 million on the same quarter of the previous year (Q1 2023: EUR 15.9 million). The profit/loss attributable to non-controlling interests due to the consolidation of the franchise companies totalled EUR –1.1 million (Q1 2023: EUR –2.2 million). Comparability is limited due to the acquisition of shares in several franchise companies in 2023. For more information, please refer to the explanations in Note 6.1 of the Annual Report 2023. Earnings per share rose to EUR 0.22 in the first quarter of 2024 (Q1 2023: EUR 0.19).

Overall, our CIR rose slightly year-on-year by 1.0 percentage point to 58.1 percent in the first quarter of 2024 (Q1 2023: 57.1 percent). Compared to full-year 2023 (59.2 percent), the CIR improved still improved by 1.1 percentage points. The year-on-year increase was largely driven by higher expenses, particularly for personnel.

2.4.2 Segment development

The operating segment income from the Leasing segment developed positively due, above all, to the favourable development of profit from service business and gains and losses from disposal, and the generation of interest income from past and continued stable new business. Accordingly, our operating income in this segment increased by EUR 5.8 million to EUR 96.6 million (Q1 2023*: EUR 90.8 million). The segment result decreased slightly by EUR 0.9 million to EUR 22.3 million (Q1 2023*: EUR 23.2 million), mainly due to higher personnel expenses.

Operating segment income from the Banking segment increased in the reporting period and totalled EUR 8.1 million (Q1 2023*: EUR 7.2 million), mainly due to lower risk provisions for former loan portfolios. Taking into account increased staff costs and currency effects, we achieved a segment result of EUR 3.6 million (Q1 2023*: EUR 1.5 million).

Our operating segment income in the Factoring segment fell by EUR 0.2 million in the reporting period to EUR 1.5 million (Q1 2023*: EUR 1.7 million). With expenses remaining almost unchanged, the segment result decreased to EUR –1.0 million (Q1 2023*: EUR –0.8 million).

2.5 Financial position

At 18.8 percent, the equity ratio remained at a high level and was in line with our expectations.

Payments from lessees continued to increase.

Our diversified refinancing mix gives us a solid liquidity position.

Rising lease receivables reflect the positive growth in new business.

2.5.1 Capital structure

At the GRENKE Group, we place a special focus on having adequate liquidity so that we have the flexibility we need to respond to market conditions. In addition, regulatory requirements oblige the Consolidated Group to maintain a liquidity buffer.

On the liabilities side, the increase in total equity and liabilities was mainly driven by the increase of EUR 77.9 million in accrued lease instalments to EUR 124.0 million (December 31, 2023: EUR 46.1 million) as of the reporting date. This line item can fluctuate during the year, depending on the timing of the receipt of direct debit payments.

Financial liabilities remained almost unchanged at EUR 5.4 billion as of March 31, 2024 (December 31, 2023: EUR 5.4 billion). The largest component of our financial liabilities continued to be current and non-current liabilities from refinancing, which fell to EUR 3.7 billion compared to the end of 2023 (December 31, 2023: EUR 3.8 billion). In contrast, current and non-current liabilities from GRENKE BANK's deposit business increased by EUR 70.7 million to EUR 1.7 billion (December 31, 2023: EUR 1.6 billion).

Equity remained almost unchanged at EUR 1.4 billion as of March 31, 2024 (December 31, 2023: EUR 1.4 billion). The Group earnings of EUR 19.8 million generated in the reporting period was offset mainly by the interest payment on the hybrid capital (EUR 15.0 million), the effects of currency translation recognised directly in equity (EUR 1.2 million), and the buyback of our own shares (EUR 6.6 million). The effect of the market valuation of hedging instruments (EUR 1.0 million), in contrast, had a positive impact. The increase in total assets compared to the slight decrease in equity resulted in a decline in the equity ratio as of March 31, 2024 to 18.8 percent (December 31, 2023: 19.1 percent). The equity ratio therefore continued to exceed the Consolidated Group's self-imposed target of at least 16 percent.

* The previous year's operating income figures for the segments were adjusted as a result of optimisations made to segment reporting

EURk	Mar. 31, 2024	Dec. 31, 2023	Change (%)
CURRENT LIABILITIES	**2'658'839**	**2'042'649**	**30.2**
of which financial liabilities	2'360'413	1'831'589	28.9
NON-CURRENT LIABILITIES	**3'169'179**	**3'702'022**	**–14.4**
of which financial liabilities	3'045'236	3'587'328	–15.1
Equity	1'352'881	1'354'870	–0.1
TOTAL LIABILITIES AND EQUITY	7'180'899	7'099'541	1.1
Equity ratio (in percent)	18.8%	19.1%	-0.3 pp

2.5.2 Cash flow

Our cash flow from operating activities totalled EUR 28.7 million in the first three months of 2024. This was below the previous year's figure (Q1 2023: EUR 400.1 million), mainly due to higher refinancing repayments and a lower year-on-year increase in GRENKE BANK's deposit business. The selected disclosures from the consolidated statement of cash flows and their development are explained below.

EURk	Q1 2024	Q1 2023	Change (%)
- Investments in new lease receivables	–686'293	–627'849	9.3
+ Addition of new refinancing (excl. deposit business)	432'359	394'446	9.6
+ Net inflows / outflows from deposit business	70'742	274'315	–74.2
(I) CASH FLOW NEW BUSINESS	**–183'192**	**40'912**	**< -100**
+ Payments by lessees	626'243	591'963	5.8
- Payments / Repayments of refinancing (excl. deposit business)	–552'498	–368'197	50.1
(II) CASH FLOW FROM EXISTING BUSINESS	**73'745**	**223'766**	**–67.0**
(III) OTHER CASH FLOW FROM OPERATING ACTIVITIES	**138'144**	**135'471**	**2.0**
CASH FLOW FROM OPERATING ACTIVITIES (I) + (II) + (III)	**28'697**	**400'149**	**–92.8**
Cash flow from investing activities	–1'147	–1'640	–30.0
Cash flow from financing activities	–24'852	–16'240	53.0
TOTAL CASH FLOW	**2'698**	**382'269**	**–99.3**

Cash flow from investments in new lease receivables comprises the net acquisition values for newly acquired lease objects and the costs directly related to concluding contracts. As a result of the continued increase in new business volume, investments in new lease receivables rose to EUR 686.3 million in the first three months of 2024 (Q1 2023: EUR 627.8 million). These were offset by cash inflows from the increase in refinancing totalling EUR 432.4 million compared to EUR 394.4 million for the same prior-year period. Cash flow from GRENKE BANK's deposit business decreased to EUR 70.7 million compared to EUR 274.3 million in the same prior-year period. Our total cash flow from investments in new business declined to EUR –183.2 million (Q1 2023: EUR 40.9 million).

In the first three months of 2024, EUR 552.5 million (Q1 2023: EUR 368.2 million) in refinancing was repaid or redeemed. The cash flow from existing business fell accordingly to EUR 73.7 million (Q1 2023: EUR 223.8 million).

Cash flow from investing activities totalled EUR –1.1 million in the reporting period (Q1 2023: EUR –1.6 million). This was comprised primarily of payments for the acquisition of property, plant and equipment and intangible assets totalling EUR 1.2 million (Q1 2023: EUR 1.4 million).

Cash flow from financing activities totalled EUR –24.9 million in the reporting period (Q1 2023: EUR –16.2 million). The interest payment on hybrid capital totalled EUR 15.0 million (Q1 2023: EUR 12.9 million). The acquisition of our own shares as part of the share buyback programme resulted in a cash outflow of EUR 6.6 million (Q1 2023: EUR 0.0 million). In addition, the repayment of lease liabilities resulted in a cash outflow of EUR 3.3 million (Q1 2023: EUR 3.3 million).

As a result, the total cash flow in the first three months of 2024 equalled EUR 2.7 million (Q1 2023: EUR 382.3 million). Cash and cash equivalents as of March 31, 2024 increased accordingly to EUR 700.1 million after EUR 696.9 million as of December 31, 2023.

2.5.3 Liquidity

Thanks to our balanced liquidity management, we have a solid liquidity position and a diversified refinancing structure and were able to meet our payment obligations at all times during the reporting period.

We have a wide range of refinancing instruments at our disposal that we utilise in accordance with the market conditions as part of our overall strategy. Our debt financing is essentially based on three pillars: senior unsecured instruments primarily based on our rating, such as bonds, notes, and commercial paper; the deposit business, including development loans at GRENKE BANK AG; and receivables-based financing, consisting primarily of ABCP programmes. We avoid maturity transformation at portfolio level, thereby minimising interest rate and follow-up financing risks at portfolio level. Due to our broad refinancing mix, we are able to utilise the individual pillars in a targeted manner and expand or reduce their share depending on our needs and the market situation. We also want to employ all three of the pillars for strategic reasons.

The refinancing mix based on the GRENKE Group's refinancing pillars was distributed as follows as of March 31, 2024:

EURm	Mar. 31, 2024	share in %	Dec. 31, 2023	share in %
GRENKE BANK	1'689	31	1'624	29
Senior Unsecured	2'699	49	2'748	50
Asset Backed	1'120	20	1'163	21
TOTAL	**5'508**	**100**	**5'535**	**100**

The slight decrease in refinancing volumes of EUR 26.3 million to EUR 5,508.2 million (December 31, 2023: EUR 5,534.5 million) was the result of the scheduled repayment of existing refinancing instruments and the lower refinancing requirements due to high cash inflows from the receipt of direct debit payments in the first quarter of 2024, which are reflected in the increase in deferred lease payments.

Refinancing via customer deposits of GRENKE BANK AG increased to EUR 1,687.8 million as of March 31, 2024, after EUR 1,617.1 million as of December 31, 2023 and EUR 1,425.0 million as of the same date in the previous year. This level corresponds to an increase of 4.4 percent since December 31, 2023 as a result of the increase utilisation of GRENKE BANK in the current interest rate environment.

An existing bond was increased by EUR 50.0 million in the reporting period. In addition, the GRENKE Group issued a promissory note of CHF 10.0 million. In the short-term area, five commercial paper issues were completed, amounting to a total volume of EUR 70.0 million. Commercial paper totalling EUR 50.0 million was repaid as scheduled in the reporting period.

Effective January 31, 2024, the receivables agreement between GRENKE LEASING LIMITED, Guildford/United Kingdom, and Norddeutsche Landesbank Girozentrale was terminated and all receivables were repurchased. This agreement had been in place since March 2010.

Further information on our refinancing instruments and the refinancing measures taken in the reporting period can be found in Note 5 "Financial liabilities" in the notes to the consolidated financial statements.

The Consolidated Group's unutilised credit lines (bank lines plus the available volume from bonds and commercial paper) as of the reporting date amounted to EUR 3,697.6 million, HUF 540.0 million, and PLN 40.0 million (December 31, 2023: EUR 3,667.4 million, HUF 540.0 million and PLN 40.0 million).

2.6 Net assets

Our total assets as of March 31, 2024 compared to the end of the 2023 financial year increased EUR 81.4 million to EUR 7.2 billion (December 31, 2023: EUR 7.1 billion).

The increase in our assets as of March 31, 2024 was largely attributable to a rise in current and non-current lease receivables. Our largest balance sheet line item, lease receivables, rose by EUR 102.4 million to EUR 5.8 billion (December 31, 2023: EUR 5.7 billion) as a result of the continued positive development in new business.

EURk	Mar. 31, 2024	Dec. 31, 2023	Change (%)
CURRENT ASSETS	**3'154'008**	**3'180'347**	**–0.8**
of which cash and cash equivalents	700'448	697'202	0.5
of which lease receivables	2'082'862	2'076'719	0.3
NON-CURRENT ASSETS	**4'026'891**	**3'919'194**	**2.7**
of which lease receivables	3'719'384	3'623'135	2.7
TOTAL ASSETS	7'180'899	7'099'541	1.1

Cash and cash equivalents remained essentially unchanged at EUR 700.4 million (December 31, 2023: EUR 697.2 million). As of March 31, 2024, EUR 501.7 million (December 31, 2023: EUR 484.7 million) of the cash and cash equivalents were held in accounts at the Deutsche Bundesbank.

In addition, other current assets decreased by EUR 31.9 million to EUR 184.0 million (December 31, 2023: EUR 215.9 million) due to a decrease in input tax credits as of the reporting date. Input tax receivables can fluctuate during the year, depending on the statutory reporting and payment/refund periods.

3. Related party disclosures

For information on related party disclosures, please refer to note 14 of the notes to the condensed interim consolidated financial statements.

4 Report on risks, opportunities and forecasts

4.1 Macroeconomic and sector environments

In its World Economic Outlook published on April 16, 2024, the International Monetary Fund (IMF) predicted that the global economy would recover slowly but steadily. Inflation is set to decline but will reach its target level faster in industrialised nations than in emerging and developing countries.

The IMF believes that the global economy could grow 3.2 percent in 2024 (2023: 3.2 percent), driven by the emerging and developing countries. The industrialised nations, on the other hand, are expected to be below the global average. At 2.7 percent, the United States is expected to grow slightly faster year-on-year in 2024 (2023: 2.5 percent). The IMF states strong demand in the US, but questions the long-term sustainability of public finances.

The IMF expects growth in the eurozone to pick up again, albeit from a low base. Monetary policy tightening, past energy prices and the planned consolidation of public finances continue to weigh on economic activity. The IMF's estimate for growth in the eurozone in 2024 is 0.8 percent (2023: 0.4 percent). It believes there is a risk that high wage growth and persistently high inflation for services could jeopardise the return of inflation to its target level. For Germany, the IMF expects growth to return to above zero in 2024 at 0.2 percent (2023: –0.3 percent). For France and Italy, the IMF is forecasting slightly positive growth in each country of 0.7 percent in 2024 (2023: 0.9 percent in each country). The IMF is more optimistic about Spain, a country that benefits from tourism, and is forecasting growth of 1.9 percent (2023: 2.5 percent), although this means Spain will have to accept a year-on-year growth decline.

The IMF also looked at global trade relations. According to its analysis, two trading blocs – the pro-Russian and the pro-Ukrainian trading bloc – have formed since the start of the war between Russia and Ukraine. According to the IMF, trade within the blocs is more developed than between the two parties. Overall, global trade growth has fallen 5 percentage points during this period.

The ifo Business Climate Index for the leasing sector in Germany reached 4.6 points in March 2024. This represented a sharp year-on-year deterioration (March 2023: 30 points) but showed a slight improvement during the first quarter compared to –2.5 points in January 2024. The German Leasing Association (BDL) expects an end to the recession in Germany and a change in sentiment in the summer of 2024. However, the BDL does not see a strong upturn.

4.2 Risks and opportunities

4.2.1 Risks

The primary macroeconomic risk factor is the higher level of interest rates resulting from the restrictive monetary policy. Higher interest rates are generally seen as an obstacle to consumer and investment demand and can weaken economic growth. However, as described in Chapter 2.3.1, higher interest rates also indirectly have a favourable influence on the demand for leasing products. The Board of Directors therefore expects the volume of new leasing business to continue to grow in line with our guidance for the 2024 financial year (see Chapter 4.3). We are able to offset higher refinancing costs by adjusting our terms and conditions, albeit with a usual time lag of around three months. As a result of the pause in interest rate changes since September 2023, we have now been able to fully incorporate and pass on the higher interest rates into our new business.

Should further unexpected events affect the capital markets following the armed conflicts in the Middle East and Ukraine, the volatility could increase significantly again and cause a decrease in the generally available liquidity on the markets. However, even in the current environment, the Board of Directors sees sufficient leeway to ensure the liquidity of the Consolidated Group in the short, medium and long term. This view is based on several factors, including our current liquidity position and our ability to manage new leasing business – and thereby liquidity requirements – by employing a more restrictive acceptance policy for lease applications. In addition, the Company continues to have access to various sources of refinancing.

The volatility of the interest and currency markets may continue to lead to the recognition of transitory valuation effects. These can have a temporary impact, particularly on the translation of foreign currency items and the valuation of derivatives and goodwill. Nevertheless, the Board of Directors does not believe this will have a long-term negative impact on the profitability of the business model.

With regard to the risks that could result from Russia's war of aggression against Ukraine, we can confirm that we do not have any of our own branches in either Russia or Ukraine and do not and have never had any financial involvement in those countries.

In reference to the conflict in the Middle East, which has flared up again since October 2023, there is no direct risk for GRENKE. We do not have our own branches in Israel or in any neighbouring countries or regions directly affected by the conflict. A prolonged conflict in the Middle East could prompt the risk of a rise in oil prices, which could increase inflationary pressure and the risk of recession.

With regard to the future development of the Consolidated Group and its subsidiaries, no particular risks associated with the business could be identified beyond the customary scope. For a more detailed description of risks, please refer to Chapter 5 “Risk report”, in our Annual Report 2023.

4.2.2 Opportunities

From a macroeconomic perspective, initial indicators such as the Purchasing Managers' Index for the eurozone and the Business Climate Index for the leasing industry in Germany point to a recovery compared to previous months (see chapters 2.2 and 4.1). Similar to the German Leasing Association, we also believe that a further improvement in sentiment is possible, which should be facilitated by a likely easing of monetary policy by the ECB. An improvement in SMEs’ business expectations should, in turn, have a positive impact on investment behaviour and thus on leasing demand in the current year.

We are also pursuing an international growth strategy with operations in the USA, Canada and Australia – three future core markets promising above-average, long-term growth potential. In the USA, we begin operations at our second location in Chicago, Illinois, in the middle of this year.

Among our lease objects, we are seeing steady growing demand for green economy objects, especially eBikes (see Chapter 2.3.1). Our green bond issue in September 2023 provided us an extensive refinancing base to invest in green economy objects. We are also capitalising on megatrends such as medical technology and robotics and enabling SMEs to invest in the technologies of the future through our financing offers.

More details on these and other growth opportunities are described in Chapter 6.1, “Opportunities report”, in our Annual Report 2023.

4.3 Company forecast

Given the intensity of current and potential geopolitical conflicts, the outlook is subject to a high degree of uncertainty. The following statements on the future business development of the GRENKE Group and the assumptions regarding the development of the market and industry that are deemed to be material are therefore based on estimates that the Board of Directors currently considers to be realistic on the basis of the information available. However, these are subject to uncertainties and involve the unavoidable risk that the forecast developments do not actually occur, either in terms of their development or their extent.

In January 2024, the Board of Directors resolved and announced its intention to focus on the leasing business in the future and to therefore initiate the sale of all factoring companies. The Board of Directors does not expect the intended sale of the factoring companies to have a significant impact on the Consolidated Group's significant KPIs in the short term. Going forward, GRENKE will focus all its resources and investment power on the ongoing digitalisation and further growth of the leasing business. The banking business of GRENKE BANK AG will continue to play an important role, particularly in securing refinancing via deposits.

For the 2024 financial year, the Board of Directors expects new leasing business in the range of EUR 3.0 billion to EUR 3.2 billion, corresponding to expected growth of 15 percent to 23 percent compared to the 2023 financial year. In the medium term, the volume of new business is expected to grow at a double-digit rate of around 12 percent. This growth assumption is based on a return to the growth trajectory.

In the 2024 financial year, we are aiming for a slight increase in the CM2 margin compared to the previous year (2023 financial year: 16.5 percent). The medium-term goal is to achieve a CM2 margin of around 17 percent. Refinancing costs and our terms and conditions for newly concluded leases are key factors here, as is the average ticket size. In the 2024 financial year, the average value per lease is expected to remain below the EUR 10k level. Even though the small-ticket definition now includes investments of up to EUR 50k due to new technologies in fields such as medicine and robotics, which has led to higher demand for smaller objects of up to EUR 50k, our focus on small tickets remains an essential part of our strategy.

The Board of Directors expects the operating income of the leasing portfolio – consisting of the sum of net interest income after settlement of claims and risk provision, the profit from service business, the profit from new business and from gains and losses from disposals – to develop positively in the current financial year 2024 despite the increased interest rate level. This assessment is based on the assumption of continued strong momentum in the new leasing business as well as the ability to consistently pass on higher interest rates in the terms and conditions and continued risk-conscious pricing. A recession-induced increase in corporate insolvencies or a temporary deterioration in payment behaviour is reflected in our conservative risk provisioning in previous quarters. Overall, we expect largely solid payment behaviour from our customers, and thereby stable risk provisioning, and a continued loss rate at below 1.5 percent. We also expect slightly higher staff costs due to higher salaries resulting from high inflation and our intention to continue to strengthen our team in targeted areas to facilitate our current and future growth.

The Board of Directors expects Group earnings in the range of EUR 95 million to EUR 115 million for the 2024 financial year. Despite continuing investments in the digitalisation programme as planned, we are aiming for an improvement in the CIR to below 58 percent in 2024. In the years that follow, the CIR is expected to tend towards a level of less than 55 percent based on efficiency gains and an increasing degree of digitalisation. In the long term, we are aiming for a cost-income ratio of 50 percent thanks to our new business profitability and sustainable growth, as well as to our digitalisation programme and strict cost discipline.

Based on the expected development of Group earnings, GRENKE continues to expect to achieve an equity ratio above 16 percent.

Condensed interim consolidated financial statements

Consolidated income statement

EURk	Q1 2024	Q1 2023
Interest and similar income from financing business*	132'138	108'501
Expenses from interest on refinancing and deposit business	46'060	24'499
NET INTEREST INCOME	**86'078**	**84'002**
Settlement of claims and risk provision	26'742	26'440
of which impairment losses	7'083	4'999
NET INTEREST INCOME AFTER SETTLEMENT OF CLAIMS AND RISK PROVISION	**59'336**	**57'562**
Profit from service business	32'783	30'362
Profit from new business	11'828	11'812
Gains (+) / losses (–) from disposals	2'216	–113
INCOME FROM OPERATING BUSINESS	**106'163**	**99'623**
Staff costs	46'796	41'289
Depreciation and impairment	6'253	6'813
Selling and administrative expenses (not including staff costs)	24'141	23'915
Other operating expenses	5'991	6'174
Other operating income	1'916	2'394
OPERATING RESULT	**24'898**	**23'826**
Result from investments accounted for using the equity method	–101	0
Expenses / income from fair value measurement	–1'334	–1'638
Other interest income	7'935	3'355
Other interest expenses	6'482	5'072
GROUP EARNINGS BEFORE TAXES	**24'916**	**20'471**
Income taxes	5'109	4'612
GROUP EARNINGS	**19'807**	**15'859**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of GRENKE AG	20'920	18'086
of which total comprehensive income attributable to non-controlling interests	–1'113	–2'227
Earnings per share (basic / diluted in EUR)	0.22	0.19
Average number of shares outstanding	46'418'644	46'495'573

* Interest and similar income calculated according to the effective interest method EUR 2,459k (previous year: EUR 2,065k).

Consolidated statement of comprehensive income

EURk	Q1 2024	Q1 2023
GROUP EARNINGS	**19'807**	**15'859**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN FUTURE PERIODS		
Appropriation to / reduction of hedging reserve	1'030	746
thereof income tax effects	–2'532	–107
Change in currency translation differences / effects of high inflation	–1'227	949
thereof income tax effects	0	0
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN FUTURE PERIODS		
Appropriation to / reduction of reserve for actuarial gains and losses	0	0
thereof income tax effects	0	0
OTHER COMPREHENSIVE INCOME	**–197**	**1'695**
TOTAL COMPREHENSIVE INCOME	**19'610**	**17'554**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of GRENKE AG	20'267	19'789
of which total comprehensive income attributable to non-controlling interests	–657	–2'235

Consolidated statement of financial position

EURk	Mar. 31, 2024	Dec. 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	700'448	697'202
Derivative financial instruments that are assets	9'073	6'880
Lease receivables	2'082'862	2'076'719
Other current financial assets	129'036	135'734
Trade receivables	7'579	7'214
Lease assets for sale	20'814	19'702
Tax assets	20'164	20'956
Other current assets	184'032	215'940
TOTAL CURRENT ASSETS	**3'154'008**	**3'180'347**
NON-CURRENT ASSETS		
Lease receivables	3'719'384	3'623'135
Derivative financial instruments that are assets	12'076	11'811
Other non-current financial assets	77'336	79'501
Investments accounted for using the equity method	2'805	2'906
Property, plant and equipment	91'402	88'829
Right-of-use assets	35'079	35'521
Goodwill	34'405	34'373
Other intangible assets	11'301	12'172
Deferred tax assets	41'540	29'366
Other non-current assets	1'563	1'580
TOTAL NON-CURRENT ASSETS	**4'026'891**	**3'919'194**
TOTAL ASSETS	**7'180'899**	**7'099'541**

Consolidated statement of financial position

EURk	Mar. 31, 2024	Dec. 31, 2023
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities	2'360'413	1'831'589
Lease liabilities	11'266	11'576
Derivative liability financial instruments	3'316	5'235
Trade payables	52'238	41'680
Tax liabilities	9'472	7'480
Deferred liabilities	29'596	38'144
Other current liabilities	68'564	60'821
Deferred lease payments	123'974	46'124
TOTAL CURRENT LIABILITIES	**2'658'839**	**2'042'649**
NON-CURRENT LIABILITIES		
Financial liabilities	3'045'236	3'587'328
Lease liabilities	24'576	24'500
Derivative liability financial instruments	15'227	17'081
Deferred tax liabilities	79'592	68'463
Pensions	4'548	4'650
TOTAL NON-CURRENT LIABILITIES	**3'169'179**	**3'702'022**
EQUITY		
Share capital	46'496	46'496
Capital reserves	298'019	298'019
Retained earnings	204'109	204'109
Own shares	–6'610	0
Other components of equity	10'224	10'877
Unappropriated surplus	615'408	609'477
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GRENKE AG	**1'167'646**	**1'168'978**
Additional equity components*	200'000	200'000
Non-controlling interests	–14'765	–14'108
TOTAL EQUITY	**1'352'881**	**1'354'870**
TOTAL EQUITY AND LIABILITIES	**7'180'899**	**7'099'541**

* Including AT1 bonds (hybrid capital), which are reported as equity under IFRS.

Consolidated statement of cash flows

EURk		Q1 2024	Q1 2023
	GROUP EARNINGS	**19'807**	**15'859**
	NON-CASH ITEMS INCLUDED IN NET PROFIT AND RECONCILIATION TO CASH FLOW FROM OPERATING ACTIVITIES		
+	Depreciation, amortisation and impairment	6'253	6'813
– / +	Profit / loss from the disposal of property, plant and equipment and intangible assets	–7	–1
– / +	Other non-cash income / expenses	3'433	8'290
+ / –	Increase / decrease in deferred liabilities, provisions, and pensions	–8'650	–7'165
=	**SUBTOTAL**	**20'836**	**23'796**
	CHANGE IN ASSETS AND LIABILITIES FROM OPERATING ACTIVITIES AFTER ADJUSTMENT FOR NON-CASH ITEMS		
+ / –	Lease receivables	–102'392	–59'741
+ / –	Loan receivables[1]	3'643	–571
+ / –	Factoring receivables[1]	–1'001	2'980
+ / –	Other assets[1]	30'883	43'093
+ / –	Financial liabilities	–13'326	320'319
+ / –	Other liabilities	92'378	75'254
+	Interest received	7'935	3'355
–	Interest paid	–6'482	–5'072
–	Income taxes paid	–3'777	–3'264
=	**CASH FLOW FROM OPERATING ACTIVITIES**	**28'697**	**400'149**

Consolidated statement of cash flows (continued)

EURk		Q1 2024	Q1 2023
–	Payments for the acquisition of property, plant and equipment and intangible assets	–1'177	–1'381
–	Payments for the acquisition of subsidiaries	0	–332
+	Proceeds from the sale of property, plant and equipment and intangible assets	30	73
=	**CASH FLOW FROM INVESTING ACTIVITIES**	**–1'147**	**–1'640**
–	Repayment of lease liabilities	–3'253	–3'294
–	Interest coupon payments on hybrid capital	–14'989	–12'946
–	Payments for the acquisition of own shares	–6'610	0
=	**CASH FLOW FROM FINANCING ACTIVITIES**	**–24'852**	**–16'240**
	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD[2]	**696'930**	**448'605**
+	Cash flow from operating activities	28'697	400'149
+	Cash flow from investing activities	–1'147	–1'640
+	Cash flow from financing activities	–24'852	–16'240
+ / –	Change due to currency translation	490	–116
=	**CASH AND CASH EQUIVALENTS AT END OF PERIOD[2]**	**700'118**	**830'758**

1 Adjusted.

2 Less current account liabilities.

Consolidated statement of changes in equity

EURk	Share capital	Capital reserves	Retained earnings / Consolidated net profit	own shares	Hedging reserve	Reserve for actuarial gains / losses	Currency translation	Revaluation for equity instruments	Total equity attributable to shareholders of GRENKE AG	Additional equity components	Non-controlling interests	Total equity
EQUITY AS OF JAN. 1, 2024	**46'496**	**298'019**	**813'586**		**3'064**	**137**	**10'901**	**–3'225**	**1'168'978**	**200'000**	**–14'108**	**1'354'870**
Group earnings			10'422						10'422	10'498	–1'113	19'807
Other comprehensive income					1'030		–1'683		–653		456	–197
TOTAL COMPREHENSIVE INCOME			**10'422**		**1'030**		**–1'683**		**9'769**	**10'498**	**–657**	**19'610**
Interest coupon payment for hybrid capital										–14'989		–14'989
Interest coupon for hybrid capital			–4'491						–4'491	4'491		
Purchase of own shares				–6'610					–6'610			–6'610
EQUITY AS OF MAR. 31, 2024	**46'496**	**298'019**	**819'517**	**–6'610**	**4'094**	**137**	**9'218**	**–3'225**	**1'167'646**	**200'000**	**–14'765**	**1'352'881**
EQUITY AS OF JAN. 1, 2023	**46'496**	**298'019**	**799'475**		**13'201**	**1'171**	**6'165**	**–3'225**	**1'161'302**	**200'000**	**–29'135**	**1'332'167**
Group earnings			9'018						9'018	9'068	–2'227	15'859
Other comprehensive income					746		957		1'703		–8	1'695
TOTAL COMPREHENSIVE INCOME			**9'018**		**746**		**957**		**10'721**	**9'068**	**–2'235**	**17'554**
Interest coupon payment for hybrid capital										–12'946		–12'946
Interest coupon for hybrid capital			–3'878						–3'878	3'878		
Others			–28'891						–28'891		12'011	–16'880
EQUITY AS OF MAR. 31, 2023	**46'496**	**298'019**	**775'724**		**13'947**	**1'171**	**7'122**	**–3'225**	**1'139'254**	**200'000**	**–19'359**	**1'319'895**

Notes to the condensed interim consolidated financial statements

1. General information

GRENKE AG is a stock corporation with its registered office located at Neuer Markt 2, Baden-Baden, Germany. The Company is recorded in the commercial register of the District Court of Mannheim, Section B, under HRB 201836. The subject matter of GRENKE AG's condensed interim consolidated financial statements ("interim consolidated financial statements") as of March 31, 2024, is GRENKE AG, its subsidiaries and consolidated structured entities ("the GRENKE Group"). These interim consolidated financial statements have been prepared in accordance with the IFRSs applicable for interim reporting (IAS 34) as published by the International Accounting Standards Board ("IASB") and adopted by the European Union (EU) into European law. These interim consolidated financial statements should be read in conjunction with the IFRS consolidated financial statements as of December 31, 2023. An audit review by definition of Section 115 of the German Securities Trading Act (WpHG) was performed of the condensed interim consolidated financial statements and the interim group management report as of March 31, 2024.

2. Accounting policies

The accounting policies applied to the interim consolidated financial statements are generally the same as those applied in the previous year. Exceptions relate to changes resulting from the mandatory application of new accounting standards discussed in the paragraphs below. Early application was waived for the amended standards and interpretations that will be mandatory as of the 2025 financial year or later. GRENKE AG will apply these standards to the consolidated financial statements at the time of their mandatory application. This application is not expected to have any material impact on the reporting.

The same accounting and valuation methods apply to these interim financial statements as to the consolidated financial statements as of December 31, 2023, that we refer to here. We have furthermore added the following supplemental information.

2.1 First-time applicable, revised and new accounting standards

For the 2024 financial year, the GRENKE Group takes into account all new and revised standards and interpretations whose application was mandatory for the first time as of January 1, 2024, as well as those already adopted into European law (endorsement), provided they were relevant for the GRENKE Group.

All of the following new and revised standards and interpretations have no or only an insignificant impact on the accounting and reporting of GRENKE AG's consolidated financial statements. For further explanations, please refer to the Annual Report 2023.

Amendments to IAS 1 "Presentation of Financial Statements" on the classification of liabilities as current or non-current and classification of non-current liabilities with ancillary conditions

The amendments to IAS 1 on the classification of liabilities as current or non-current were published in January 2020. The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on the entity's existing rights at the reporting date.

In October 2022, the IASB published amendments to IAS 1 on the classification of non-current liabilities with ancillary conditions. The purpose of the amendment to IAS 1 is to clarify that ancillary conditions that must be met on or before the reporting date may have an impact on the classification as current or non-current. However, ancillary conditions that only need to be met after the reporting date have no effect on the classification as current or non-current.

Amendments to IFRS 16 "Leases" on the Measurement of Lease Liabilities in Sale and Leaseback Transactions

The amendments to IFRS 16 clarify the subsequent measurement of a lease liability in the event of a sale and leaseback transaction. In accordance with the amendments to IFRS 16, the lease liability must be measured in a manner that no gain or loss is realised on subsequent measurement insofar as this concerns the retained right of use.

2.2 Accounting standards and interpretations already published but not yet implemented

The IASB has published the following new and amended standards or interpretations, the application of which will only become mandatory at a later date. Several of these standards have already been endorsed by the EU. The standards expressly permit voluntary early application. GRENKE AG does not make use of this option. The standards will be applied to the consolidated financial statements at the time of mandatory application.

The following amendments are not expected to have a material impact on the reporting in GRENKE AG's consolidated financial statements.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" on supplier financing arrangements

The amendments relate to additional disclosures in the notes to the financial statements in connection with supplier financing agreements, which specifically include reverse factoring agreements. The amendments supplement the requirements already contained in IFRS and require companies to disclose terms and conditions, balance sheet items and carrying amounts at the beginning and end of the reporting period, as well as the range of payment terms, and concentrations of risk related to supplier financing agreements. The amendments are to be applied for financial years beginning on or after January 1, 2024. For companies that prepare their accounts in accordance with the IFRS applicable in the EU, the regulations will apply once they have been adopted into European law. EU endorsement is still pending.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" on recognition in the case of lack of exchangeability

The amendments to IAS 21 contain detailed provisions for determining whether one currency is exchangeable for another and how exchange rates are to be determined when there is a lack of exchangeability. The amendments are to be applied for financial years beginning on or after January 1, 2025. For companies that prepare their accounts in accordance with the IFRS applicable in the EU, the regulations will apply once they have been adopted into European law. EU endorsement is still pending.

3. Use of assumptions and estimates

In preparing the condensed interim consolidated financial statements, assumptions and estimates have been made that affect the recognition and the reported amounts of assets, liabilities, income, expenses and contingent liabilities.

The estimates and underlying assumptions are subject to regular reviews. Changes to estimates are prospectively recognised and have occurred in the areas that follow.

Determination of impairments for financial assets

The determination of impairment for financial assets is based on assumptions and estimates for default risks and expected loss rates. When determining these assumptions and selecting the inputs for the calculation of impairment, the Consolidated Group exercises discretion based on past experience, existing market conditions and forward-looking estimates at the end of each reporting period. In accordance with the announcements made by various regulators (ESMA, EBA), an assessment of the modelling of IFRS 9 impairment and the estimation of expected credit losses (ECL) is carried out. The ECL model, including the input parameters and submodels, is validated at least once a year or based on the occasion and updated if necessary.

To determine risk provisions in accordance with IFRS 9, expected credit defaults amid various macroeconomic scenarios are weighted. For this purpose, GRENKE calculates a negative, a positive and a baseline scenario. The development of gross domestic product assumed for each scenario is shown in the following table:

Gross domestic product	Apr. 1, 2024–Dec. 31, 2024			Jan. 1, 2025–Dec. 31, 2025			Jan. 1, 2026–Dec. 31, 2026		
	Negative	Baseline	Positive	Negative	Baseline	Positive	Negative	Baseline	Positive
Eurozone	–6.3%	1.3%	2.1%	1.3%	1.4%	2.1%	1.4%	1.4%	2.1%
Germany	–3.8%	0.9%	2.2%	0.9%	2.0%	2.2%	2.0%	1.9%	2.2%
France	–7.7%	1.3%	2.3%	1.3%	1.8%	2.3%	1.8%	1.7%	2.3%
Italy	–9.0%	0.7%	1.8%	0.7%	1.0%	1.8%	1.0%	1.1%	1.8%
Spain	–11.2%	1.7%	3.5%	1.7%	2.1%	3.5%	2.1%	1.8%	3.5%
United Kingdom	–11.0%	0.6%	2.5%	0.6%	2.0%	2.5%	2.0%	2.1%	2.5%

The amount of the risk provision on current lease receivables for each scenario is shown in the following table:

	Scenarios as of Mar. 31, 2024		
EURk	**Negative**	**Baseline**	**Positive**
Risk provision	157'683	133'223	111'904

	Scenarios as of Dec. 31, 2023		
EURk	**Negative**	**Baseline**	**Positive**
Risk provision	147'476	124'364	104'158

The assumptions underlying the baseline scenario include recurring, but not permanent, shortages of Russian gas supplies, due to the ongoing status of the Russia-Ukraine war. Inflation remains unchanged at an elevated level (well above 2 percent). Higher credit losses occur globally as a result of second- and third-round effects. The increase in default rates is roughly a quarter of the increase seen at the start of the Covid-19 pandemic. The size of the increase is derived from historical default rates in the recent financial and sovereign debt crisis.

The negative scenario assumes further significant bottlenecks in the economies heavily dependent on Russian gas and the continuation of the Russian war of aggression against Ukraine. The assumption is that this will lead to a further increase in the price of imported energy commodities. In parallel, central banks continue to tighten monetary policy to combat ever-increasing inflation rates, leading to a sharp decline in the propensity to invest in industry and a significant loss of purchasing power among private households. Second- and third-round effects result in substantially higher credit losses globally. The increase in default rates is similar to that at the start of the Covid-19 pandemic.

In the positive scenario, the lack of Russian gas supplies is compensated for by energy-savings and the import of liquefied gas, despite the ongoing Russia-Ukraine war. Inflation decreases moderately. Political measures support the loss of purchasing power in private households and prevent a strong reluctance to make industrial investments. Consequently, default rates return to pre-Covid-19 levels.

Various minimum default rates (floors) are taken into account in all scenarios. Sharply declining default rates can currently be observed in the GRENKE portfolio, especially compared to the pre-Covid-19 level. Despite this, the increase in default rates in all scenarios is applied to the default rate level prior to the Covid-19 pandemic. The effect of the present sharp decline in default rates is therefore not considered.

The probabilities of occurrence of the macro scenarios are determined on a country-by-county basis in order to take the respective country's economic and political circumstances into account. These scenario weightings are derived from public data provided by the ECB. By surveying various analysts, the ECB establishes a probability distribution for GDP for the years 2024 to 2026. Probabilities of occurrence for individual scenarios can be calculated from these probability distributions. In addition, publicly available GDP expectations and historical GDP observations of the IMF are used for the country-specific determination of the probabilities of occurrence.

As of March 31, 2024, the scenarios in the core markets of the GRENKE Group were weighted as follows:

Scenario weighting	Mar. 1, 2024–Dec. 31, 2024			Jan. 1, 2025–Dec. 31, 2025			Jan. 1, 2026–Dec. 31, 2026		
	Negative	Baseline	Positive	Negative	Baseline	Positive	Negative	Baseline	Positive
Germany	40.1%	58.8%	1.1%	5.3%	64.0%	30.7%	4.2%	61.9%	33.9%
France	26.5%	71.6%	1.9%	6.8%	75.5%	17.7%	5.5%	75.2%	19.3%
Italy	55.5%	43.1%	1.4%	14.4%	73.0%	12.6%	10.0%	71.5%	18.5%
Spain	17.0%	82.7%	0.3%	4.6%	92.0%	3.4%	4.5%	92.5%	3.0%
United Kingdom	56.7%	42.9%	0.4%	5.4%	77.7%	16.9%	3.4%	72.4%	24.2%

As part of the risk provisioning, management adjustments for future risks that are difficult to calculate or new risks ("novel risks") were recognised in addition to the risk provisioning calculated in the model in accordance with IFRS 9.

These adjustments cover geopolitical risks and other uncertainties caused by a recession, supply and energy bottlenecks and inflation. As of the reporting date, these additional management adjustments totalled EUR 18,379k. These are recognised through an in-model adjustment of EUR 3,610k, which reflects the higher economic uncertainty due to the rise in the probability of default (PD) factors. In the standard scenario, the PD factors for current lease receivables were increased in line with economic uncertainties, and a post-model adjustment of EUR 14,769k was recognised. This is determined based on a further sensitivity analysis to cover risks that are difficult to calculate.

The stability of the supply chains and the criticalness of energy intensity were aggregated and evaluated on a country-specific basis to form an industry assessment. Due to the fact that some risks for the adjustments recognised have already been realised in the IFRS 9 model and the effects of geopolitical risks in the context of the Ukraine and Middle East conflicts were overestimated, the management adjustments were reduced in line with new findings. The necessary adjustments are reviewed on an ongoing basis and updated accordingly when necessary.

Use of calculated residual values at the end of the lease term to determine the present value of lease receivables

Non-guaranteed (calculated) residual values are taken into account when determining the present value of lease receivables as defined in IFRS 16. The calculated residual values at the end of the lease term are determined based on the maturity group of the respective lease and include the expected subsequent business at the end of the term based on historical experience. Additions since January 1, 2024 amount to 1 percent to 25 percent of the acquisition cost (previous year: 1 percent to 25 percent since January 1, 2023). The calculated residual values are applied based on statistical analyses as part of a best estimate. In the event of a decrease in the proceeds actually achievable in the post-leasing business (consisting of disposal and post-leasing), impairment of the lease receivables is taken into account, whereas an increase is not taken into account.

Assumptions made in the context of the impairment tests in the measurement of existing goodwill

The cash flows used to measure goodwill under the discounted cash flow method are based on current business plans and internal plans. This involved making assumptions as to the future development of income and expenses. Future growth rates for the respective cash-generating unit are assumed based on past experience. Past income and expense trends are projected into the future, taking into account current and expected market developments. The projections reflect the best possible estimates for the future development of the macroeconomic environment and the respective cash-generating unit. The estimates made and the underlying methodology can have a considerable influence on the values determined.

Due to the current general political and economic environment, the estimates for the further development of new business and for the returns of the cash-generating units continue to involve added uncertainty. If significant assumptions deviate from actual values, this could lead to the future recognition of impairment losses in profit or loss.

As of the reporting date, the GRENKE Group examined whether there was any indication of an impairment of recognised goodwill. As of the reporting date, there was no need to recognise an impairment loss on goodwill, also in light of the changes in the measurement parameters and the economic developments of the cash-generating units. The risk-free interest rate used to determine impairment was 2.4 percent as of March 31, 2024, compared to 2.2 percent as of December 31, 2023. As a result, the discount rates used to discount the planned cash flows of the cash-generating units increased slightly in the first quarter of the 2024 financial year. The risk-free interest rate of 2.4 percent as of March 31, 2024, however, remained well below the 3.0 percent interest rate level applied as part of the last scheduled impairment test as of October 1, 2023. This meant that there were no indications of a potential impairment of goodwill, however, should the discount rates rise sharply again, this could lead to impairment losses recognised in profit or loss in future reporting periods.

Recognition of lease assets for sale at calculated residual values

The measurement of lease assets for sale is based on the average sales proceeds per age category realised in the past financial year in relation to the original acquisition cost. Lease assets for sale are measured at historical residual values, taking their actual saleability into account. The residual values recognised as of the reporting date were between 2.3 and 13.6 percent (previous year: between 2.5 and 17.9 percent) of the original acquisition costs. If a sale is considered unlikely due to the condition of the asset, the asset is impaired in profit and loss.

Fair value of financial instruments

The fair values of financial assets and financial liabilities, not derived from information on active markets, are determined using valuation models. The input parameters of these models are based on observable market data, if possible. If this is not possible, determining fair values requires a certain degree of judgement. This judgement relates to input parameters such as liquidity risk, credit risk, and volatility. Changes regarding the assumptions of these input parameters may have an effect on the recognised fair value of financial instruments. If observable prices and parameters are available, they are used to determine the fair value, which avoids the large-scale use of estimates.

Recognition and measurement of deferred taxes on tax-loss carryforwards

Deferred tax assets are recognised for all unused tax-loss carryforwards to the extent to which it is likely that taxable income will be available. This means that the tax-loss carryforwards may, in fact, be used. Determining the amount of the deferred tax assets requires considerable use of judgement on the part of the management with regard to the expected occurrence and level of the future taxable income, as well as to the future tax planning strategies.

Recognition and measurement of actual tax assets and tax liabilities

Due to the complexity of tax legislation, taxpayers and local tax authorities may have varying constructions and interpretations of the tax laws. This can lead to subsequent tax payments for prior financial years. Tax provisions are recognised in the event that the amounts stated in the tax declarations are not likely to be realised (uncertain tax items). The amount is determined from the best estimate of the anticipated tax payment. Tax receivables from uncertain tax items are recognised when probable and when adequately ensured they can be realised. The assumptions are based on the management's assessment of the amount of uncertain tax items.

We refer to the accounting policies described in the notes to the consolidated financial statements as of December 31, 2023.

4. Lease receivables

The following overview shows the development of lease receivables:

EURk	Mar. 31, 2024	Dec. 31, 2023
CHANGES IN LEASE RECEIVABLES FROM CURRENT CONTRACTS		
RECEIVABLES AT BEGINNING OF PERIOD	**5'714'698**	**5'285'022**
+ change during the period	82'884	429'676
LEASE RECEIVABLES (CURRENT + NON-CURRENT) FROM CURRENT CONTRACTS AT END OF PERIOD	**5'797'582**	**5'714'698**
CHANGES IN LEASE RECEIVABLES FROM TERMINATED CONTRACTS / CONTRACTS IN ARREARS		
GROSS RECEIVABLES AT BEGINNING OF PERIOD	**461'962**	**443'506**
+ additions to gross receivables during the period	47'221	115'361
– disposals of gross receivables during the period	20'871	96'905
GROSS RECEIVABLES AT END OF PERIOD	**488'312**	**461'962**
TOTAL GROSS RECEIVABLES (CURRENT AND TERMINATED)	**6'285'894**	**6'176'660**
IMPAIRMENT AT BEGINNING OF PERIOD	**476'806**	**484'584**
+ additions of accumulated impairment during the period	6'842	–7'778
IMPAIRMENT AT END OF PERIOD	**483'648**	**476'806**
Lease receivables (carrying amount, current and non-current) at beginning of period	5'699'854	5'243'944
LEASE RECEIVABLES (CARRYING AMOUNT, CURRENT AND NON-CURRENT) AT END OF PERIOD	**5'802'246**	**5'699'854**

The overview below shows the gross amount of lease receivables and their impairment recognised according to the IFRS 9 impairment level. The GRENKE Group does not have any financial instruments classified as POCI (purchased or originated credit impaired) as defined by IFRS 9:

	Mar. 31, 2024				Dec. 31, 2023
EURk	Level 1	Level 2	Level 3	Total	Total
GROSS LEASE RECEIVABLES					
Germany	1'153'693	56'522	37'080	1'247'295	1'248'638
France	1'188'064	77'990	136'298	1'402'352	1'355'908
Italy	688'174	62'315	147'818	898'307	900'684
Other countries	2'243'927	184'208	309'805	2'737'940	2'671'430
TOTAL GROSS LEASE RECEIVABLES	**5'273'858**	**381'035**	**631'001**	**6'285'894**	**6'176'660**
Impairment	64'544	36'388	382'716	483'648	476'806
CARRYING AMOUNT	**5'209'314**	**344'647**	**248'285**	**5'802'246**	**5'699'854**

Gross lease receivables increased 1.8 percent compared to December 31, 2023 due to the growth in new business. Impairment, on the other hand, increased 1.4 percent compared to December 31, 2023, mainly due to higher Level 3 impairments as a result of the growth in new business. Important to note here is that the GRENKE Group continues to apply a highly conservative approach.

	Mar. 31, 2024				Dec. 31, 2023
EURk	Level 1	Level 2	Level 3	Total	Total
GROSS RECEIVABLES AS OF JAN. 1, 2024	**5'222'096**	**367'149**	**587'415**	**6'176'660**	**5'728'528**
Newly extended or acquired financial assets*	672'245	26'339	364	698'948	2'488'072
Reclassifications					
to Level 1	48'885	–40'940	–7'945	0	0
to Level 2	–106'562	133'217	–26'655	0	0
to Level 3	–59'676	–64'423	124'099	0	0
Change in risk provision due to change in level	–9'655	–19'789	–9'325	–38'769	–124'783
Mutual contract dissolution or payment for financial assets (without derecognition)	–965'088	–56'150	–20'581	–1'041'819	–2'200'443
Change in contractual cash flows due to modification (no derecognition)	0	0	0	0	0
Change in category in processing losses	0	0	–6'764	–6'764	–12'950
Change in models/risk parameters used in ECL calculation	–4	0	0	–4	–3
Derecognition of financial assets	–86	–144	–22'505	–22'735	–97'265
Currency translation and other differences	–13'588	1'801	–1'979	–13'766	4'505
Accrued interest	485'291	33'975	14'877	534'143	390'999
GROSS RECEIVABLES AS OF MAR. 31, 2024	**5'273'858**	**381'035**	**631'001**	**6'285'894**	**6'176'660**

* The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocated at their time of acquisition to Level 1 but were reallocated to another level during the financial year.

The following overview shows changes in the impairment of current and non-current lease receivables:

		Mar. 31, 2024			Dec. 31, 2023
EURk	Level 1	Level 2	Level 3	Total	Total
IMPAIRMENT AS OF JAN. 1, 2024	**70'565**	**44'789**	**361'452**	**476'806**	**484'584**
Newly extended or acquired financial assets*	9'720	4'494	251	14'465	71'470
Reclassifications					
to Level 1	4'407	–3'539	–868	0	0
to Level 2	–2'336	6'398	–4'062	0	0
to Level 3	–1'189	–11'425	12'614	0	0
Change in risk provision due to change in level	–3'542	5'885	21'792	24'135	61'077
Mutual contract dissolution or payment for financial assets (without derecognition)	–15'742	–7'250	–9'195	–32'187	–64'991
Change in contractual cash flows due to modification (no derecognition)	0	0	0	0	0
Change in category in processing losses	0	0	17'535	17'535	1'542
Change in models/risk parameters used in ECL calculation	–2'845	–7'735	73	–10'507	–12'717
Derecognition of financial assets	–1	–53	–18'275	–18'329	–73'928
Currency translation and other differences	–69	1'314	–1'767	–522	193
Accrued interest	5'576	3'510	3'166	12'252	9'576
IMPAIRMENT AS OF MAR. 31, 2024	**64'544**	**36'388**	**382'716**	**483'648**	**476'806**
thereof impairment on non-performing lease receivables	0	0	345'073	345'073	325'316
thereof impairment on performing lease receivables	64'544	36'388	37'643	138'575	151'490

* The values stated in Levels 2 and 3 relate to lease receivables newly extended in the financial year that were allocared at their time of acquisition to Level 1 but reallocated to another level during the financial year.

As a supplement to the cash flow statement, the following shows the cash flows related to lease receivables:

EURk	Q1 2024	Q1 2023
Payments by lessees	626'243	591'963
Interest and similar income from leasing business	–127'634	–104'436
Additions of lease receivables / net investments	–686'293	–627'849
SUBTOTAL	**–187'684**	**–140'322**
Disposals / reclassifications of lease receivables at residual carrying amounts	93'674	69'335
Decrease / increase in other receivables from lessees	–19'508	7'398
Currency translation differences	11'126	3'848
CHANGE IN LEASE RECEIVABLES	**–102'392**	**–59'741**

5. Financial liabilities

The GRENKE Group's financial liabilities consist of the following current and non-current financial liabilities:

EURk	Mar. 31, 2024	Dec. 31, 2023
CURRENT FINANCIAL LIABILITIES		
Asset-backed	359'960	432'085
Senior unsecured	1'049'296	744'434
Committed development loans	18'838	23'474
Liabilities from deposit business	931'989	631'324
Other bank liabilities	330	272
TOTAL CURRENT FINANCIAL LIABILITIES	**2'360'413**	**1'831'589**
NON-CURRENT FINANCIAL LIABILITIES		
Asset-backed	598'601	567'739
Senior unsecured	1'680'159	2'019'594
Committed development loans	10'633	14'229
Liabilities from deposit business	755'843	985'766
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**3'045'236**	**3'587'328**
TOTAL FINANCIAL LIABILITIES	**5'405'649**	**5'418'917**

5.1 Asset-backed financial liabilities

5.1.1 Structured entities

The following consolidated structured entities were in place as of the reporting date: Opusalpha Purchaser II Limited (Helaba), Kebnekaise Funding Limited (SEB AB), CORAL PURCHASING (IRELAND) 2 DAC (DZ Bank), SILVER BIRCH FUNDING DAC (NordLB), FCT "GK"-COMPARTMENT "G2" (Unicredit), Elektra Purchase No 25 DAC, FCT "GK"-COMPARTMENT "G4" (HeLaBa) and FCT "GK"-COMPARTMENT "G5" (DZ Bank). All structured entities have been set up as asset-backed commercial paper (ABCP) programmes.

EURk	Mar. 31, 2024	Dec. 31, 2023
Programme volume in local currency		
EURk	1'089'452	1'089'452
GBPk	286'364	286'364
Programme volume in EURk	1'424'341	1'418'965
Utilisation in EURk	1'083'309	1'057'695
Carrying amount in EURk	927'526	900'898
thereof current	341'372	383'260
thereof non-current	586'154	517'638

5.1.2 Sales of receivables agreements

The following table shows the programme volumes, utilisation, and carrying amounts of sales of receivables agreements:

EURk	Mar. 31, 2024	Dec. 31, 2023
Programme volume in local currency		
EURk	16'500	16'500
GBPk	0	90'000
BRLk	210'000	210'000
Programme volume in EURk	55'366	159'227
Utilisation in EURk	37'359	105'014
Carrying amount in EURk	31'035	98'926
thereof current	18'588	48'825
thereof non-current	12'447	50'101

5.2 Senior unsecured financial liabilities

The following table provides an overview of the carrying amounts of the individual refinancing instruments:

EURk	Mar. 31, 2024	Dec. 31, 2023
Bonds	2'265'839	2'211'718
thereof current	779'206	380'794
thereof non-current	1'486'633	1'830'924
Promissory notes	172'595	166'831
thereof current	10'221	10'781
thereof non-current	162'374	156'050
Commercial paper	70'000	50'000
Revolving credit facility	164'528	266'044
thereof current	133'670	233'452
thereof non-current	30'858	32'592
Money market trading	0	20'000
thereof current	0	20'000
Overdrafts	9'711	12'712
Accrued interest	46'782	36'723

The following table provides an overview of the refinancing volumes of the individual instruments:

EURk	Mar. 31, 2024	Dec. 31, 2023
Bonds EURk	5'000'000	5'000'000
Commercial paper EURk	750'000	750'000
Syndicated revolving credit facility EURk	400'000	400'000
Revolving credit facility EURk	16'600	16'600
Revolving credit facility PLNk	150'000	150'000
Revolving credit facility HUFk	540'000	540'000
Revolving credit facility BRLk	140'000	140'000
Money market trading EURk	40'000	40'000

5.2.1 Bonds

In the first quarter, an existing bond was increased by EUR 50,000k. A total of EUR 0k was repaid as scheduled.

5.2.2 Promissory notes

One new promissory note, with a nominal volume of CHF 10,000k, has been issued so far in the financial year. A total of EUR 0k was repaid as scheduled.

5.2.3 Commercial paper

Five commercial paper issues, with a total volume of EUR 70,000k, have been issued so far in the financial year. A total of EUR 50,000k was repaid as scheduled.

5.3 Committed development loans

The table below shows the carrying amounts of the utilised development loans at different development banks.

EURk	Mar. 31, 2024	Dec. 31, 2023
NRW Bank	12'697	16'753
Thüringer Aufbaubank	2'292	2'597
KfW	14'115	17'895
Landeskreditbank Baden-Württemberg	239	301
Accrued interest	128	157
TOTAL DEVELOPMENT LOANS	**29'471**	**37'703**

5.4 Supplementary disclosures on financial liabilities in the statement of cash flows

As a supplement to the cash flow statement, the following shows the cash flows related to the financial liabilities:

EURk	Q1 2024	Q1 2023
FINANCIAL LIABILITIES		
Additions of liabilities / assumption of new liabilities from refinancing	432'359	394'446
Interest expenses from refinancing	37'208	20'933
Payment / repayment of liabilities to refinancers	–552'498	–368'197
Currency translation differences	–1'137	–1'178
CHANGE IN LIABILITIES FROM REFINANCING	**–84'068**	**46'004**
Additions / repayment of liabilities from deposit business	61'890	270'749
Interest expenses from deposit business	8'852	3'566
CHANGE IN LIABILITIES FROM DEPOSIT BUSINESS	**70'742**	**274'315**
CHANGE IN FINANCIAL LIABILITIES	**–13'326**	**320'319**

6. Equity

GRENKE AG's share capital remained unchanged compared to December 31, 2023 and continues to be divided into 46,495,573 registered shares.

Of this amount, 282,390 shares for a total volume of EUR 6.6 million were acquired in the reporting period within the scope of the share buyback programme announced in November 2023, corresponding to 0.61 percent of the share capital. Further information can be found in the table below. Treasury shares are openly deducted from equity.

	Number of shares acquired	Average price per share in EUR	Total amount of own shares in EURk
Status as of Jan.1, 2024	0	0.00	0
February	104'201	23.55	2'454
March	178'189	23.32	4'156
STATUS AS OF MAR. 31, 2024	**282'390**	**23.41**	**6'610**

7. Disclosures on financial instruments

7.1 Fair value hierarchy

The GRENKE Group uses observable market data to the extent possible to determine the fair value of an asset or a liability. The fair values are assigned to different levels of the valuation hierarchy based on the input parameters used in the valuation methods:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Measurement procedures in which all input factors having a significant effect on the recognition of fair value are directly or indirectly observable in the market

Level 3: Measurement procedures that use input factors that have a significant effect on the fair value recognised and are not based on observable market data

When input factors used to determine the fair value of an asset or a liability may be assigned to different levels of the valuation hierarchy, then the measurement at fair value is completely assigned to that level in the valuation hierarchy which corresponds to the input factor of the highest level that is material for the overall measurement.

The GRENKE Group recognises reclassifications between the different levels of the valuation hierarchy in the reporting period in which the change has occurred. There were no reclassifications between the three levels of the valuation hierarchy in the reporting period.

7.2 Fair value of financial instruments

7.2.1 Fair value of primary financial instruments

The following table presents the carrying amounts and fair values of financial assets and financial liabilities by category of financial instruments that are not measured at fair value. This table does not contain information on the fair value of financial assets and financial liabilities when the carrying amount represents an appropriate approximation to the fair value, which includes the following line items of the statement of financial position: cash and cash equivalents, trade receivables, and trade payables.

All primary financial instruments are assigned to Level 2 of the valuation hierarchy except for exchange-listed bonds that are included in refinancing liabilities and which are assigned to Level 1 of the valuation hierarchy and the other investment that is assigned to Level 3 of the fair value hierarchy. The carrying amount and fair value of the exchange-listed bonds as of the reporting date were EUR 2,265,839k (December 31, 2023: EUR 2,211,718k) and EUR 2,270,501k (December 31, 2023: EUR 2,431,362k), respectively. Primary financial assets are measured in full at amortised cost (AC), with the exception of lease receivables, which are measured in accordance with IFRS 16, and other investments, which are allocated to the FVTOCI measurement category and thus measured at fair value. Financial liabilities are also measured at (amortised) cost.

EURk	Fair value Mar. 31, 2024	Carrying amount Mar. 31, 2024	Fair value Dec. 31, 2023	Carrying amount Dec. 31, 2023
FINANCIAL ASSETS				
Lease receivables	6'275'694	5'802'246	6'161'352	5'699'854
Other financial assets	211'087	206'372	220'265	215'235
thereof receivables from lending business	121'445	116'730	125'404	120'374
FINANCIAL LIABILITIES				
Financial liabilities	5'599'868	5'405'649	5'844'624	5'418'917
thereof refinancing liabilities	3'878'667	3'717'487	4'185'037	3'801'555
thereof liabilities from deposit business	1'720'871	1'687'832	1'659'315	1'617'090

7.2.2 Fair value of derivative financial instruments

At the end of the reporting period, all derivative financial instruments, which include interest rate derivatives (interest rate swaps), forward exchange contracts and cross-currency swaps, are carried at fair value in the GRENKE Group. All derivative financial instruments are assigned to Level 2 of the valuation hierarchy.

EURk	Fair value Mar. 31, 2024	Fair value Dec. 31, 2023
FINANCIAL ASSETS		
DERIVATIVE FINANCIAL INSTRUMENTS WITH HEDGING RELATIONSHIP		
Interest rate derivatives	4'501	6'020
Cross-currency swaps	6'163	5'063
Forward exchange derivatives	8'062	4'381
DERIVATIVE FINANCIAL INSTRUMENTS WITHOUT HEDGING RELATIONSHIP		
Interest rate derivatives	718	823
Forward exchange derivatives	1'705	2'404
TOTAL	21'149	18'691
FINANCIAL LIABILITIES		
DERIVATIVE FINANCIAL INSTRUMENTS WITH HEDGING RELATIONSHIP		
Interest rate derivatives	1'545	3'399
Cross-currency swaps	10'485	8'773
Forward exchange derivatives	3'848	7'002
DERIVATIVE FINANCIAL INSTRUMENTS WITHOUT HEDGING RELATIONSHIP		
Interest rate derivatives	195	312
Forward exchange derivatives	2'470	2'830
TOTAL	18'543	22'316

The GRENKE Group uses OTC derivatives ("over-the-counter"). These are directly concluded with counterparties having at least investment grade status. There are no quoted market prices available for these instruments.

Fair values are determined based on valuation models that include observable input parameters. Forward exchange contracts are measured on the basis of a mark-to-model valuation model. The fair value of interest rate derivatives is determined based on the net present value method. The input parameters applied are derived from market quotes. Interest rates with matching maturities in the traded currencies are used for forward exchange contracts, and interest rates are used for interest rate derivatives. To obtain the fair value of such OTC derivatives, the determined amounts are multiplied with the counterparty's credit default swaps (CDS) with coupons that are observable on the market, or with their own credit risk using what is known as the "add-on method".

7.3 Measurement methods and input factors used

The following table shows the valuation methods applied and the input factors and assumptions used to measure the fair values:

Category and level		Input factors
FAIR VALUE HIERARCHY LEVEL 1		
Listed bonds	n.a.	In active markets quoted market price as of the reporting date
FAIR VALUE HIERARCHY LEVEL 2		
Other financial assets	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the counterparty's credit risk
Financial liabilities (liabilities refinancing of lease receivables, promissory notes and bank liabilities)	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the own credit risk (debt value adjustment – DVA)
Forward currency contracts / Cross-Currency-Swaps	Mark-to-model Present value of estimated future cash flows	Available interest rates at the end of the term in the traded currencies using the own counterparty risk (DVA) or the counterparty's credit risk (credit value adjustment – CVA) derived from available credit default swap (CDS) quotes
Interest rate derivatives	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the own counterparty risk (DVA) or the counterparty's credit risk (CVA) derived from available CDS quotes
FAIR VALUE HIERARCHY LEVEL 3		
Other investments (investment in Finanzchef24 GmbH)	Discounted cash flow model Present value of estimated future cash flows	Business plan of Finanzchef24 GmbH to determine future cash flows; sustainable growth rate of future cash flows; parameters to determine the discount rate (in particular, risk-free interest rate, market risk premium, beta factor, adjustment factors)

8. Revenue from contracts with customers

The following table shows the revenue from contracts with customers (IFRS 15):

EURk	Segment	Q1 2024	Q1 2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)			
Gross revenue from service and protection business (service business)	Leasing	36'353	32'915
Service fee for making lease assets available for use	Leasing	2'405	2'220
Revenue from reminder fees	Leasing	407	363
Revenue from reminder fees	Factoring	4	4
Other revenue from lessees	Leasing	233	236
Disposal of lease assets	Leasing	47'151	49'096
Commission income from banking business	Bank	166	200
TOTAL		**86'719**	**85'034**

9. Income and other revenue

The following shows the revenue from contracts with customers (IFRS 15) and other revenue (IFRS 9, IFRS 16):

EURk	Q1 2024	Q1 2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)	**86'719**	**85'034**
OTHER REVENUE (IFRS 9, IFRS 16)		
Interest and similar income from financing business	132'138	108'501
Revenue from operating leases	5'938	6'464
Portions of revenue from lease down payments	2'895	3'254
TOTAL	**227'690**	**203'253**

10. Income taxes

The main components of the income tax expense for the consolidated income statement are the following:

EURk	Q1 2024	Q1 2023
Current taxes	6'561	4'610
Corporate and trade taxes (Germany)	750	32
International income taxes	5'811	4'578
Deferred taxes	–1'452	2
Germany	–3'605	4'112
International	2'153	–4'110
TOTAL	**5'109**	**4'612**

11. Group segment reporting

EURk	Leasing segment		Banking segment		Factoring segment		Consolidation & Other		Consolidated Group	
January to March*	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
OPERATING INCOME										
External operating income	102'199	100'292	1'923	–3'084	2'041	2'415	0	0	106'163	99'623
Internal operating income	–5'613	–9'540	6'189	10'275	–576	–735	0	0	0	0
TOTAL OPERATING INCOME	**96'586**	**90'752**	**8'112**	**7'191**	**1'465**	**1'680**	**0**	**0**	**106'163**	**99'623**
thereof non-cash items	8'490	4'634	–1'015	445	–392	–80	0	0	7'083	4'999
NON-INTEREST EXPENSES										
Staff costs	–42'940	–37'863	–2'242	–1'884	–1'614	–1'542	0	0	–46'796	–41'289
Depreciation / Amortisation and impairment	–6'005	–6'615	–273	–147	–181	–162	206	111	–6'253	–6'813
Selling and administrative expenses	–22'181	–21'577	–1'882	–2'360	–840	–776	762	798	–24'141	–23'915
Other operating income (+) and expenses (–)	–3'190	–1'491	–99	–1'288	155	–29	–941	–972	–4'075	–3'780
SEGMENT RESULT	**22'270**	**23'206**	**3'616**	**1'512**	**–1'015**	**–829**	**27**	**–63**	**24'898**	**23'826**
Result from companies accounted for using the equity method	–101	0	0	0	0	0	0	0	–101	0
Other financial result							119	–3'355	119	–3'355
GROUP EARNINGS BEFORE TAXES	**22'169**	**23'206**	**3'616**	**1'512**	**–1'015**	**–829**	**146**	**–3'418**	**24'916**	**20'471**
AS OF MARCH 31 (DECEMBER 31, 2023)										
SEGMENT ASSETS	**6'576'777**	**6'515'993**	**2'132'227**	**2'074'496**	**104'382**	**108'859**	**–1'694'191**	**–1'650'129**	**7'119'195**	**7'049'219**
thereof investments accounted for using the equity method	2'805	2'906	0	0	0	0	0	0	2'805	2'906
SEGMENT LIABILITIES	**5'406'377**	**5'344'093**	**1'829'773**	**1'780'805**	**108'396**	**111'124**	**–1'605'592**	**–1'567'294**	**5'738'954**	**5'668'728**

* Income amounts are shown as positive numbers and expenses as negative numbers.

11.1 Business segments

GRENKE Group's reporting on the development of its segments is aligned with the prevailing organisational structure within the GRENKE Group ("management approach"). Thus, operating segments are divided into Leasing, Banking, and Factoring based on the management of the Company's segments, which enables the key decision-maker, the Board of Directors of GRENKE AG, to assess the performance of the segments and make decisions about the allocation of resources to the segments. A regional breakdown of the business activities is provided annually in the GRENKE Group's consolidated financial statements of the respective financial year. Separate financial information is available for the three operating segments.

Intrasegment transactions are eliminated within the segment reporting in the column "Consolidation and other".

11.2 Reportable segments

11.2.1 Leasing

The Leasing segment contains all of the activities that are related to the Consolidated Group's business as a lessor. The services offered consist of the provision of financing to commercial lessees, rental, service, protection and maintenance offerings, and the disposal of used equipment.

The GRENKE Group specialises mainly in small-ticket leasing, where the ticket size is less than EUR 50k. In addition to IT products such as PCs, notebooks, servers, monitors and other peripherals, our leasing portfolio includes other office communication products such as telecommunications and photocopy equipment, medical equipment, small machinery and other equipment, security equipment, and green economy objects such as wallboxes, photovoltaic systems and eBikes. Almost all of the lease contracts are concluded as full payout leases.

11.2.2 Banking

The Banking segment comprises the activities of GRENKE BANK AG (GRENKE Bank) as a financing partner, particularly to small and medium-sized companies (SMEs). In the context of cooperating with a variety of federal government and state development banks, GRENKE Bank offers business start-up financing. In addition, GRENKE Bank provides development loans to SMEs and self-employed professionals who want to finance new business purchases through lease financing. GRENKE Bank also offers investment products, such as fixed deposit products to private and business customers via its website. The bank's business is focused primarily on German customers. In addition to business with external customers, GRENKE Bank's activities also include the internal refinancing of the GRENKE Group's Leasing and Factoring segments through the purchase of receivables and the issuance of loans.

11.2.3 Factoring

In the Factoring segment, GRENKE offers traditional factoring services with a focus on small-ticket factoring. Within non-recourse factoring, the segment offers both notification factoring, where the debtor is notified of the assignment of receivables, and non-notification factoring, where the debtor is not notified accordingly. In addition, the segment also offers receivables management without a financing function (non-recourse factoring); where the customer continues to bear the credit risk. Internal operating income results largely from internal refinancing.

GRENKE intends to sell the factoring companies and, in relation to this, is reviewing the composition of the segments.

11.3 Segment data

The accounting policies employed to gather segment information are the same as those used for the interim consolidated financial statements. Intragroup transactions are performed at standard market prices.

The Board of Directors of GRENKE AG is the responsible body for assessing the performance of the GRENKE Group. In addition to the growth of new business in the Leasing segment (total acquisition costs of newly acquired leased assets), the Board of Directors has determined the deposit volume for GRENKE Bank and the gross margin for the Factoring segment as key performance indicators. The performance indicators of the segments are presented in the interim group management report. Other measures include operating segment income, non-interest expenses, segment result before other financial result, as well as staff costs, selling and administrative expenses, and depreciation and amortisation. Other financial result and tax expense/income are the main components of the consolidated statement of income that are not included in the individual segment information.

The segment income of the individual segments is composed as follows:

- Leasing — Net interest income after settlement of claims and risk provision, profit from service business, profit from new business and gains/losses from disposals
- Banking — Net interest income after settlement of claims and risk provision
- Factoring — Net interest income after settlement of claims and risk provision

The non-cash items represent impairment losses.

The segment assets include the assets required for operations. Segment liabilities correspond to liabilities attributable to the respective segment.

Segment assets and liabilities do not take into account tax positions.

12. Changes in the scope of consolidation in the 2024 financial year

In the first quarter of the 2024 financial year, there were no changes to the scope of consolidation.

13. Payments to hybrid capital holders

On March 28, 2024, GRENKE AG made a scheduled coupon payment of EUR 14,989k (March 30, 2023: EUR 12,946k) to the hybrid capital holders.

14. Related party disclosures

The Supervisory Board of GRENKE AG concluded a phantom stock agreement with all members of the Board of Directors in office. Payments under these agreements during the financial year to date amounted to EUR 271k (March 31, 2023: EUR 0k).

As of March 31, 2024, the value of all existing phantom stock agreements amounted to EUR 0k (December 31, 2023: EUR 271k). This amount is recognised under staff costs in the consolidated income statement and is included under variable remuneration components.

Transactions with associated companies and subsidiaries

Transactions of GRENKE AG with its subsidiaries are related party transactions. In the event that the transaction is eliminated in consolidation, no disclosure is required. Transactions of the GRENKE Group with associated companies are to be disclosed as related party transactions.

Expenses of EUR 11k (Q1 2023: EUR 0k) were incurred with associates from commission payments.

There were no reportable transactions with subsidiaries as of March 31, 2024 or December 31, 2023.

Transactions with persons in key positions

Persons in key positions are individuals who have direct or indirect authority and responsibility for planning, managing, or overseeing the activities of the GRENKE Group. Persons in key positions are exclusively members of the Board of Directors and Supervisory Board of GRENKE AG who were active in the financial year, as well as related parties such as family members.

As of the March 31, 2024 reporting date, GRENKE BANK AG had deposits and current account balances of EUR 133k (December 31, 2023: EUR 130k) from key management personnel and related parties. The related interest expense totalled EUR 3k (Q1 2023: EUR 0k).

Transactions with other related parties

Other related parties include subsidiaries and joint ventures of persons in key positions or persons related to this group of persons. Other related parties include persons who have been declared as related parties in accordance with IAS 24.10 due to the economic substance of the relationship.

There are current accounts with other related parties. Credit lines for current accounts were utilised in the amount of EUR 837k (December 31, 2023: EUR 830k) with a current account credit limit of EUR 840k (December 31, 2023: EUR 840k). This resulted in interest income of EUR 8k (Q1 2023: EUR 8k). Income from other related parties in the amount of EUR 1k (Q1 2023: EUR 1k) resulted from lease agreements and employee loans. Receivables from other related parties also existed and resulted mainly from collateral payments to other related parties in the amount of EUR 3,986k as of March 31, 2024 (December 31, 2023: EUR 3,986k).

15. Contingent liabilities

There were no material changes to contingent liabilities as of the reporting date compared to the level as of December 31, 2023.

16. Employees

In the interim reporting period, the GRENKE Group's headcount (excluding the Board of Directors) averaged 2,254 (Q1 2023: 2,075). A further 72 (Q1 2023: 52) are in training.

17. Subsequent events

On April 30, 2024, we held our Annual General Meeting. The shareholders resolved to distribute a dividend of EUR 0.47 per share (previous year: EUR 0.45), which corresponds to a distribution of EUR 21.6 million. The distribution was based on the share capital entitled to dividends at the time of the Annual General Meeting, taking into account the treasury shares already acquired. Due to the Annual General Meeting, the share buyback programme was paused from April 22, 2024 to May 3, 2024 and resumed on May 6, 2024. The shareholders approved all other items on the agenda by a large majority. Dr Ljiljana Mitic was re-elected as a member of the Supervisory Board for a five-year term of office. Manfred Piontke was elected to the Supervisory Board for a three-year term. In its subsequent meeting, the Supervisory Board elected Moritz Grenke as Deputy Chair of the Supervisory Board.

From the reporting date until April 19, 2024, a total of 196,307 shares with a volume of EUR 4.5 million were acquired as part of the share buyback programme. The average price per share for these purchases totalled EUR 22.97.

There were no other significant events after the reporting date.

Review Report

To GRENKE AG, Baden-Baden

We have reviewed the condensed interim consolidated financial statements comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes, as well as the interim group management report of GRENKE AG, Baden-Baden, for the period from January 1, 2024 to March 31, 2024, which are part of the quarterly financial report pursuant to Section 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report of the audit review of the condensed interim consolidated financial statements and interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany [IDW]) and additionally in compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation and with moderate assurance that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable from a financial statement audit. As in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that would cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Frankfurt am Main, May 14, 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Grunwald	Schölch
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Calendar of events

July 3, 2024 // New business figures Q2 2024

August 8, 2024 // Financial Report Q2 and Q1 – Q2 2024

October 2, 2024 // New business figures Q3 2024

November 14, 2024 // Quarterly statement Q3 and Q1 – Q3 2024

Imprint

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Disclaimer

Figures in this quarterly statement are usually presented in EURk and EUR millions. Rounding differences may occur in individual figures compared to the actual EUR amounts. Such differences are not significant in character due to their nature.

This financial report is published in both German and English. The German version is the authoritative version.

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